

Exhibit B

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Received by Monterey County RMA-
Planning on October 18, 2016.

PEBBLE BEACH
COMPANY

October 18, 2016

Monterey County Planning Commission
Attn: Joseph Sidor
168 W. Alisal Street
Salinas, CA 93901

Re: Short-Term Rentals in Del Monte Forest

Dear Mr. Sidor:

This letter responds to the Planning Commission's question regarding enforcement of the covenants, conditions, and restrictions ("CCRs") on residential lots in Del Monte Forest ("DMF").

1. Pebble Beach Company's Right to Enforce CCRs.

Initially, it is important to distinguish between zoning limitations on use, and private restrictions on use imposed by CCRs. While zoning is the government's way of regulating property use, the restrictions on use imposed by CCRs, including their enforcement, are a matter of real property law between private parties in which the County has no involvement. The two are independent; and one does not depend on the other unless the restrictions of the other are specifically adopted. Thus, in a typical situation involving residential use, the residential zoning for the property may permit certain uses which the CCRs prohibit, and vice versa.

Del Monte Properties Co. ("DMPCo") was the original owner that created most of the present residential lots in DMF, and in conveying (selling) those lots it established CCRs applicable to those lots for the benefit of its retained property. Subsequent owners of DMPCo did the same with respect to lots they sold. Pebble Beach Company ("PBC") is the successor-in-ownership to DMPCo and the subsequent owners of its property, and as such it occupies the position of the original "Grantor" of those lots, and possesses the rights of the Grantor to enforce the CCRs. This is an established principle of real estate law.

LEGAL AFFAIRS

Post Office Box 1767, Pebble Beach, California 93953 831-647-7500 telephone 831-625-8411 facsimile

The Del Monte Forest Property Owners organization (“DMFPO”) does not have the power to enforce the CCRs. It is not an association of homeowners organized under the Davis-Stirling Act of California law, and it is not a beneficiary of the CCR restrictions. It is not typical of the homeowners associations (“HOAs”) that are ubiquitous today, which HOAs are organized in connection with specific subdivisions to take care of common areas, roads, and other matters with the power to charge dues, lien property, and enforce CCRs. Membership in such HOAs is mandatory. DMFPO, on the other hand, is an organization that represents the interests of DMF residents. Membership is voluntary, and the DMFPO has none of the typical powers of an HOA. The arrangement in Del Monte Forest is based on its historical development, where DMPCo sold lots and maintained the roads, but did not establish specific HOAs for its subdivisions. HOAs were not prevalent when DMPCo was first creating its lots. DMPCo imposed its CCRs as a means of maintaining continuity in the residential areas while protecting its own interest in its commercial properties.

Given that history, it is fair to say that PBC occupies the position of a typical HOA in relation to interpretation and enforcement of the CCRs on DMF residential lots.

The precise language of the CCRs in deeds has varied over the years, but the typical deed restriction for residential lots in DMF prohibits the conduct of a “trade, business or profession of any description,” and limits the use “solely and exclusively” to not more than “one private single family residence”, with or without appurtenant facilities. When issues of potential violations arise, the question for PBC is thus what kinds of rentals are consistent with use as a “single family residence,” and which do not constitute a “trade, business, or profession.”

We believe that it is important for the County to take into account the restrictions of CCRs in DMF when making decisions on permits for short-term rentals in DMF. The County’s Transient Rental Ordinance for the inland area (Monterey County Code Section 21.64.280.D.2.g) states that “use of a residential unit for a transient use [7-30 days] shall not violate any applicable conditions, covenants, or other restrictions on real property.” It further requires notice by the applicant to the “affected homeowner’s association” and provides that the permit shall not be approved unless or until objection of the homeowner’s association has been resolved. As noted

above, PBC is the equivalent of the “homeowner’s association” for DMF insofar as the enforcement of the CCRs is concerned. Thus, under the ordinance, it should be deemed the “affected homeowner’s association” for DMF and entitled to the same rights of notice and ability to object to a proposed STR permit. This interpretation implements the general proposition that approval from the entity with ability to enforce the deed restriction is a prerequisite for obtaining a permit for an STR.

2. PBC’s Position on Short-term Rentals.

PBC generally considers “short-term” rentals to be rentals of less than 30 days, and considers them to be a violation of the CCRs. There can be exceptions to these rules, but in general this is how PBC views these rentals. This rental limitation applies to the main residence and any accessory dwelling unit or guest house on the property. The rental of the main residence or an accessory dwelling unit for 30 days or more is generally considered a permissible single-family residential use.

PBC considers the use of a residence for an Airbnb, VRBO, or similar transient occupancy to be the conduct of a “trade or business” in violation of the restriction, as well as a violation of the single-family residence restriction. This use is rental of the residence (or a portion thereof) for a short-term and for remuneration. The County may consider this use to be a “Bed & Breakfast” for which a coastal or inland administrative permit may be issued, but the use would still be prohibited by the CCRs absent circumstances warranting an exception.

