

RANCHO MURIETA NORTH SECURITY GATE USE AGREEMENT

This Use Agreement is entered into this August 1, 2015, between Rancho Murieta Community Services District, a local government agency ("**District**"), and Rancho Murieta Association, a California nonprofit corporation ("**Association**"), who agree as follows:

1. Recitals. This Use Agreement is made with reference to the following background recitals:

1.1. Association owns the new and relocated north security/guard station located at the entrance to Rancho Murieta North (the "**North Gate**") and underlying real property. The North Gate and adjacent land covered by this Use Agreement are shown on the attached Exhibit A (the "**Property**").

1.2. District operates and maintains a security department and employs security personnel to protect the life and property of Rancho Murieta residents and property owners. As part of this service, District security personnel for many years have staffed and operated, and plan to continue to staff and operate, the North Gate.

1.3. The District-Association arrangement regarding the North Gate has not previously been memorialized in a use agreement or other agreement. By this Use Agreement, the parties desire to memorialize their arrangement regarding Association ownership of, and District operation of, the North Gate, concurrent with Association's completion of construction of the new North Gate.

2. Grant of Use. Subject to the terms and conditions set forth below, Association grants use of the Property to District, and District accepts use of the Property from Association.

3. Term. The term of this Use Agreement will be 10 years commencing on the date set forth above. The term shall automatically renew for additional 10 year terms unless either party provides a 60 day notice of termination prior to the expiry of the then current 10 year term. The parties may agree in writing to earlier terminate the Use Agreement.

4. Use of Property. The Property may be used by District for the operation and management of a security gate and security services and for other uses incident or related to those uses. Except as provided by section 11, District will have the exclusive use and control of the Property. District will not use or permit the Property to be used for any other purpose, without the prior written consent of Association. District will not maintain, commit or permit the maintenance or commission of any nuisance or waste on the Property.

5. North Gate Operation Services. District agrees to operate and staff the North Gate on a full-time basis (i.e., 24 hours a day, 365 days a year). Services will include monitoring, controlling and registering the property owners and residents, their guests, visitors and invitees, country club users, and authorized vendors, service providers, contractors and realtors.

6. Consideration. As consideration for this Use Agreement, District will provide the services described in section 5. There will be no rent paid for this Use Agreement.

7. Compliance with Laws. The parties will comply with all applicable federal, state and local statutes, ordinances, regulations and other laws relating to the Property and its use and occupancy.

8. Property Improvements.

8.1. District will not make any structural alterations or construction on the Property or install any real property fixtures to or on the Property without the prior written consent of Association, which consent will not be unreasonably withheld. Any District construction work relating to improvement of the Property will be performed in a good and workmanlike manner, and will comply with all applicable federal, state and local laws, codes and building and other permit requirements. District will keep the Property free and clear from any and all liens, stop notices, claims and demands for work performed, materials furnished or operations conducted by District on the Property. Except for any District repair that may be required under section 9.3, nothing in this Use Agreement will require District to undertake any structural alteration, construction or improvement on the Property.

8.2. The parties agree that the generator, gate operators, gate arms, and barcode readers installed at the North Gate are owned by the District and that the Association has provided consent for their installation.

9. Property Maintenance and Upkeep.

9.1. Association at its sole cost and expense will keep and maintain the North Gate structure and improvements and Property in good, safe, sanitary, habitable and usable condition and repair, including, but not limited to, the following: repair and replacement (as needed) of the structural parts of the North Gate building (which include the foundation, flooring, walls, roof, windows, gutters and downspouts, heating/ventilation/air-conditioning equipment, pavement, and electrical, plumbing, sewage, cabling and utility systems); exterior repainting; repair and replacement of the surveillance cameras owned by Association and related equipment; and, repair and replacement of other equipment, fixtures and improvements on the Property excluding District's cameras, computers, appliances, furnishings, generator, gate operators, gate arms and barcode readers. Association at its sole cost and expense also will operate, care for, repair and replace (as needed) the landscaping and irrigation and storm drainage systems on the Property. In addition, Association at its sole cost and expense will provide routine maintenance as shown in Exhibit B.

