

THE DEL MONTE FOREST AREA LAND USE PLAN
AGREEMENT
BETWEEN
PEBBLE BEACH COMPANY
AND
THE MONTEREY COUNTY BOARD OF SUPERVISORS

JULY 24, 1984



AGREEMENT

This Agreement is made and entered into as of the 24th day of July, 1984 by and between PEBBLE BEACH COMPANY, a California General Partnership (the "Company") and the MONTEREY COUNTY BOARD OF SUPERVISORS on behalf of the County of Monterey, a political subdivision of the State of California (the "Board of Supervisors" or "County") with reference to the following facts and circumstances:

1. On July 17, 1984, the Board of Supervisors adopted the Del Monte Forest Area Land Use Plan (the "LUP"), as a part of the Monterey County Local Coastal Program under the provisions of the California Coastal Act of 1976. The LUP was adopted in a form that will accomplish certification of the LUP by the California Coastal Commission.

2. The Company owns substantial property and facilities in Del Monte Forest, including:

- (a) The majority of the undeveloped land in Del Monte Forest.
- (b) Land currently committed to open space and recreational use in Del Monte Forest.
- (c) Commercial facilities including the Lodge at Pebble Beach with its associated retail shops and services, the Pebble Beach Beach and Tennis Club, and Pebble Beach Golf Links and Spyglass Hill Golf Course with associated golf shops and services.
- (d) The road system of Del Monte Forest with supervised gate entrances.

3. The LUP establishes the plan for the land use and future development of Del Monte Forest consistent with the desires of the County and the requirements imposed by the California Coastal Commission.

4. Del Monte Forest is a unique environment with its natural resource, open space and environmental qualities, its recreational opportunities and values, and the quality of life provided for its residents and property owners. This unique environment is largely attributable to the high standards established and enforced by the Company for development, preservation and maintenance of open space, recreational facilities, commercial enterprises and services.

5. The LUP seeks to maintain and enhance the unique environment of Del Monte Forest within its policies for land use and development. The Company desires to provide its assurance that, in carrying out the LUP insofar as its policies affect the Company or the Company's property, the Company will also seek to maintain and enhance the unique environment of Del Monte Forest for residents, property owners and visitors.

NOW, THEREFORE, it is agreed that:

I. DEVELOPMENT STANDARDS:

To insure that residential construction continues to be compatible with the environment of Del Monte Forest, the Company will continue in force the membership, procedures and standards of the Del Monte Forest Architectural Control Board ("ACB"). The ACB was established by the Company to serve as the Board from which approval must be sought by property owners for the design of residences in compliance with applicable deed restrictions. It is acknowledged, that architectural review and approval by the ACB (1) does not supercede or supplant any architectural review and approval required by the County under its ordinances and regulations and (2) is not required for development designed by the Company (but the Company shall consult with the ACB prior to submission to the County). However, any project on property sold by the Company that does not utilize Company developed and approved plans shall be subject to ACB approval. The ACB has adopted standards and procedures for residential building construction and landscaping in Del Monte Forest. The ACB is composed of four voting members (one resident of Del Monte Forest appointed by DMFPO; one resident of Del Monte Forest appointed by the Company; and two Company representatives appointed by the Company) and up to three nonvoting members (an independent architect consultant, an independent landscape consultant, and an ACB inspector employed by the Company). The Company in its discretion may appoint up to one additional resident of Del Monte Forest as a voting member or an alternate. The ACB will continue to maintain a fund derived from ACB application fees to cover the cost of independent architectural evaluation. The ACB will review the existing ACB standards and procedures for residential building construction and landscaping in Del Monte Forest and adopt standards and procedures consistent with this Agreement and the LUP.

The number and qualifications of the members of the ACB may be changed by agreement between the Company and the Del Monte Forest Property Owners, a nonprofit corporation ("DMFPO") without further action by the County.

The Company will apply for zoning that requires site and architectural design review for all projects.

II. OPEN SPACE DEDICATION AND MANAGEMENT:

The Company endorses and will support the Management Plan for Del Monte Forest Open Space Property ("OSAC Plan") prepared by the Del Monte Forest Open Space Advisory Committee ("OSAC") and adopted as a part of the LUP. The Company will convey or cause to be conveyed to the Del Monte Forest Foundation, Inc. ("the Foundation") the open space property required to be conveyed under the LUP and OSAC Plan at the times and in the manner and upon the terms and conditions set forth in the LUP and OSAC Plan, and such other property as may be offered by the Company and accepted by the Foundation. The Company will further carry out all of its obligations for maintenance and management of open space property at the times and in the manner and upon the terms and conditions specified in the LUP and the OSAC Plan. Open space property currently owned or controlled by the Foundation but maintained by the Company shall continue to be maintained by the Company in accordance with the understandings or agreements between the Company and the Foundation. Specifically, the Company has the sole responsibility to maintain the areas owned or controlled by the Foundation impacted by tourist traffic along 17-Mile Drive. The Company will negotiate in good faith with the Foundation to update to the extent necessary any existing agreements between the Company and the Foundation consistent with the LUP, the OSAC Plan and this Agreement, including continued assistance to the Foundation in carrying out its purposes and policies.