PBC has the power and authority to enforce the CCRs on STRs, but it is not obligated to do so. PBC has the discretion to determine, in its judgment, whether a violation of the CCRs is occurring, based on all of the circumstances surrounding the particular use. In the end, the purpose of the CCRs is to maintain the character and quietude of the residential neighborhood, and to ensure that the owners of residences are not competing with PBC in the transient rental business. There are certain times, locations, and events where these purposes of the CCRs are not well served; examples include residences located in the general area of The Lodge at Pebble Beach during special events such as the AT&T Pebble Beach Pro-Am golf tournament or the

Concours d'Elegance, when that area becomes a widespread hub of commercial activity. Other exceptions may be possible.

Historically, PBC has remained neutral regarding STRs. There were a small number of STR permits issued by the County; most of the rentals appeared to occur during special event weeks; and PBC received few complaints. However, the advent of Airbnb and other rental companies, the growth in permitted and unpermitted STRs, and the increase in neighborhood complaints have all caused PBC to reconsider its neutral position. During the Planning Commission hearing held on August 31, 2016, PBC objected to the issuance of additional permits for STRs in DMF until: (1) the County has decided on a policy direction and the adopted a new ordinance, and (2) the County has more thoroughly analyzed the unique situation in DMF where CCRs restrict such use. We renew that objection.

As noted above, we believe that PBC should be notified of STR permit applications in DMF, with the right to object as provided in the County's Transient Rental Ordinance.

Very truly yours,

PEBBLE BEACH COMPANY

A handwritten signature in black ink, appearing to read 'D. Stivers', with a long horizontal flourish extending to the right.

David Stivers
Executive Vice President & CAO



**PEBBLE BEACH
COMPANY**

May 11, 2023

Craig Spencer
Chief of Planning Services
County of Monterey
1441 Schilling Place, 2nd Floor, South
Salinas, CA 93901

RE: Application for Transient Use of Residential Property for Renumeration at 2826 Congress Road, Pebble Beach, CA 93953

Dear Craig:

We understand that Paul Giovino has submitted an application to Monterey County to operate a short-term rental (STR) at 2826 Congress Road, Pebble Beach, CA 93953 (the "Property"), located in the inland (non-coastal) portion of Del Monte Forest. Monterey County has asked Pebble Beach Company ("PBC") to confirm that it does not object to this use for the Property.

The County's Transient Rental Ordinance for the inland area (Monterey County Code Section 21.64.280.D.2.g) states that "use of a residential unit for a transient use [7-30 days] shall not violate any applicable conditions, covenants, or other restrictions on real property" in order to be approvable. On April 25, 2023, the Board of Supervisors adopted a policy that applications for STRs in the inland portion of the greater Monterey Peninsula planning area must go to a public hearing before the Planning Commission.

With respect to residential properties in Del Monte Forest ("DMF"), PBC is the entity that enforces the covenants, conditions, and restrictions ("CCRs"). The precise language of the CCRs in deeds has varied over the years, but the typical deed restriction for residential lots in DMF prohibits the conduct of a "trade, business or profession of any description," and limits the use "solely and exclusively" to not more than "one private single family residence," with or without appurtenant facilities.

As a general proposition, PBC considers STRs (i.e., rentals for less than 30 days) to be a violation of our deed restrictions. We have, however, in very limited circumstances allowed some STRs in the past. One key purpose of the CCRs is to maintain the character and quietude of residential neighborhoods. PBC has the discretion to determine, in its judgment, whether a violation of the CCRs is likely to occur, based on all of the circumstances surrounding the particular use.

In considering a proposed STR, the questions for PBC are 1) whether the rental is consistent with use as a "single family residence;" 2) whether the rental is not so extensive as to constitute a "trade business, or profession"; and, most importantly, 3) whether the rental will impact the character and quietude of the residential community.

We have considered the proposed STR at the Property, and it appears to meet our criteria for a

STR. Consequently, PBC will not object to the issuance of a transient use permit, so long as Monterey County imposes the following permit conditions to ensure the STR operates as represented in our discussions and consistent with the CCRs:

- The permit shall not run with the land and shall be of a limited term, not to exceed 3 years
- 4-day minimum stay
- Maximum 15 rental weeks per year
- Maximum occupancy 2 people/bedroom, not to exceed 10 people total
- STR owner to have local 24/7 representative available to respond to complaints
- The STR owner must obtain signed consent from all neighbors immediately adjacent to and across the street from the proposed STR prior to issuance of the permit
- If any neighbors within 500' of the STR object to the STR, no permit shall be issued
- The permit will be revoked in the event three verifiable complaints are received by the County concerning the operation of the STR
- Commercial and private events (e.g. weddings and parties) are prohibited

This letter is specific to the property at 2825 Congress Road and shall not be considered precedential with respect to future STR applications. PBC reserves the right to object to this or any future STR at any time. If you have any questions, I can be reached by email at GoldmanD@pebblebeach.com or by phone at (831) 625-8468.

