To: "Haley, Dave" < DHaley@castlecooke.com>

Re: Gate Staffing Issue

1 Attachment, 3 KB

Dave Haley

Vice President-Division Manager

Castle & Cooke

Calaveras, Inc.

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From: Haley, Dave

Sent: Thursday, January 17, 2013 11:19 AM

To: 'Sue Russ'; 'Darlene DeBaldo'; Charlie Robinson; 'Kent R. Lazarus'; 'Scott Baker'; 'cjm'; Stefanick, Linda; Higgins, Bob

Subject: RE: Gate Staffing

CSD Board Members,

I just received from Linda Beck the CSD new gate hours. It is unfortunate that all of us have been captured by the dramatic and unprecedented economic slump since 2006. Castle & Cooke is no different than anyone else, considering each of us having obligations that we have to deal with whether large in dollar value or small. It's all relative.

Seven years is a very long economic down cycle to not create income from Saddle Creek sales. As I stated in the CSD meeting Castle & Cooke is going to fund this year new Saddle Creek home products as well as other improvements and cost to hopefully induce positive forward momentum, even though the economic signals are not clear.

The gatehouse staff funding that has been supplemented by Castle & Cooke over the years is one of the items that we felt could be changed, considering all of the other cost and exposures that are necessary or desired to benefit all Saddle Creek property owners, which includes Castle & Cooke. Upon listening to comments from the members at the Tuesday's CSD meeting, I mentioned to Darlene DeBaldo at the end of the meeting that we would reimburse the CSD for the January 2013 gatehouse staff expense and reconsider our funding approach and would get back to her. I then called her the next day and sent her the below email offering to fund a different staffing schedule.

There are many things to consider in evaluating funding needs. The gatehouse is an important amenity that deserves close evaluation. The following are some of the issues to be considered;

- 1. Protecting, enhancing and projecting the value of all of the Saddle Creek properties. This includes future sales that are needed to increase home values and build out the Saddle Creek community.
- 2. Providing access to resident guest, golf and restaurant customers while we invite the public until we gather enough Saddle Creek members and community size to change to a private golf club and facility membership and a fully staffed gated community as it is intended to be over the long

- term. Public participation is necessary at this time to keep the membership dues as low as possible and to help induce hopeful buyer exposure that will benefit all of us.
- 3. Understand exposure to uninvited people or off hour construction activity.
- 4. Keeping the gates closed all of the time 24/7 as advocated by Mr. Gress along with other polled members or on holidays posses a safety risk and exposure. This is due to increased traffic during hours that have a higher volume of people that seek entry during the daytime that are not authorized or not familiar with the keypad. It is likely that some vehicles would not gain entry and have to back out into Little John Road. This poses a traffic hazard as Little John Road has a crown at the Saddle Creek entrance. Vehicles traveling at the 55 mile per hour speed limit along Little John Road in either direction could, if not paying close attention, cause an accident. Further confusion would come when multiple vehicles, especially when towing a trailer, back up from the closed gate and can't back up due to other vehicles behind them.

Understanding that a consensus is unlikely to be obtained from all, concerns that continue to be expressed by Saddle Creek property owners and considering my above comments we offered the revised gatehouse staff funding schedule.

We are requesting that the board consider calling a special meeting as soon as possible to reconsider the gatehouse operation considering our funding offer.

Thank you for your understanding,

Dave Haley

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1/16/13

CSD President Darlene DeBaldo Re: proposed gate staffing by C&C

Darlene,

This email is in response to my comments to you at the adjournment of yesterdays SCCSD Board meeting and my follow-up telephone conversation with you this morning. The below CCSC funding commitment is being made base on the comments from the members during the meeting.

Acknowledge

- 1 that CCSC notified the SCCSD on November 21, 2012 that CCSC would suspend the future funding supplement of the gatehouse staffing starting on January 1, 2013,
- 2 that SCCSD BOD voted to fund the gatehouse staff as previously scheduled for the month of January 2013 and revise the gate operation schedule to be unstaffed when closed starting February 1st along with a revised open and close schedule.

Castle & Cooke Saddle Creek now offers to reimburse the SCCSD for the gatehouse staffing cost for the month of January 2013 and supplement the cost of gate house staffing for Saturday and Sunday only when the gates are closed based on the following weekly schedule. This commitment will be remain until the SCCSD and CCSC meet in the future to adjust the schedule, if necessary.

	Staffing	Open Gates	Closed Gates
Monday through Thursday	None	6:45am to 5:00pm	5:00pm to 6:45am
Friday	None	6:45am to 8:00pm	8:00pm to 6:45am
Saturday	None	6:45am to 9:00am	
Saturday	Yes		9:00am to 8:00pm
Saturday	None		8:00pm to 6:45am
Sunday	None	6:45am to 9:00am	•
Sunday	Yes		9:00am to 5:00pm
Sunday	None		5:00pm to 6:45pm

Summary of CCSC funding supplement until revised, if necessary, is 11 hours on Saturday and 8 hours on Sundays, total 19 hours per week.

Please let me know if this is acceptable to the SCCSD Board of Directors.

Thank you, Dave Haley

Vice President-Division Manager

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