III. MAINTENANCE OF THE ROAD SYSTEM:

The Company will retain the road system of Del Monte Forest as a private road system owned and operated by the Company. The Company will maintain the gate entrances to the road system with twenty-four hour staffing or a comparable level of security. The Company will further maintain and repair the road system in accordance with the standards set forth in Exhibit "A". When road work in any given year is necessary to comply with the standards set forth in Exhibit "A", it shall be scheduled as part of the Company's annual road maintenance program for that year, and shall be initiated and completed in that year unless circumstances beyond the control of the Company prevent its completion; provided, however, that where such standards require road work to be done

sooner to ensure safety and satisfactory riding quality, it shall be promptly scheduled and initiated and completed as expeditiously as possible.

The County agrees that the Company will be permitted to charge the fees at the level specified in the LUP for the use of roads in Del Monte Forest.

IV. PUBLIC ACCESS:

Where required by the LUP or by agreement of the Company, the Company will designate, convey, improve, manage and maintain the areas identified for public access in the LUP at the times and in the manner and upon the terms and conditions specified in the LUP, the Site Specific Shoreline Public Access Design Criteria of the LUP and the OSAC Plan. The Company will enforce all applicable limitations and restrictions on public access in such areas, except where the appropriate actions to enforce them are not within the authority of the Company, in which case the Company will contact the agency with the authority to enforce such limitations and restrictions. The Company will continue to perform the management, maintenance and enforcement in such public access areas unless and until responsibility therefor is assumed by another entity or public agency acceptable to the County and the Foundation with adequate funding to continuously perform such functions. In the event of a transfer of any such functions, the Company will transfer to the Foundation those functions that the Foundation is willing and able to assume.

V. OTHER MAINTENANCE ACTIVITIES:

The Company will continue to perform those aspects of maintenance of the land owned, managed or maintained by the Company in Del Monte Forest that the Company currently performs, including but not limited to storm drainage maintenance, trash and litter pickup, forest, open space and trail maintenance and removal of non-native invasive species. The Company will also maintain the trails and bridle paths in Del Monte Forest in accordance with the LUP and standards required by the County, and will perform general clean-up of the former Gun Club area within a reasonable time. The Company will make staffing or other adjustments to ensure that the current standards of maintenance will be maintained as the number of residents and visitors increases as a result of development under the LUP. The Company will continue to perform such functions on land owned, managed or maintained by the Company unless and until responsibility therefor is assumed by another entity or public agency acceptable to the

County and DMFPO with adequate funding to continuously perform the functions assumed. In the event of a transfer of any such functions, the Company will transfer to the Foundation those functions that the Foundation is willing and able to assume.

VI. SECURITY:

The Company will continue to maintain a security force of substantially the same size and number (approximately 42 full time positions) whose purpose and function is to administer the gate entrances, patrol the Company's property, and generally render information and assistance to residents, property owners and visitors. The Company will make staffing or other adjustments to ensure that these security functions will be carried out at or above their current levels as the number of residents and visitors increases as a result of development under the LUP. The security force does not and will not have any authority or responsibility to enforce applicable laws. The Monterey County Sheriff's Department has the sole responsibility and authority to enforce applicable laws in Del Monte Forest, and nothing herein shall constitute or be construed as an undertaking by the Company to prevent or protect against injury to persons, damage to private property, or any unlawful or criminal conduct or activity.

The Company will continue to maintain the security force for the purposes stated herein unless and until its functions are assumed by another entity or public agency acceptable to the County and DMFPO with adequate funding to continuously perform the same functions.

VII. OPERATION OF COMMERCIAL FACILITIES:

The Company will operate all of its commercial facilities in Del Monte Forest as first class resort, retail and recreational facilities, respectively, in a manner consistent with the high standards presently existing at the Company's facilities. The Company agrees that the Spanish Bay Resort Complex will be built and operated as a first class luxury resort comparable to major destination resorts of this type throughout the world, such as Little Dicks Bay in Virgin Gorda, Mauna Kea in Hawaii and Salishan in Oregon as they are currently operated.

VIII. COMMUNITY ADVISORY BOARD:

The Company will establish a Community Advisory Board of residents of the Monterey Peninsula to consult with and advise the Company on matters of policy affecting Del Monte Forest. The Board will be composed of one representative of the

DMFPO Board of Directors, one member of the Foundation's Board of Directors, one member of the Pebble Beach Community Services Board of Directors, and two residents of the Monterey Peninsula area appointed by the Company. The Community Advisory Board will meet with the President of the Company not less than two times each year to discuss matters of policy. The Community Advisory Board's functions shall be of a purely advisory nature.

The number and qualifications of members of the Community Advisory Board may be changed by agreement between the Company and DMFPO without further action by the County.