Sincerely,

PEBBLE BEACH COMPANY



Diane Goldman
General Counsel

cc: Paul Giovino

LEGAL DEPARTMENT

4005 Sunridge Road, Pebble Beach, California 93953

From: [Charlie mcelvany](#)
To: [Zepp, Zoe](#)
Subject: Re: Short Term Rental at 2826 Congress Rd
Date: Friday, October 20, 2023 9:08:18 AM

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

Hi Zoe

Yes. We were contacted by Paul last evening. We are withdrawing our concerns regarding his application for this particular rental.

I am curious... Where do we submit complaints about other houses in our area that I believe are not permitted & being used for Airbnb's?

Thank you,
Charles and Holli McElvany

Sent from my iPhone

On Oct 20, 2023, at 8:28 AM, Zepp, Zoe <ZeppZ@co.monterey.ca.us> wrote:

Good Morning Charlie,

I am the planner assigned to the Giovino's short term rental application and would like to request some clarification regarding your stance on the project. I received your letter of objection earlier this week but I also understand that Paul reached out to you to discuss the specifics of his rental. I am wondering if your discussion with Paul has answered your concerns and if you might be interested in withdrawing your objection to his application for a permit. If you have any other questions regarding the application or short term rental process I would be happy to answer them for you. Please let me know.

Thank you and have a great day,

Zoe Zepp (She/Her)
Assistant Planner
County of Monterey
Housing and Community Development
1441 Schilling Pl, Salinas, CA, 93901
(831) 755-5198 zeppz@co.monterey.ca.us
<image001.png>

From: Charles mcelvany <charlie.charlie@sbcglobal.net>
Sent: Wednesday, October 18, 2023 10:01 AM
To: Honorato, Hya <HonoratoH@co.monterey.ca.us>
Subject: 2826 Congress Road Pebble Beach

[CAUTION: This email originated from outside of the County. Do not click links or open attachments unless you recognize the sender and know the content is safe.]

Good morning.

I am responding to a letter I received, regarding public comments related to this above address.

I am concerned with what I am seeing lately in Pebble Beach. I have noticed several strangers in the neighborhoods and I believe people are renting out their homes for Airbnb's. These homes are very unkept. There are people coming and going leaving cars ,and other items outside as well as trash from parties.

I believe the decisions should be made to keep the Pebble Beach community and its owners as safe as possible. I do not believe we should be giving out permits for transient remuneration or Airbnb use.

We have lived in Pebble for over nine years. I have seen other communities in Santa Cruz and Aptos that have rented out homes turn into completely different living communities. I do not want that for our community and I am against the remuneration.

Please take our statements under consideration before you make a decision.

Thank you for your time.

Respectfully,
Charles and Holli McElvany
2833 Congress Road
Pebble Beach, Ca 93953

Sent from my iPad

**With gratitude,
Staci Giovino**

Anthony & Christina Marcon
2823 Congress Rd
Pebble Beach CA 93953

To Whom it May Concern:

As residents of 2823 Congress Rd in Pebble Beach, we are aware, and in support of, the Short Term Rental application being submitted by our across-the-street neighbors Paul and Staci Giovino for their property at 2826 Congress Rd.

Thank you,

DocuSigned by:

D2042E36149F438...

Anthony & Christina Marcon



Staci Giovino <staci.giovino@gmail.com>

STR Support for 2826 Congress Rd.

1 message

Chris Johnson <corbindale@gmail.com>

Tue, Jul 25, 2023 at 12:52 PM

To: "staci.giovino@gmail.com" <staci.giovino@gmail.com>

The Chris Johnson Family
[2830 Congress Rd](#)
[Pebble Beach CA 93953](#)

To Whom it May Concern:

As residents of [2830 Congress Rd](#) in Pebble Beach, we are aware, and in support of, the Short Term Rental application being submitted by our adjacent neighbors Paul and Staci Giovino for their property at 2826 Congress Rd.

Thank you,

Chris, Pia, and Jett Johnson

James and Judith Hemphill
2822 Congress Rd
Pebble Beach CA 93953

To Whom it May Concern:

As residents of 2822 Congress Rd in Pebble Beach, we are aware, and in support of, the Short Term Rental application being submitted by our adjacent neighbors Paul and Staci Giovino for their property at 2826 Congress Rd.

Thank you,

Jim Hemphill

Jim & Judy Hemphill

Judi Hemphill

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