9.2. If Association fails to make with reasonable promptness any repairs, replacement or maintenance that are the obligation of Association, District, upon at least 20 days prior written notice and demand to Association, may (but will not be required to) cause the same to be put in good order, condition and repair. Association will pay to District the reasonable cost and expense of the repairs, replacement or maintenance that District performs on Association's behalf within 30 days after receipt by Association of an itemized statement accompanied by invoices for the repair, replacement, maintenance and other charges.

9.3. District at its sole cost and expense will keep and maintain the interior of the North Gate and Property grounds around the North Gate in good, safe, sanitary and clean condition; and will repair and replace the District owned cameras, computers, appliances, furnishings, generator, gate operators, gate arms, and barcode readers as long as District is providing services under this Use Agreement; however, District's obligation will not extend to any area of Association responsibility described in section 9.1. District will repair any damage to the Property caused by District or District's employees. In addition, District at its sole cost and expense provide routine maintenance as shown in Exhibit B.

9.4. If District fails to make with reasonable promptness any repairs or maintenance that are the obligation of District, Association, upon at least 20 days prior written notice and demand to District, may (but will not be required to) enter the Property and cause the same to be put in good order, condition and repair. District will pay to Association the reasonable cost and expense of the repairs or maintenance that Association performs on District's behalf within 30 days after receipt by District of an itemized statement accompanied by invoices for the repair, maintenance and other charges.

10. Surrender of Property. On termination of this Use Agreement, District will promptly surrender and deliver the Property to Association in as good condition as it was in at the time of District's initial occupancy, excepting ordinary wear and tear. On termination of this Use Agreement, the parties will agree on the disposition of the gate operators, gate arms, and barcode readers owned by the District. If the parties fail to reach agreement, the District may remove the gate operators, gate arms, and barcode readers upon termination of this Use Agreement.

11. Access by Association. Association, and its employees and agents, will have the right to enter the Property at all reasonable times, and at any time during an emergency, for the purposes of inspecting the Property to determine whether District is complying with this Use Agreement, doing other lawful acts that may be necessary or appropriate to protect Association's interest in the Property, or performing Association's duties related to this Use Agreement. Association will have the right to attach cameras to the structure and house video recording devices in the North Gate. District will not be responsible for monitoring such Association owned devices unless otherwise agreed upon in writing by the Parties. In the future, the District plans to implement the District Surveillance Camera Policy, which may provide for surveillance cameras to be installed by the District at the North Gate. At the time the District approves cameras for the North Gate under the Surveillance Camera Policy the District and the Association will work together to determine if the Association-owned cameras will be donated by the Association to the District or if the District will purchase new cameras. Association will have the right to attach holiday lighting to the building and a light for the flag pole.

12. Utilities and Taxes. Association will pay all of the following: (a) charges and fees for the furnishing of water service for irrigation, electricity service as outlined in Exhibit C (Association will bill District for the remaining monthly electric charges as billed by SMUD), and other public utilities and services (excluding telephone service, Internet service, garbage pickup and disposal) to the Property; and (b) all real property taxes, assessments and standby charges levied or assessed against the Property by a governmental entity, and including any taxes or charges that may be assessed or imposed upon or against the leasehold estate or possessory interest created by this Use Agreement.

District will pay any taxes, assessments and other charges levied or imposed by any governmental entity on the District-owned furniture or other personal property placed in the Property. All such fees, charges, taxes and assessments will be paid as they become due and payable.

13. Damage and Destruction.

13.1. Insured Loss. If the Property is damaged or destroyed by fire or by any other risk occurrence insured by Association's property insurance, then Association forthwith will proceed to repair and restore the Property on substantially the same plans and design that existed immediately before the damage or destruction, and Association will diligently proceed to complete the repairs and restoration.