IX. CONSULTATION WITH DEL MONTE FOREST PROPERTY OWNERS:

The Company shall meet with the DMFPO, at all reasonable times and places upon the request of DMFPO, to discuss any aspect of the LUP, this Agreement and/or its enforcement. Before the end of each calendar year, the Company will meet with the Board of Directors of DMFPO to discuss with DMFPO the Company's plans for the succeeding calendar year or years on the subjects of road system maintenance, repairs and improvements, the number, type and scheduling of special events (including related traffic controls), and the security system. The Company will further negotiate in good faith with DMFPO to update the Agreement and Option Agreement dated October 7, 1976 between Del Monte Properties Company and Del Monte Forest Homeowners Association consistent with the LUP and this Agreement.

X. BEACH CLUB AND EQUESTRIAN CENTER:

The Company agrees that the Beach and Tennis Club facilities will continue to be operated, in addition to their function as an adjunct of The Lodge at Pebble Beach, in the same general manner as a private membership club subject to the control of the Company for as long as the Beach and Tennis Club facilities are owned by the Company. In the event of a transfer of ownership of the Beach and Tennis Club property, the Beach and Tennis Club facilities shall continue to be operated in the same general manner as a private membership club subject to the control of the owner for a period of five years from the date of transfer, or ten years from the date of this Agreement, whichever is longer. For as long as the Beach and Tennis Club facilities are operated as a private membership club, notwithstanding any changes in ownership, the membership of members existing on the date of transfer shall continue in force without any requirement of

payment of a new fee for initiation or membership. The Company will formulate to the members rules and regulations (referred to for convenience only as "Bylaws") for the operation of the Beach and Tennis Club, and will disseminate them for review by the members prior to promulgation by the Company. The Company further agrees that the Equestrian Center and Collins Field will continue to be maintained and operated in the same general manner for a period of not less than ten years.

It is not the intent or effect of this Paragraph to limit or reduce the nature and extent of any of the Company's obligations to maintain and operate the Beach and Tennis Club if and to the extent any such obligations exist.

XL RELATIONSHIP OF OBLIGATIONS TO LUP:

This Agreement and the obligations of the Company hereunder are premised upon the assumption of implementation of the LUP in the form and substance adopted by the Board of Supervisors on July 17, 1984. All references in this Agreement to the "LUP" refer to the LUP in the form and substance adopted by the Board of Supervisors on July 17, 1984. The effectiveness of this Agreement is conditional upon the effective certification by the California Coastal Commission of the LUP in the form and substance adopted by the Board of Supervisors on July 17, 1984. The Company's obligations under this Agreement shall remain in effect from and after the date of such adoption and certification; provided, however, that if within a period of ten (10) years from the date of this Agreement the LUP is amended in a manner that would have the effect of (a) prohibiting or precluding the development and use of the Company's property designated for commercial and residential use at the locations and at substantially the same densities now specified in the LUP; or (b) substantially increasing the obligations of the Company to provide or pay for roads, streets and other utilities, services or public improvements beyond the obligations now required in the LUP, by this Agreement or by applicable County standards, the Company may terminate this Agreement if such amendment was not initiated or supported in writing by the Company.

XII PARTIES TO ACT IN GOOD FAITH:

In consideration of the Company's agreements herein, the County agrees that the County will at all times act in good faith in implementing the LUP. The Company similarly agrees that it will act in good faith in carrying out the LUP.

XIII MAINTENANCE FUND:

The Company will establish a fund, to be generated by a portion of the proceeds of sales of residential lots created on property owned by the Company after the date of

adoption of the LUP (excluding the Spanish Bay Resort Condominiums). The purpose of the fund will be to secure performance of road maintenance, open space maintenance, public access areas maintenance, security force functions and other responsibilities of the Company under this Agreement should the Company default in its obligations under this Agreement. The fund shall be deposited with an independent financial institution with assets of at least \$100,000,000. The trustee of the fund shall be the Foundation or, in the event the Foundation is unwilling or unable to act, an independent party appointed by the Board of Supervisors.

There shall be deposited in such fund, from the proceeds of the sale to the first purchaser for residential use of each residential lot created on land owned by the Company after the date of adoption of the LUP, the sum of \$4,000 from each residential lot sale occurring within ten (10) years of the date of this Agreement, and \$4,500 from each residential lot sale occurring after ten (10) years from the date of this Agreement. The obligation to pay such amount shall be the obligation of the subdivider and/or seller of the residential lot, and shall be paid from the escrow established for the sale. The obligation to pay such amount shall constitute a lien upon each such residential lot which shall attach and be recorded as a condition of and concurrently with the recording of the final subdivision map. No transfer of any such residential lot shall occur unless and until the amount is paid and the lien is discharged. It is the intent of this Paragraph that the obligation to pay the amounts shall be paid as and when the residential lots or units are sold for actual residential use, and the obligation does not apply to any sales of land or residential lots or units by the Company or any successor prior to sales to individual purchasers for actual residential use.

The money in the fund shall be invested by the trustee in a prudent manner that provides for a reasonable return on investment while assuring the preservation of principal. The annual income of the fund shall be retained in the fund.

