

**SHORT TERM SADDLE CREEK ENTRANCE (PRIVACY) GATE OPERATING
AGREEMENT BETWEEN
SADDLE CREEK COMMUNITY SERVICES DISTRICT
AND
CASTLE & COOKE**

This short term Saddle Creek Privacy Gate Operating Agreement (“Agreement”) is entered into on the 7th Day of June, 2016 by and between Saddle Creek Community Services District, a political subdivision of the State of California and a community services district formed pursuant to the provisions of California Government Code section 61000 et seq., hereinafter referred to as “District” and Castle & Cooke California, Inc, DBA Saddle Creek Golf Course, a California Corporation, hereinafter referred to collectively as “Castle & Cooke”.

RECITALS

1. Castle & Cooke is the owner of certain real property situated in the County of Calaveras, State of California, commonly known as Saddle Creek Golf Course which includes an 18-hole golf course, lodge, retail shops, restaurant, rental lodging units and other commercial enterprises, herein referred to as “Golf Course”, and all of which are open to the general public.
2. District is a community services district formed and operating pursuant to California Government Code Section 61000 et seq and authorized to provide certain public services to the Saddle Creek community within its boundaries. The authorized services include mosquito abatement and road system maintenance including storm drains, street lights, asphalt surfacing, common landscape area maintenance and operation of a community entrance control gate.
3. District is authorized by California Government Code Section 61110 within its boundaries to acquire, construct, improve, and maintain streets, roads, rights-of-way, bridges, culverts, drains, curbs, gutters, sidewalks, and any incidental works.
4. District is further specifically authorized by California Government Code 61105(g) to, for roads owned by the district and that are not formally dedicated to or kept open for use by the public for the purpose of vehicular travel, by ordinance, limit access to and the use of those roads to the

landowners and residents of the District.

5. Gate operating regulations adopted by the District require that the privacy access gates be controlled by personnel located in the gate operations building (gatehouse).
6. District has adopted Ordinance 03-002 and Administrative Rules and Regulations Section 2003-1 describing the conditions for entrance into the Saddle Creek community and prescribing the conditions for operation of the Privacy Entrance Gate applicable to residents, owners and Castle & Cooke. The District has installed automated controls and security monitoring systems to provide for continuous remote monitoring and control of the gate system, which is located at the primary entrance to the community in a configuration that regulates all traffic into the community for all purposes including to residences and the golf course facilities.
7. Castle & Cooke desires that the entrance gates be operated in a manner to allow convenient access by the general public to its commercial operations associated with the Golf Course and Lodge.
8. District wishes to facilitate the needs and interests of Golf Course in an agreement that details the roles, responsibilities and obligations of all parties as they relate to the current, short term operation of Saddle Creek community access gates.

NOW, THEREFORE, in consideration of the authorities and responsibilities of the District as detailed above, the promises, mutual obligations and agreements herein contained, the parties hereby agree as follows:

1. Short Term Gate Operating Agreement. The community entrance gate will be operated in accordance with the operating schedule in place between the parties as of February 22, 2013, as detailed in Exhibit A to this agreement.

During those times and dates when the gate is closed and staffed as detailed above, Castle & Cooke will provide personnel designated and trained by the District as a Privacy Officer. The entrance gates will at all times be operated in accordance with Ordinance 03 – 002 which regulates entrance onto roads under the exclusive control of the District, and District Administrative Regulations 2003-1, which establishes privacy gate rules for residents, owners and Castle & Cooke.

2. Cost for Short Term Gate Operation. Castle & Cooke shall provide and pay the cost of Privacy Officer staffing acceptable to the District.
3. Right to Relocate Entrance Gates / Continued Access. Castle & Cooke Saddle Creek Project manager shall propose in their company's budgetmaking process in October 2016 a solution to the entrance gate operation that meets the District's objectives for restricted access to the residential portion of the community on a 24 hour per day basis, seven days per week. Options to be considered include, but are not limited to, relocation of the main entrance gate system or supplementing the automatic gate control system with gate attendents.
4. Response Letter Required by November 17, 2016. Castle & Cooke shall prepare and submit to the District a letter addressing its company budget decision and providing a tentative schedule and/or plan for entrance gate relocation, increased gatehouse staffing or an equivalent solution meeting the approval of the District. Castle & Cooke agrees to keep the District informed of the status and schedule of approval and installation of the second community entrance, and acknowledges that District's review and approval of plans and specifications related to any work to be dedicated to the District for ownership and operation shall be required prior to final submittal to the County.
5. Term of Agreement. This Agreement shall be effective for a period of one year from the date of its execution by both parties, and may be terminated by Castle & Cooke by providing 30 days advance written notice to the District. The District may terminate this Agreement immediately with cause due to the default or breach of Castle & Cooke as described below.
6. Default or Breach. In the event that Castle & Cooke fails to perform their obligations under this Agreement, the District will provide a thirty-day advance notice requiring that the failed condition be immediately cured, and after the thirty-first day may return the gate to automatic control, and/or terminate this agreement.

7. Amendments. This Agreement may be amended only by a written amendment signed by both Castle & Cooke and District.

8. Miscellaneous Provisions

- a. Liability and Property Damage Insurance. Castle & Cooke shall provide a certificate of insurance and endorsement naming the District, its officers and agents as additionally insured under its property/liability insurance policies.
- b. Indemnification. Castle & Cooke hereby agrees to defend, indemnify, hold harmless and protect District from and against any and all claims, losses, damages, liabilities, suits, costs (including attorneys' fees) as a result of personal injury and/or property damage in connection with or arising out of operating the entrance gate in accordance with this Agreement.

9. Notices. All notices hereunder must be writing and, unless otherwise provided herein, shall be deemed valid if sent by certified mail, return receipt requested, addressed as follows (or to any other mailing address which the party to be notified may designate to the other party by such notice.).

Should Castle & Cooke or District have a change of address, the other party shall immediately be notified as provided in this paragraph of such change.

District: Saddle Creek Community Services District
Attention: General Manager
1000 Saddle Creek Dr
Copperopolis, California 95228

Castle & Cooke: Castle & Cooke California, Inc.
Attn: Senior Vice President - Operations
10000 Stockdale Highway, Suite 300
Bakersfield, California, 93311

10. Successors and assigns. This agreement shall inure to the benefit of future successors of Castle & Cooke; who shall have the same rights and obligations under this agreement.

IN WITNESS WHEREOF, Castle & Cooke and District have duly executed this Agreement on the day and year first above written.

SADDLE CREEK COMMUNITY SERVICES DISTRICT

Peter Kampa

Peter J. Kampa, General Manager

Castle & Cooke California, Inc.

By: *[Signature]*, SUP

[Signature], V.P.

By: *PATRICK J. HUNTER*

EXHIBIT A

Entrance Gate Operating Agreement Between Saddle Creek CSD and Castle & Cooke, Inc.

Gate Hours as of February 22, 2013 and Reaffirmed on March 15, 2016

Gate Open & Unattended

Monday-Friday: 6:45 am – 5:00 pm

Gate Closed and Staffed

Friday: 5:00 pm – 8:00 pm

Saturday: 6:45 am – 8:00 pm

Sunday: 6:45 am – 5:00 pm

Gates Closed and Staffed from 6:45 am – 5:00 pm on the following holidays:

- Easter Sunday
- Memorial Day
- Independence Day
- Labor Day
- Thanksgiving Day
- Christmas Day