

MONTEREY COUNTY WATER RESOURCES AGENCY

STANDARD LEASE AGREEMENT (General / Recreational)



LEASED PREMISES:	APN-080-121-014, the southern half of the NW ¼ of the NW ¼ of Township 25S, Range 10E, Section 28
LESSEE:	Heritage Ranch Owners' Association 3945 Heritage Road Paso Robles, CA 934466

**MONTEREY COUNTY WATER RESOURCES AGENCY
STANDARD LEASE AGREEMENT
(General / Recreational)**

PREAMBLE

THIS Lease ("Lease" or "Agreement") is made by and between the MONTEREY COUNTY WATER RESOURCES AGENCY, a public agency created pursuant to the Monterey County Water Resources Agency Act (Cal. Water Code, Appendix Chap. 52) ("LESSOR") and Heritage Ranch Owners' Association, a California corporation ("LESSEE"). LESSOR and LESSEE hereby agree as follows:

ARTICLE 1 - PREMISES

1.1 **Description:** LESSOR hereby leases to LESSEE and LESSEE hereby leases from LESSOR, upon the terms and conditions herein set forth, that certain real property and its appurtenances, situated at APN-080-121-014, the southern half of the NW ¼ of the NW ¼ of Township 25S, Range 10E, Section 28 (the "Premises" or the "Property") and described as follows:

That portion of Nacimiento Reservoir and adjacent undeveloped real property outlined and described in Exhibit A, as prepared by Ken Kellam, RCE 10956, dated July 20, 1988, attached hereto and incorporated herein. The lease property is 25 acres.

1.2 **Compliance with the "Americans with Disabilities Act of 1990" (ADA):** If applicable, LESSEE shall ensure that the Premises are in compliance with the Americans with Disabilities Act of 1990 ("ADA"), as amended, and, if necessary, prior to the Commencement Date, shall modify the Premises to comply with the Act and the regulations promulgated to implement the ADA requirement.

1.3 **Common Areas:** [This standard provision is not applicable to this Agreement.]

1.4 **Parking Areas:** [This standard provision is not applicable to this Agreement.]

1.5 **Compliance with "No Smoking Law" (2003 Assembly Bill 846):** If and as applicable, LESSOR shall ensure that the Premises are in compliance with Government Code Title 1, Division 7, Chapter 32 (commencing with section 7596), as amended, and, if necessary, prior to the Commencement Date, shall modify the same to comply with the law and the regulations promulgated to implement 2003 Assembly Bill 846.

1.6 **Items to be completed within ninety (90) days of Lease Commencement date:** [This standard provision is not applicable to this Agreement.]

ARTICLE 2 - TERM

2.1 **Lease Term:** The term of this Lease ("Lease Term") shall be one (1) year, commencing on April 1, 2019 ("Commencement Date") and ending April 1, 2020, subject to the rights of termination of the Lease Term in this Agreement.

2.2 **Extended term:** [This standard provision is not applicable to this Agreement.]

ARTICLE 3 - RENT

3.1 **Rent:** LESSEE agrees to pay LESSOR, monthly, the sum of **\$3,010.65**. A late payment penalty of five percent (5%) of the monthly rent will accrue on any payment not made by LESSEE within fifteen (15) days of the first of the month and shall be paid as part of the following month's rent payment.

3.2 **Possessory interest tax; Initial Lease Administrative Charge:** An initial Lease Administrative Charge (ILAC) calculated by the LESSOR Finance Department will be added to the rent. Rent will be re-calculated and increased annually according to cost of living provisions in this lease. In addition to such rent, LESSEE is responsible to separately pay the corresponding real property taxes and assessments (assessed by San Luis Obispo or Monterey County). LESSEE is advised that by entering into this Lease a possessory tax interest may be created. The property interest if created may be subject to property taxation, and LESSEE may be subject to the payment of property taxes levied on the interest. The imposition or payment of such possessory interest tax shall not give rise to an entitlement on LESSEE's part to an off-set for any portion of the rent due and owing attributable to such possessory interest tax liability. LESSEE's failure to pay taxes constitutes a breach of this Agreement.

ARTICLE 4 - ANNUAL RENT ADJUSTMENT

At the end of each one-year pay period of the Lease Term the monthly base rent shall be adjusted to reflect any increase in the Cost of Living Indexes for all urban consumers for the San Francisco-Oakland-San Jose area. The monthly base rent shall be increased at the end of each year by the percentage increase in said index in the twelve (12) calendar month period preceding such adjustment, based on the most recent publications of the index prior to the adjustment rate.

ARTICLE 5 - TERMINATION BY LESSOR

LESSOR may terminate this Lease for good cause upon sixty (60) days written notice. Good cause shall include non-payment of rent, breach of any provision of this Agreement, or breach of any rules or regulations governing the use of the Premises.