13.2. Uninsured Loss.

13.2.1. If the Property is damaged or destroyed by a risk occurrence not insured by Association's property insurance and if the extent of the damage or destruction is less than 25% of the replacement cost of the Property, then Association forthwith will proceed to repair and restore the Property on substantially the same plans and design that existed immediately before the damage, and Association will diligently proceed to complete the repairs and restoration.

13.2.2. If the Property is damaged by a risk occurrence not insured by Association's property insurance and if the extent of the damage or destruction is more than 25% of the replacement cost of the Property, then Association may decide and elect whether to repair and restore the Property. Association will notify District about its election in writing within 60 days following the date of the damage or destruction. If Association elects to repair and restore the Property, then Association forthwith will proceed to repair and restore the Property on substantially the same plans and design that existed immediately before the damage or destruction, and Association will diligently proceed to complete the repairs and restoration. If Association elects not to repair and restore the Property, then this Use Agreement will terminate at the end of the 60-day period and the parties will meet and confer in good faith concerning the future repair and operation of the North Gate.

13.3. District Personal Property. District shall provide insurance for District owned personal property including District-owned cameras, computers, appliances, furnishings, generator, gate operators, gate arms, and barcode readers.

13.4. Abatement of District Services. If the Property is uninhabitable or unusable during the period of any Property repair or restoration, the obligation of District to provide services under section 5 will be abated during the period of such repair or restoration.

14. Condemnation. If title and possession of the Property are taken under the power of eminent domain by any public or quasi-public agency or entity, this Use Agreement will terminate as of the date of actual physical possession of the Property is taken by the agency or entity. Any just compensation, damages or other payment for the taking of the Property will be awarded to and be the sole property of Association.

15. Indemnification.

15.1. District will indemnify, defend, protect and hold harmless Association and its officers, employees and agents from and against any and all liability, loss, damage, expense, penalties, and costs (including attorney fees, investigation costs and litigation costs) of every nature arising out of or in connection with: (a) the death or injury of any person or persons, or the damage to or destruction of any personal or real property, that is caused or allegedly caused by some act or omission of District or a District employee or contractor; or (b) District's failure to perform or otherwise comply with any provision of this Use Agreement; but excepting any such loss or damage caused by the sole negligence or willful misconduct of Association.

15.2. Association will indemnify, defend, protect and hold harmless District and its officers, employees and agents from and against any and all liability, loss, damage, expense, penalties, and costs (including attorney fees, investigation costs and litigation costs) of every nature arising out of or in connection with: (a) the death or injury of any person or persons, or the damage to or destruction of any personal or real property, that is caused or allegedly caused by either the condition of the Property or some act or omission of Association or an Association employee or contractor; (b) any construction or improvement work performed by Association on the Property; or (c) Association's failure to perform or otherwise comply with any provision of this agreement; but excepting any such loss or damage caused by the sole negligence or willful misconduct of District.

These indemnification provisions will survive the termination of this Use Agreement with respect to any occurrence or event occurring prior to the termination.

16. Restriction against Assignment. District will not sublet, encumber, assign or otherwise transfer this Use Agreement, or any right or interest in this Use Agreement, or any right or interest in the Property, without first obtaining the written consent of Association.

17. General Provisions.

17.1. Entire Agreement. The parties intend this writing to be the sole, final, complete, exclusive and integrated expression and statement of the terms of their contract concerning the subject matter addressed in the Agreement. This Agreement supersedes all prior oral or written negotiations, representations, contracts or other documents that may be related to the subject matter of this Agreement, except those other documents that may be expressly referenced in this Agreement.

17.2. Construction and Interpretation. The parties agree and acknowledge that this Agreement has been arrived at through negotiation, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

17.3. Waiver. The waiver at any time by any party of its rights with respect to a default or other matter arising in connection with this Agreement will not be deemed a waiver with respect to any subsequent default or matter.

