

SOLID-WASTE RECYCLING/COMPOSTING

- More than 6.5 million pounds of plastic, glass, metal, cardboard, paper, green waste and over a dozen additional materials have been diverted annually from landfills through the Company's Reuse and Recycle programs.
- The Company composts food scraps year-round at the resorts and at special events, like the AT&T Pebble Beach National Pro-Am. In an average year, approximately 125 tons of food scraps are composted for re-use locally.
- The Company annually composts more than 2,500 tons of green waste, which is used on landscaping, restoration projects, and the golf courses.
- Reusable items are donated to local nonprofit organizations.

STATE-OF-THE-ART IRRIGATION SYSTEMS

 Using advanced computer systems and hand-held radio controls, Company maintenance crews monitor golf course conditions in real-time and water on an as-needed basis, maximizing the efficiency of its irrigation program.

INTEGRATED PEST MANAGEMENT

- With years of experience and professional training, Company staff carefully monitor plant and turf health and identify thresholds and responses for disease, weed, and pest impacts. They use effective and environmentally sensitive approaches to reduce and manage disease, weeds, and pests.
- Physical (non-chemical) methods for maintaining healthy turf and landscaping are emphasized — e.g., most weeds are pulled by hand throughout Company properties.
- The Company utilizes organic and slow release fertilizers. When required, less toxic, less mobile, and less persistent herbicides and pesticides are used sparingly.

ENVIRONMENTAL AWARDS

FEDERAL

Environmental Protection Agency — Pesticide Environmental Stewardship Program Champion — 2003

Environmental Protection Agency — Pesticide Environmental Stewardship Program Excellence Award — 1999

STATE AND LOCAL

California Integrated Waste Management Board — Waste Reduction Awards Program (WRAP) — 1999-2010

Monterey Bay Area Green Business Program — Green Business Certification — 2009

California EPA — Innovator Award for Integrated Pest Management — 1999

WateReuse Customer of the Year Award — WateReuse Association — 2009

California Integrated Waste Management Board — WRAP of the Year winner — 1999



GOLF AND HOSPITALITY

Golf Digest — Green Star Award — 2009

Golf Magazine — The Green Award — 2008, 2009

LINKS Magazine Online — Pebble Beach Golf Links — Top Ten Eco-Friendly U.S. Courses — 2009

Golf Course Superintendents Association of America — Environmental Steward Award — 1998, 1999

Monterey County Hospitality Association — Environmental Achievement Award — 1997, 1998, 1999

COMMUNITY OUTREACH

ENVIRONMENTAL PROGRAMS

- The Company supports environmental organizations and educational activities throughout Monterey and Santa Cruz counties.
- The Company provides 26 miles of hiking and equestrian trails for residents and visitors to enjoy.
- The Company provides guided or self-guided nature walks.
- The Company works closely with the California Coastal Commission to ensure coastal access along 17-Mile Drive and throughout Del Monte Forest.

PEBBLE BEACH RESORTS

ENVIRONMENTAL PROGRAMS

- The Company employs a full-time environmental stewardship manager.
- Ompany restaurants promote the use of local organic produce and seafood from sustainable sources.
- © Company employees annually participate in Earth Day and Coastal Beach Clean Up activities.
- The Company promotes a Rideshare Program and carpooling.
- The Company's newsletters are printed on recycled paper with vegetable ink.

THROUGHOUT



(831) 647-7500 (a) www.PebbleBeach.com

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PEBBLE BEACH COMPANY

ENVIRONMENTAL STEWARDSHIP

Pebble Beach Company takes pride in its environmental stewardship of Del Monte Forest and the coastline along 17-Mile Drive. The Company sustainably manages nearly 2,500 acres of resort and recreational facilities, golf courses, shoreline and forest open spaces.

Pebble Beach Company and its Environmental Stewardship Manager work with an employee-based Green Team to review, improve, and implement its environmental programs.

In the past decade, the Company has received more than 25 environmental awards and certifications from federal, state, and local governments, golf and hospitality organizations, Audubon International, and the Monterey Bay Area Green Business program.



In order to be a good environmental steward and a good neighbor, the Company formed a Green Team to review, improve, and implement a wide variety of environmental projects.

WILDLIFE AREAS

CERTIFIED AUDUBON COOPERATIVE SANCTUARY

Audubon International has certified all four of Pebble Beach Company's golf courses through its education and certification program. In 1994, The Links at Spanish Bay was the first course in California to receive Audubon International certification. Certification by Audubon International indicates that ecologically sound land management and conservation of natural resources practices are in place, including Environmental Planning, Wildlife and Habitat Management, Outreach and Education, Water Quality and Conservation, and Chemical Use Reduction and Safety.