In the event that the Company defaults in the performance of any of its above-described obligations, the trustee shall distribute from the fund such amounts as are necessary to cure the default and properly perform the obligation. A "default" shall not occur unless (a) the trustee and the Board of Supervisors agree in writing that the Company has failed to perform its obligations in one or more respects; (b) the trustee and the Board of Supervisors provide written notice to the Company of the existence and

nature of the failure of performance; and (c) within thirty (30) days after receipt of such notice, the Company fails to commence to cure the default by performing the obligation.

In the event of a default, it is the intent of the parties that said fund shall be used only as a last resort and not in lieu of profits derived from the commercial property described in Exhibit "B" as determined by the Trustee.

Once the fund reaches a level sufficient to guarantee performance of this Agreement for three (3) years, or \$5,000,000 adjusted by the percentage of increase in the Consumer Price Index from the date of this Agreement, additional monies within the fund may be utilized to purchase open space or develop and improve public oriented trails and other recreational facilities within Del Monte Forest.

XIV. ATTORNEY'S FEES:

In any legal action arising out of, resulting from, or brought to enforce or interpret any or all of the provisions of this Agreement, the prevailing party shall be entitled to recover all its costs of such action, including reasonable attorney's fees, in addition to any relief to which that party may be entitled.

XV. AMENDMENTS:

This Agreement may only be amended by the Company and the County in writing with the prior written consent of DMFPO and the Foundation.

XVI. SEVERABILITY:

If any provision of this Agreement is determined to be void, illegal, or unenforceable, the remainder of the Agreement shall be construed as though the void, illegal, or unenforceable provision did not exist or was not a part of this Agreement.

XVII. BINDING ON SUCCESSORS:

This Agreement and the rights and obligations of the parties hereunder shall inure to the benefit of and be binding upon the County, the Company, and the successors and assigns of the Company. The obligations of the Company shall burden the Company's commercial property in Del Monte Forest listed in Exhibit "B", and are expressly for the benefit of the property described in Exhibit "C" subject to the limitations on enforcement set forth in Paragraph XVIII below. The obligations of the Company hereunder shall constitute covenants running with the land, and shall bind all successive owners, of the Company's commercial property listed in Exhibit "B" for the benefit of the property described in Exhibit "C". Upon a transfer of any of the Company's commercial property

listed in Exhibit "B", the Company will require the transferee to assume, and the transferee shall assume, the obligations of the Company hereunder and such obligations shall be joint and several obligations of all of the owners of commercial property listed in Exhibit "B". Subject to the foregoing provisions, this Agreement may be assigned in whole or in part by the Company, and upon any such assignment the responsibilities and obligations of the Company shall be transferred to the assignee. The Company shall be relieved of all of its obligations under this Agreement when it ceases to own property in Del Monte Forest. This Agreement shall be recorded and there shall be attached as Exhibit "D" the legal description of all property listed in Exhibit "B" and "C".

XVIII. ENFORCEMENT:

The obligations of the Company under this Agreement shall be for the benefit of, and are enforceable by, the County, DMFPO, the Foundation and their respective successors and assigns. The obligations of the Company contained in this Agreement are further for the benefit of all owners of property in Del Monte Forest but, as an express condition of and consideration for conferring such benefit, the obligations of the Company contained in this Agreement shall be enforceable by such owners of property only by and through the County. No owner of property within Del Monte Forest (other than the County, DMFPO, the Foundation and their respective successors and assigns) shall individually have the right to bring an action to enforce the obligations of the Company hereunder.

Any owner of property in Del Monte Forest who believes that the Company is not performing its obligations hereunder may convey a complaint in writing to the County. The County may in its discretion conduct a public hearing on the matter of whether the Company is performing its obligations and what, if any, action should be taken to enforce this Agreement. The County shall have the right to enforce this Agreement on its own behalf or on behalf of such owners, but the County shall not have any obligation, and nothing in this Agreement shall be construed as creating any obligation, to enforce this Agreement on behalf of such owners.

DMFPO and the Foundation similarly shall have the right to enforce the obligations of the Company under this Agreement, but neither shall have any obligation, and nothing in this Agreement shall be construed as creating any obligation, to enforce the obligations of the Company on its own behalf or on behalf or for the benefit of any person.

It is acknowledged that, in entering into this Agreement, the parties are relying only on the Company, its successors and assigns and its assets for the performance of this Agreement, and not on the assets of any of the general partners of the Company. Consequently, any action to enforce this Agreement shall be limited to an action against the Company, its successors and assigns and the enforcement and/or satisfaction of any judgment against the Company, its successors and assigns shall be limited to the Company, its successors and assigns and their assets, including but not limited to properties listed in Exhibit "B". No action shall be brought against any general partner of the Company to enforce this Agreement, and no judgment against the Company shall be enforced against or satisfied from the assets of any general partner unless such general partner is a successor or assign of the Company. The obligations of any successor or assign for performance of this Agreement shall exist only during such time as such successor or assign owns any of the assets listed in Exhibit "B". A residential lot owner using a residential lot for residential purposes shall not in any respect be deemed a successor or assign of the Company and shall not in any event be liable for performance of any of the Company's obligations under this Agreement.