17.4. Severability. If any part of this Agreement is held to be void, invalid, illegal or unenforceable, then the remaining parts will continue in full force and effect and be fully binding, so long as the rights and obligations of the parties are not materially and adversely affected.

17.5. Amendment. This Agreement may be modified or amended only by a subsequent written agreement approved and executed by both parties. Amendment by District requires approval by its Board of Directors at a noticed public meeting.

17.6. Governing Law and Venue. Except as otherwise required by law, this Agreement will be interpreted, governed by, and construed under the laws of the State of California. The County of Sacramento will be venue for any state court litigation and the Eastern District of California will be venue for any federal court litigation concerning the enforcement or construction of this Agreement.

17.7. Notices. Any notice, demand, invoice or other communication required or permitted to be given under this Agreement must be in writing and delivered either (a) in person, (b) by prepaid, first class U.S. mail, (c) by facsimile transmission with delivery to the other party confirmed by a successful-delivery confirmation receipt if the document also is sent within two days by prepaid, first class U.S. mail, or (d) by a nationally-recognized commercial overnight courier service that guarantees next day delivery and provides a receipt. Such notices, etc. will be addressed as follows:

District: General Manager Rancho Murieta Community Services District 15160 Jackson Road P.O. Box 1050 Rancho Murieta, CA 95683	Association: General Manager Rancho Murieta Association 7191 Murieta Parkway Rancho Murieta, CA 95683
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Notice given as above will be deemed given (a) when delivered in person, (b) three days after deposited in prepaid, first class U.S. mail, (c) upon receipt of the facsimile machine successful-delivery confirmation, or (d) on the date of delivery as shown on the overnight courier service receipt. Any party may change its contact information by notifying the other party of the change in the manner provided above.

RANCHO MURIETA COMMUNITY
SERVICES DISTRICT

By:


Darlene J. Gillum
General Manager

RANCHO MURIETA ASSOCIATION

By:


Greg Vorster
General Manager

EXHIBIT A
Rancho Murieta North Gate and Adjacent Land used by RMCS D

Map Search

For Assessor Parcel Number

95683



EXHIBIT A



Property Detail Report

For Property Located At :
7111 STONEHOUSE RD, SLOUGHHOUSE, CA 95683



Owner Information

Owner Name: **RANCHO MURIETA ASSOCIATION**
 Mailing Address: **7111 STONEHOUSE RD, SLOUGHHOUSE CA 95683**
 Vesting Codes: **//**

Location Information

Legal Description: **LOT F, BEING ALL PVT RDS IN RANCHO MURIETA UNIT NO 1, TOGETHER WITH PCL 3, PCL MAP BK 92, PG 22.**

County:	SACRAMENTO, CA	APN:	073-0190-087-0000
Census Tract / Block:	86.00 / 1	Alternate APN:	
Township-Range-Sect:		Subdivision:	
Legal Book/Page:		Map Reference:	88-E3 /
Legal Lot:	F	Tract #:	
Legal Block:		School District:	ELK GROVE
Market Area:		School District Name:	ELK GROVE UNIFIED SCHOOL
Neighbor Code:	W	Munic/Township:	DISTR

Owner Transfer Information

Recording/Sale Date:	/	Deed Type:	
Sale Price:		1st Mtg Document #:	
Document #:			

Last Market Sale Information

Recording/Sale Date:	/	1st Mtg Amount/Type:	/
Sale Price:		1st Mtg Int. Rate/Type:	/
Sale Type:		1st Mtg Document #:	
Document #:		2nd Mtg Amount/Type:	/
Deed Type:		2nd Mtg Int. Rate/Type:	/
Transfer Document #:		Price Per SqFt:	
New Construction:		Multi/Split Sale:	

Title Company:
 Lender:
 Seller Name:

Prior Sale Information

Prior Rec/Sale Date:	/	Prior Lender:	
Prior Sale Price:		Prior 1st Mtg Amt/Type:	/
Prior Doc Number:		Prior 1st Mtg Rate/Type:	/
Prior Deed Type:			