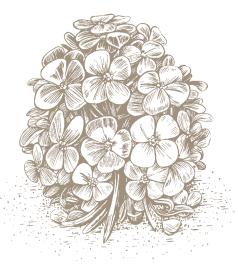
- In 1987, the Company created its Harbor Seal Protection Program, which provides protected areas for harbor seals nursing their pups along 17-Mile Drive from April to June each year.
- Throughout Del Monte Forest, wildlife habitat areas, such as the riparian wetland along the 14th hole at The Links at Spanish Bay, are regularly maintained. These areas provide habitat and migration corridors as well as helping to naturally filter stormwater.
- The Company provides informative, environmental signage along the coastline and on the golf courses.
- The Company has implemented many other environmental projects, including:
- Pebble Beach Golf Links has added more native grass species next to play areas, including tall, fine, and red fescues. The grasses in these locations grow taller and healthier, are less prone to weeds and disease, require less water and fertilizer, and improve wildlife habitat.
- Spyglass Hill Golf Course has planted over 1,000 Monterey pines and hundreds of Coast Live Oaks, Redwoods, and Monterey cypress along the course since 2005. Furthermore, many areas of non-native Ice Plant (Hotentott fig) have been eradicated and replaced with native sand dune plants, providing habitat for wildlife and naturalizing the course.
- ~ At The Links at Spanish Bay and its beach, the Company utilizes boardwalks, fencing, and signage for the protection of native sand dune species, like the endangered Menzies' wallflower and Tidestrom's lupine. The course has also added more native fine fescue grass species along play areas.
- Del Monte Golf Course has replaced many Monterey pines affected by pitch canker and bark beetle with pitch canker resistant species. These species were grown in-house by the Company's Forestry and Ecology departments and now provide habitat for bird and insect species.

LAND PRESERVATION

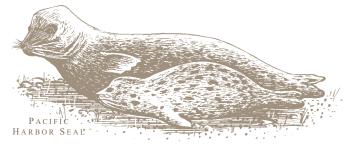
MORSE BOTANICAL RESERVE

The Company has a long history of land preservation. Named after the Company's founder, S.F.B. Morse, Morse Reserve was established in 1971 to protect the endangered Gowen cypress among other species. This location is the only place where Gowen cypress and Bishop pine grow together due to the acidic, poorly drained soils, which do not allow Monterey pines to move in. Other plants protected in the Reserve include Bear-Grass, Ericameria, Ceanothus, Manzanita, and Huckleberry. In 1976, the Company deeded the 84 acre Morse Reserve to the Del Monte Forest Foundation.

- In 1987, the Company dedicated a conservation easement over the 372-acre Huckleberry Hill Native Habitat area to the Del Monte Forest Foundation.
- In 1976, the Company donated the 12.5-acre Crocker Grove to the Del Monte Forest Foundation for preservation.
- In 1976, the Company donated 73.5 acres of Pescadero Canyon to the Del Monte Forest Foundation for preservation.
- To date, the Company has permanently protected over 657 acres of natural habitat within Del Monte Forest. Additionally, the Company is working with the California Coastal Commission to dedicate another 600-plus acres of high quality habitat. When this dedication is complete, over 23% of Del Monte Forest will be permanently protected native habitat.



MENZIES' WALLFLOWER



WASTEWATER RECLAMATION

Working closely with local water and waste water agencies, the Company, as the sole fiscal sponsor of a \$67 million treatment project, converts local wastewater to high quality recycled water.

- This recycled water meets 100% of the irrigation needs for all golf courses within Del Monte Forest.
- Previously this wastewater had been treated to a secondary level and discharged directly into Carmel Bay. Through its reuse of this water, the Company has significantly improved the area's ocean water quality.
- Since 1994, the Company has saved over 4 billion gallons of potable water.

FORESTRY/ECOLOGY

- The Company's native-plant nursery has the capacity to grow up to 100,000 native plants annually, including Monterey pine, for use with revegetation and reforestation projects in open-space areas within Del Monte Forest. Drought-tolerant, native trees and sand dune species are among those planted.
- Rather than using herbicides for exotic plant removal in Del Monte Forest green spaces, the Company employs a more environmentally sensitive technique: goat grazing.

STORM WATER MANAGEMENT

- The Company maintains a strong storm water pollution prevention program and voluntarily implements the best management practices required of neighboring cities which participate in the Monterey Regional Storm Water Management Program.
- As an ongoing effort, the Company ensures that storm drains are labeled with permanent signs, "No Dumping, Drains to Ocean."

ENERGY EFFICIENCY PROGRAM

- The Company has successfully reduced energy usage by 16% over the past two years through extensive retrofits and upgrades.
- $\ \odot$ During one year alone, this reduction translates to savings of 1.7 million kilowatt-hours or 950,000 lbs. of carbon emissions. According to the EPA, this is equivalent to taking 80 cars off the road or the amount of $\ CO_2$ absorbed by 90 acres of pine trees in one year.