In any action brought to enforce the Company's obligations under this Agreement, it is recognized that money damages are inadequate and that, therefore, this Agreement may be enforced by any appropriate remedy at law or in equity, including specific performance or injunctive relief. Notwithstanding any provisions above, an action initiated to obtain specific performance or injunctive relief against the Company partnership may name the general partners as parties if the joining of the general partners as parties is necessary under law to obtain such relief against the partnership. Only the assets of the Company, however, shall be used to satisfy any such judgment. This Agreement shall be governed by the laws of the State of California. Venue for any action brought to enforce this Agreement shall be in the County of Monterey.

XIX. INDEMNIFICATION:

The Company agrees to defend, indemnify and hold the County harmless in any action brought by any third party in which the alleged basis for liability on the part of the County is the failure of the County to take action to enforce the obligations of the Company under this Agreement.


XX. INTENT AND EFFECT OF AGREEMENT:

It is the intent of this Agreement to ensure that the infrastructure and services of Del Monte Forest will continue to be properly maintained at the same level as in the past while the spirit and intent of the LUP are carried out. It is not the intent or effect of this Agreement to limit or reduce the nature and extent of any of the Company's responsibilities to maintain the infrastructure. This Agreement is not intended to and does not have the effect of limiting or restricting any rights or claims that residents and property owners of Del Monte Forest, DMFPO, the Foundation and members of the Beach and Tennis Club may have under law against the Company.

IN WITNESS WHEREOF, this Agreement is executed as of the day and year first above written.

**PEBBLE BEACH COMPANY
a California General Partnership**

By 
THOMAS J. KLUTZNICK


WITNESS

MONTEREY COUNTY BOARD OF SUPERVISORS


By 

EXHIBIT "A"

ROAD MAINTENANCE DEFINED

Maintenance Defined

Road Maintenance is the preservation, upkeep, and restoration of the roadway and appurtenant facilities as nearly as possible in the condition to which they have been constructed. Maintenance also includes the operation of road facilities and services to provide satisfactory and safe road transportation.

The legal definition of Maintenance as contained in Section 27 of the Streets and Highways Code includes the following:

"(a) The preservation and keeping of rights-of-way, and each type of roadway, structure, safety convenience or device, planting, illumination equipment and other facility, in the safe and usable condition to which it has been improved or constructed, but does not include reconstruction or other improvement.

"(b) Operation of special safety conveniences and devices, and illuminating equipment.

"(c) The special or emergency maintenance or repair necessitated by accidents or by storms, or other weather conditions, slides, settlements or other unusual or unexpected damage to a roadway, structure or facility.

"The degree and type of maintenance for each highway, or portion thereof, shall be determined in the discretion of the authorities charged with the maintenance thereof, taking into consideration traffic requirements and moneys available therefor."

The Maintenance Levels provide a definite criteria for maintenance work by defining the way a highway should look or serve as a result of maintenance effort.

Maintenance Levels

A flexible roadbed is a roadbed surfaced with asphaltic concrete, or a portland cement concrete pavement with a 2 (two) inch or more asphaltic concrete surfacing overlay. Oiled earth, gravel, and earth surfaces are also included under flexible roadbed.

The roadbed is that portion of the roadway, including ramps and road approaches, that extends from curb line to curb line or shoulder line to shoulder line, including dikes.

The general objectives of roadbed maintenance are to provide safety, to preserve the capital investment, and to maintain a riding quality satisfactory to the traveling

public. Maintenance of the roadbed covers the restoration and repair of both surface and underlying layers.

Typical items to be considered in roadbed maintenance are slippery pavement, cracking, raveling, corrugations, loss of lateral support from edge of pavement, wheel grooving, potholes, settlement, heave or distortion, bridge approach settlement, base failure, drip track checking and abrupt vertical surface differential.

LEVELS

Roadbed deficiencies which immediately affect safety, riding quality, and capital investment shall be given first priority in roadbed maintenance. Typical defects in this category are slippery pavement, raveling, excessive bridge approach settlement, potholes and abrupt vertical variations.

Second priority shall be given to the correction of roadbed defects having a long range effect on riding quality and capital investment. Typical examples of defects in this category are pavement cracks and pavement and surfaced shoulder distress.

Slippery Pavement

Pavement surface texture is subject to adverse change as a result of aging, excess asphalt, wear, etc.

Routine surveillance of pavement texture shall be made and suspected problem areas reported promptly.

Obvious slippery areas shall be corrected to the extent feasible under the prevailing conditions. When additional corrective action is necessary, it shall be initiated or scheduled promptly.

Suspected slippery areas shall be promptly reported for further investigation.

Cracks

Cracked pavement allows water and foreign material to enter the structural section and may cause ultimate failure.

Individual cracks 1/4 (one quarter) inch wide or wider and any other areas with extensive cracking shall be repaired before the rainy season to protect the structural section.