Property Characteristics

Gross Area:		Parking Type:		Construction:	
Living Area:		Garage Area:		Heat Type:	
Tot Adj Area:		Garage Capacity:		Exterior wall:	
Above Grade:		Parking Spaces:		Porch Type:	
Total Rooms:		Basement Area:		Patio Type:	
Bedrooms:		Finish Bsmnt Area:		Pool:	
Bath(F/H):	/	Basement Type:		Air Cond:	
Year Built / Eff:	/	Roof Type:		Style:	
Fireplace:	/	Foundation:		Quality:	
# of Stories:		Roof Material:		Condition:	
Other Improvements:					

Site Information

Zoning:	RD 5	Acres:	162.74	County Use:	CONDO-COMM AREA (AQ0)
Lot Area:	7,088,954	Lot Width/Depth:	x	State Use:	
Land Use:	COMMON AREA	Res/Comm Units:	/	Water Type:	
Site Influence:				Sewer Type:	

Tax Information

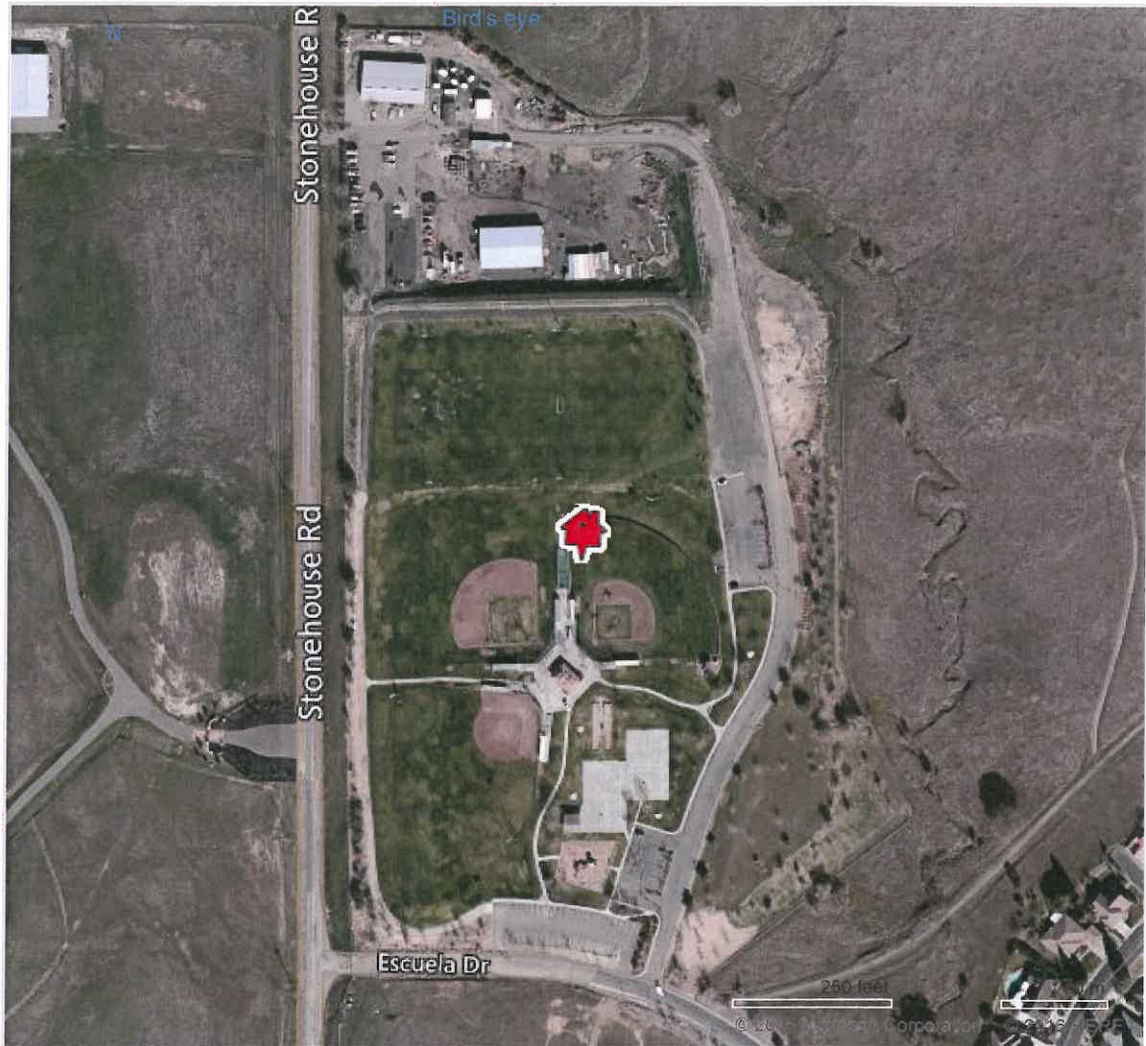
Total Value:		Assessed Year:		Property Tax:	
Land Value:		Improved %:		Tax Area:	51149
Improvement Value:		Tax Year:		Tax Exemption:	MISC
Total Taxable Value:					