Raveling

Raveling is an indication of failure of the binder or aggregate and extensive pavement loss or a traffic hazard may occur in a short period time.

Raveling shall be corrected before safety is impaired or extensive pavement loss occurs.

Corrugations

Corrugations are repetitive distortions of asphaltic surfacing resulting in poor riding quality.

Corrugations shall be corrected before they develop to the extent that safety is impaired.

Settlement, Heave and Distortion

This type of roadbed defect often results in poor riding quality, and excessive impact loading of bridges and slabs. It does not always involve failure of structural section. Typical causes are fill settlement, unstable cuts, expansive soils, and unconsolidated basement soil.

This type of defect may not cause any problem at low speed but would be objectionable at high speed.

Surface irregularities and vertical edges create a rough riding roadbed. Many irregularities are not as obvious to the driver at high speeds as they are at low speeds.

An abrupt vertical differential between the traveled way and paved shoulder shall be scheduled for repair when the riding quality is objectionable.

Corrections for surface irregularities shall be scheduled when surface deviations reach 1-1/2 (one and one half) inches in a length of 50 (fifty) feet or when the riding quality is objectionable.

Wheel Track Depression

Wheel track depressions have the undesirable effect of trapping water and may cause pavement deterioration.

Corrections shall be scheduled when the groove exceeds 1 (one) inch in depth from a straight edge placed at right angles to the direction of travel, or when water is impounded.

Drip Track

This is pavement erosion caused generally by crankcase drippings.

Correction shall be scheduled when the resulting rut exceeds 1/2 (one half) inch, when water is impounded, or when evidence indicates the binder is ineffective.

Potholes

Potholes are subject to rapid enlargement and may result in considerable pavement loss and objectionable ride. They shall be repaired promptly.

Base Failures

There are many degrees of base failure as evidenced by cracking or distortion in the surfacing. Many corrective measures may be applied, and ultimately the base may need replacement. Base failures considered here are those which require removal and replacement of the defective material.

When base material in localized areas becomes contaminated or broken to the extent that riding quality and structural integrity of the pavement cannot be restored by surface treatments, the defective base material shall be removed and replaced. When necessary, temporary repairs shall be made until permanent repairs can be scheduled.

Dikes and Berms

AC dikes and earth berms control roadbed runoff and protect slopes from erosion. When not maintained as built, extensive damage to the roadway may result.

Damaged dikes and berms which will allow runoff to erode the roadway shall be repaired promptly or temporary repairs made until permanent repairs can be scheduled.

Damaged dikes and berms not falling under the above category shall be routinely repaired in conjunction with other maintenance operations to minimize traffic disruption.

AC dikes and penetration-treated berms in areas where asphaltic material is subject to rapid oxidation or freezing conditions shall be inspected annually and sealed upon evidence of raveling, cracking, or other surface deterioration.

Types of Flexible Pavement Failures

Flexible pavement may fail by any one or a combination of the following:

1. Cracking: This may be due to either brittleness of the asphalt mix, movement in the base, or contraction and expansion due to temperature changes.
2. Raveling: This is generally due to a dry mix or oxidation. However, an excessive amount of moisture will contribute to raveling by washing away the asphalt cement particles. Freeze-thaw cycles will also contribute to raveling.
3. Distortion: This results from an instability of the mixture or an inadequate base or both. Distortion will often result when a mixture is too fat, that is, when there is an excess of asphaltic oil.
4. Surface breaks: These are often a result of a lack of base or support under the pavement surface.
5. Slippery surface: This is often caused by excess asphalt combined with dense surface texture.

6. Stripping: This is closely related to raveling. The primary cause is due to water washing away the outer layer of the aggregate or asphalt cement or both.

7. Erosion: This is due to solvent liquids from an outside source dripping on the pavement surface. This is most often crankcase drippings particularly on ramps at the boulevard stop bars.

8. Oil, gravel or earth surface failures are generally the result of traffic loads and wind and weather conditions.

Culverts and Appurtenances

Inspections shall be made annually in the fall, during and after each major storm, to determine if cleaning is required or if damage has occurred. Culverts shall be kept open and in a state of good repair. Damage which impairs the structural integrity of the culvert shall be repaired immediately. Culverts shall be cleaned of stream deposits when they are no longer able to function properly.

Channels shall have sufficient depth and grade to insure drainage to and from culverts, from the roadway, and from other roadside areas. Scoured areas which are a potential threat to structures shall be corrected.

Drainage grates shall be maintained free of debris.

Loss of Lateral Support

Loss of lateral support causes deterioration or failure of the edge of surfacing.

Loss of lateral support at the outside edge of asphaltic shoulders (greater than 2 (two) feet in width) shall be scheduled for repair when the loss in vertical depth of the adjacent supporting material approximates the outside edge thickness of the surfaced shoulder or when edge failure is apparent.

Surfaced shoulders less than 2 (two) feet wide are considered an extension of the traveled way. Where these narrow surfaced shoulders (or no surfaced shoulders) exist, adjacent unsurfaced areas shall be scheduled for maintenance on an "as needed" basis to prevent loss of lateral support. The maintenance measures to be taken and the frequency of their use shall largely be determined by the amount of traffic, general condition, time of year, and the structural materials.

In addition to the above requirements for lateral support, unsurfaced areas abutting the traveled way or paved shoulders which may be used by traffic in emergencies, shall be maintained in a traversable condition, relatively free of ruts and properly sloped to ensure adequate drainage. Such unsurfaced areas may exist by reasons of original design, subsequent construction or improvement, or have come into existence by usage or practice (i.e., flat country where adjoining non-surfaced areas may be approximately at the same level as the adjoining roadside).

In Del Monte Forest adequate width for parking of vehicles in an emergency may not exist adjacent to the traveled way.

Improved unsurfaced areas adjacent to the traveled way or paved shoulders shall be maintained with the same type material with which they were constructed.

Shoulder Maintenance

Shoulders shall slope away from the pavement on a 2% to 5% gradient where possible, except on the outside of superelevated curves or other special sections.

Keep shoulders smooth and flush with the traveled way.

Retain grass growth on slopes to prevent erosion.

Replace wear of earth shoulders with imported material.

Where a road is graded to a standard section, do not blade material in from fill or roadbed slopes.

Superelevate shoulders on the sharper curves as suitable excess material becomes available.

Widen shoulders at curves and bridge approaches, as excess waste earth becomes available.

Ditches and Gutters

Ditches and gutters shall be inspected periodically and maintained to permit free flow. Lined ditches and gutters shall be sealed or repaired when structural integrity is directly endangered.

Water Channels and Shorelines

Heavy stream flows or excessive wave action may cause extensive damage in a very short period of time if uncontrolled.

Facilities and property are protected in many ways against water damage by methods such as riprap, cribs, slope paving, walls, and vegetation.

Continuing surveillance of all water channels and adjacent shorelines shall be made to detect conditions that may cause scour, undermining washout, or other damage to the road or facilities by water or wave action.

Bank protection and known trouble locations shall be inspected prior to the winter season, during and after major storms, periods of high water, or excessive winds.

Deficiencies which endanger road facilities shall be repaired promptly. Temporary repairs may be made until permanent repairs can be scheduled.

Repair or correction of deficiencies not having an immediate effect on the structural integrity of the road shall be coordinated with routine maintenance operations.

Underdrains, Horizontal Drains and Downdrains

Underdrains, horizontal drains, downdrains, and accompanying collector systems shall be inspected once a year and cleaned or repaired when necessary. Surface water should not be permitted to discharge into an underdrain.

Structure Drainage Systems

Systems shall be inspected annually prior to the rainy season, and cleaned where necessary. Surveillance shall be made during storms to insure proper functioning.

Benches

Bench areas shall be physically inspected as needed. Accessible benches shall be cleaned when drainage is operationally impaired.

Sidewalks

Periodic inspections shall be made of sidewalks to insure that they are safe for users. Breaks, holes, or other damage shall be repaired promptly. Significant variation in height between adjoining slabs in a sidewalk should be corrected.

Curbs that are attached to sidewalks shall be maintained approximately to the level of the sidewalks.

Curbs and Curbed Islands

These facilities provide one or more of the following functions: control drainage; separate vehicles from pedestrians; channelize traffic; or provide pedestrian refuge.

When curbs fail to perform their function due to settlement, heave, or damage, they shall be repaired or replaced.

Maintenance Levels

It is desirable to retain as much native vegetation on roadsides as is compatible with the surrounding environment, safe road use, aesthetics, erosion and dust control, and to reduce driver fatigue. However, portions of this vegetation shall be controlled for fire prevention, safety and elimination of noxious weeds.

It is desirable to retain and control as many trees on roadsides as possible. Safety, aesthetics, and compatibility with adjacent land use are the prime considerations in the proper maintenance of trees.

LEVELS

Native Vegetation

Fire Hazard Areas

A minimum strip normally adjoining the edge of pavement shall be kept free of combustible material. Certain locations with a high fire potential such as widened areas, litter-can locations, parking areas, and vista points require additional fire control measures.

Noxious Weeds

Weeds which are declared to be noxious by the California Agriculture Code, or by the County Agricultural Commissioner, shall be controlled within the right of way.

Mowing

Mowing shall not be done except for safety and compatibility with the adjacent environment.

Fence Lines

Undesirable vegetation shall be controlled along fence lines where necessary to provide a neat finish to other roadside vegetation control operations or where vegetation growing in the fence is a nuisance or hazard to adjoining land use.

Safety

Roadside vegetation shall not be allowed to obscure signs and safety devices or restrict sight distances. Brush and tree seedlings shall be cleared where necessary.

Young trees shall not be allowed to grow at locations where they may become unsafe to traffic in later years.

LEVELS

Trees

Disease and Insects

Corrective actions shall be taken where trees and native shrubs are affected by disease or insect infestations that are detrimental to the health of the trees or create a nuisance to the traveling public or adjacent land owner.