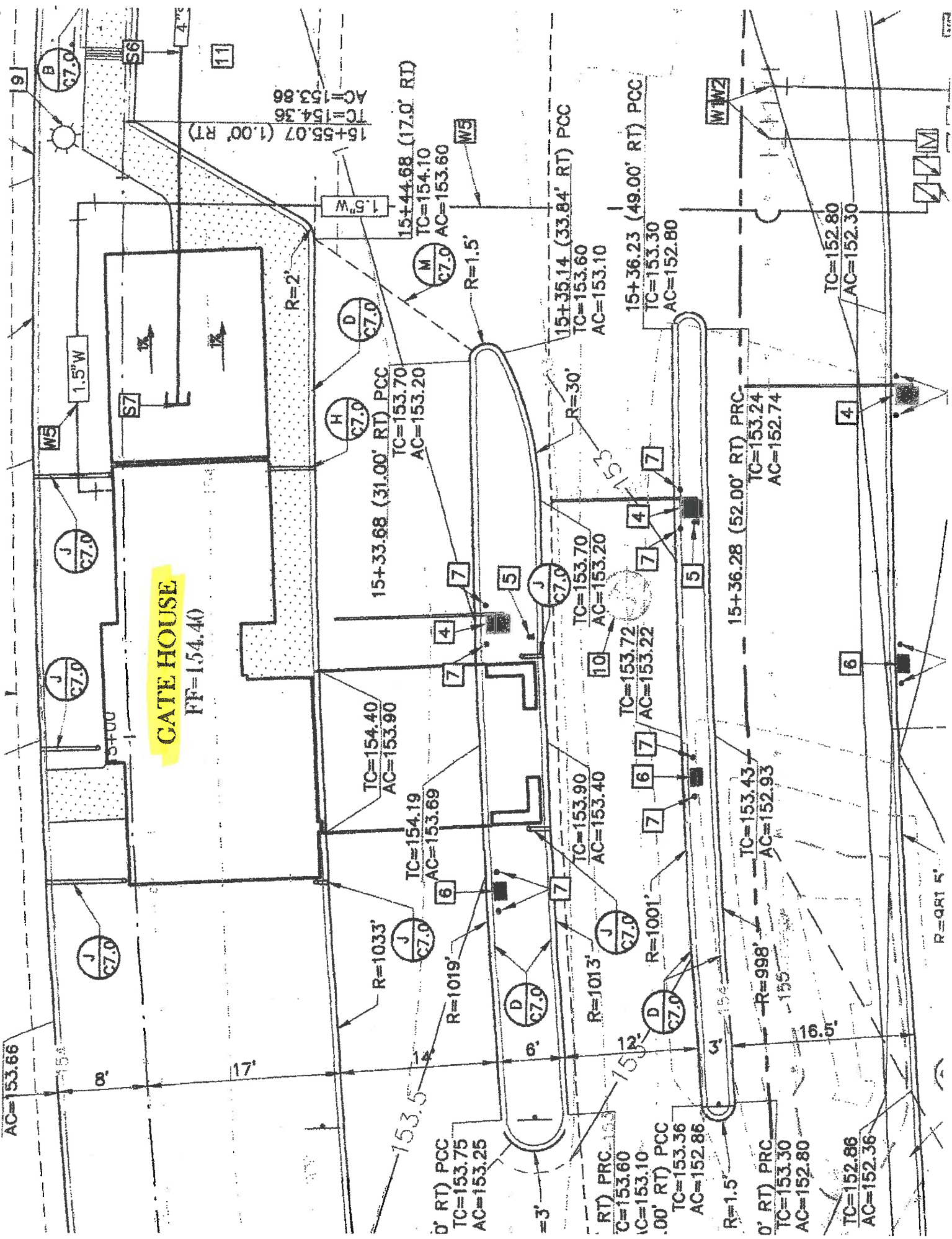
Street Map Plus Report

For Property Located At



7111 STONEHOUSE RD, SLOUGHOUSE, CA 95683





GATEHOUSE
FF=154.40

15+55.07 (1.00' RT)
TC=154.36
AC=153.86

15+33.68 (31.00' RT) PCC
TC=153.70
AC=153.20

15+35.14 (33.84' RT) PCC
TC=153.60
AC=153.10

15+36.23 (49.00' RT) PCC
TC=153.30
AC=152.80

15+36.28 (52.00' RT) PRC
TC=153.24
AC=152.74

TC=154.40
AC=153.90

TC=154.19
AC=153.69

TC=153.90
AC=153.40

TC=153.72
AC=153.22

TC=153.43
AC=152.93

AC=153.66

0' RT) PCC
TC=153.75
AC=153.25

0' RT) PCC
TC=153.36
AC=152.86

0' RT) PRC
TC=153.30
AC=152.80

TC=152.86
AC=152.36

R=QRT 5'

EXHIBIT B
ROUTINE MAINTENANCE SERVICES AND SCHEDULE

Association's Routine Maintenance Services

1. Exterior window cleaning – Not less than quarterly in the months of January, April, July, and October
2. Leaf and debris blowing – Leaves and debris will be blown away from the building (including the generator enclosure) and entry and exit lanes weekly

District's Routine Maintenance Services

1. Interior cleaning – The following cleaning services will be performed on a weekly basis:
 - a. Dust all surfaces
 - b. Empty all waste containers
 - c. Vacuum all carpet areas, if any
 - d. Sweep and mop all linoleum floors
 - e. Dust blinds, if any, as needed
 - f. Clean and sanitize restrooms
2. Pest control – Monthly pest control spraying around the exterior building perimeter. Monthly service shall also include sweeping of the exterior walls and soffits for removal of bugs and spider webs.
3. HVAC Maintenance Filter replacement in accordance with manufacturer's recommended maintenance schedule.

EXHIBIT C

New North Gate Electrical Use

RMA Usage

June 1, 2015

Site lighting fake gates	731	watts
Site lighting entry	680	watts
Street lgths	318	watts
Irrigation controllers	<u>10</u>	watts
Total watts	1739	watts

RMA's Electrical Use Calculation :

$1739 \text{ watts} / 1,000 = 1.739 \text{ kilowatts per hour.}$

$1.739 \times 12 \text{ hours of operation} = 20.87 \text{ KWHs} \times .1266 \text{ (rate)} = \2.63 per day

$\$2.63 \text{ per day} \times 30 \text{ days} = \$78.90 \text{ per month for RMA's electrical usage}$

RMA's electrical usage cost will be adjusted annually on June 1 to reflect the then current SMUD rates in effect.