Pruning

Pruning shall be performed to preserve the health and structure of trees and native shrubs, to prevent damage to adjacent property, and to provide safety for vehicular and pedestrian traffic.

Trees and native shrubs shall be trimmed to insure visibility of road signs and safety devices and should provide 17 (seventeen) foot clearance over the traveled way. To alleviate slippery conditions at locations subject to icing conditions, they should be pruned or removed, where possible, to allow exposure of the pavement to wind and sun.

Dead plantings or trees within the right of way shall be promptly removed when required for safety or protection of adjacent land use.

Tree Inspection

Visual surveillance shall be made to detect trees and limbs which may be a hazard to traffic, pedestrians, highway appurtenances, or adjacent property.

Conditions such as loss of root support, interior rotting, and split limbs are often difficult to detect. Trees and limbs subject to these conditions should be periodically inspected.

Brush Clearance

Native brush and seedling trees continually encroach into the roadway in forest and foothill areas. It is necessary that sufficient width of roadside be maintained in such regions in order to provide ample sight distance on curves. Growth retardants may be utilized to maintain the vegetation at the desired size.

Brush and tree seedlings shall be cleared where practical and desirable, to a distance of about nine feet from the edge of the traveled way, more in curves. Brush and small trees may first be removed from cuts and fills and flat sections with a brush mower or hand work. Thereafter, new growth shall be destroyed annually or when needed. Vegetative woody material shall not be sprayed before mowing and left to become a fire hazard and a blight on the area's natural beauty.

Heavy duty mechanical brush machines may be practical for heavy and extended use. Cutting shall be as close to the ground as possible. Limbs on the underside of trees shall not be cut with a brush mower.

Cut brush may either be run through a brush chipper or hauled away. Chips from the chipper may be spread over the ground in forest areas. Particular attention shall be given to the possibility of the chips floating into gutters and clogging drains, or becoming a fire hazard when dry. There will be areas where the chips will have to be hauled off the roadside if these conditions exist.

EXHIBIT "B"

The Lodge at Pebble Beach

The Lodge Shops and retail and commercial businesses in the Lodge Complex

Pebble Beach Golf Links and Golf Shop

Peter Hay Golf Course

Pebble Beach Beach and Tennis Club

The Equestrian Center

Spyglass Hill Golf Course and Golf Shop

Spyglass Hill Grill

Spanish Bay Hotel and related commercial facilities

Spanish Bay Golf Course and Golf Shop

Commercial area in Huckleberry Hill Planning Area adjacent to Area G in the LUP

Del Monte Forest Road System with Gates

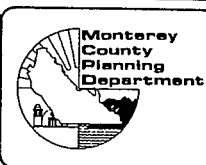
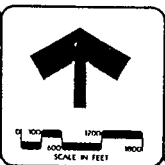
EXHIBIT C

1. ALL OWNERS OF LAND WITHIN THE BOUNDARIES OF DEL MONTE FOREST AS SHOWN ON THE MAP BELOW



FIGURE 5
LAND USE PLAN (1984)

DEL MONTE FOREST AREA GENERAL PLAN
ALCOASTAL PROGRAM

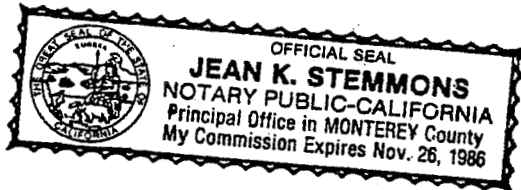


Residential	Commercial	Resource Constraint Areas
1 Unit / 2 Acres	Visitor Service	Resource Constraint Areas
1 Unit / 1.5 Acres	General	Area of Special Concern
1 Unit / Acre	Institutional	Boundaries
2 Units / Acre	Open Space	Del Monte Forest
4 Units / Acre	Recreational	Planning Area
Density as Indicated	Forest	Coastal Zone
Density to Preclude Further Subdivision	Shoreline	Huckleberry Hill Natural Habitat Area
		Presidio of Monterey

STATE OF CALIFORNIA)
) ss.
COUNTY OF MONTEREY)

On this 25th day of July in the year 1984, before me a Notary Public, State of California, duly commissioned and sworn, personally appeared THOMAS H. JAMISON known to me or proved to me on the oath of a competent and credible witness for that purpose duly sworn by me, deposed and said: that he resides in the County of Monterey, State of California, that he was present and saw THOMAS J. KLUTZNICK personally known to him to be the person described in, and who executed the within instrument as part on behalf of the party thereto, sign, seal, and deliver the same; that the said THOMAS J. KLUTZNICK duly acknowledged in the presence of said affiant, that he executed the same and that he, the said affiant, thereupon, and at the request of said THOMAS J. KLUTZNICK, subscribed his name as a witness thereto.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the County of Monterey on the date set forth above in this certificate.



Jean K. Stemmons
Jean K. Stemmons, Notary Public,
State of California

My Commission expires: Nov. 26, 1986