ARTICLE 6 - NOTICES

6.1 **Written notices:** All notices or correspondence provided for herein shall be effective when made in writing, personally delivered or deposited in the United States mail, sent certified, postage prepaid, and addressed as follows:

6.2 **Service of notices:** All notices, correspondence, or other written communication related to this Agreement shall be sent to the following:

LESSEE:

Tina Platt
General Manager
Heritage Ranch Owners Association
3945 Heritage Road
Paso Robles, CA, 93446

LESSOR:

Brent Buche
Deputy General Manager
Monterey County Water Resources Agency
1441 Schilling Pl.
Salinas, CA 93901

6.3 Rent payments to LESSOR shall be directed to the LESSOR's Finance Manager at the address listed above.

6.4 Any notice or correspondence shall be deemed delivered upon personal delivery or five (5) days after notice is mailed. Correspondence other than notices may be given by phone, regular mail, email or facsimile. Any correspondence sent by facsimile shall also be sent by United States mail if requested by either party. By written notice to the other, either party may change its own mailing address or correspondence information.

6.5 LESSOR's designated property management representative shall be available to LESSEE by phone during regular business hours, and for emergencies after hours and weekends. LESSOR or LESSOR's designated property management company shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. **Emergency answering service phone number for LESSOR is 831-796-1166.**

6.6 LESSEE shall be available to LESSOR, by phone during regular business hours, and for emergencies after hours and on weekends. LESSEE shall subscribe to a 24-hour, 7 days a week emergency answering service that maintains contact phone numbers of key personnel or maintenance/service companies in event of an emergency. **Emergency answering service phone number for LESSEE is 805-227-6560.**

ARTICLE 7 - IMPROVEMENTS BY TENANT

7.1 **Fencing:** Fencing shall be according to specifications approved by LESSOR in writing prior to commencement of construction.

7.2 All improvements, construction of all types shall meet or exceed construction and uniform codes

of San Luis Obispo County and approved by LESSOR. Where applicable, or where required by the LESSOR, improvements and construction shall meet other applicable codes and regulations, such as the health, environmental health, operations and regulatory requirements of the United States, State of California, and San Luis Obispo County.

7.3 In granting approval for any construction or work, LESSOR may impose special standards or conditions. Digging, excavation, piling or mounding of material such as earth, and the use of heavy equipment shall be approved in writing by LESSOR beforehand. Operation of machinery and equipment shall be by trained and experienced operators who are licensed and adequately insured for that purpose.

7.4 **Reimbursement for improvements:** [This standard provision is not applicable to this Agreement.]

ARTICLE 8 - NOTICE OF COMPLETION

[This standard provision is not applicable to this Agreement.]

ARTICLE 9 - PUBLIC WORKS LAWS

Under Section 1720.2 of the California Labor Code, any construction contract to improve owned or leased by LESSOR may be considered a “public work” if certain conditions are met. If applicable, LESSEE shall comply with provisions of law governing public works including, without limitation, Labor Code sections 1773, 1773.2, 1773.3, 1773.8, 1775 (payment of prevailing wages), 1776 (payroll records), and 1777.5 (employment of apprentices), all as amended from time to time.

ARTICLE 10 - TIME LIMIT AND PRIOR TENANCY

It shall be LESSOR's responsibility to remove any prior LESSEE in the Premises at LESSOR's sole cost and expense.

ARTICLE 11 - USE

11.1 **Use:** Subject to the following, LESSEE may use the Premises for mooring of LESSEE owned slips, day beaching and picnicking, and overflow parking. Except as provided in Section 11.2, LESSEE may alter said use to any lawful purpose, upon the written consent of LESSOR, which consent shall not be unreasonably withheld.

11.1a When the reservoir level falls below 760 feet, the Heritage Ranch Owners Association Board of Directors may allow private docks to be moored to the North side of the point.

11.2 **Vineyards:** Notwithstanding any other provision of this Agreement, and regardless of the uses permitted under the applicable planning and zoning regulations, vineyards are not a permitted use or activity on the leased premises without the prior written approval of LESSOR.

11.3 **Parking adjacent to oak trees:** Notwithstanding any other provision of this Agreement, parking shall not be allowed within twenty (20) feet of any oak tree.

11.4 **Hours; no parking:** The Premises shall be closed between the hours of 10:00 p.m. and 6:00 a.m. No overnight parking shall be allowed during the hours the Premises is closed. All private property must be removed when the Premises is closed.

11.5 **Docks:** Only those docks that are owned by LESSEE shall be allowed on the Premises. LESSEE must obtain approval from LESSOR prior to adding any docks.

11.6 **Marina Rules:** All LESSEE Marina Rules shall apply to the Premises. A copy of the LESSEE Marina rules and rule changes adopted July 1, 2018, are attached as **Exhibit B** and incorporated by reference. Marina rules shall conform to all applicable laws and regulations and the provisions of this Agreement.

11.7 **Construction, building, cutting timber:** LESSEE may not erect any permanent structures or improvements, or make alterations, on the Premises without the prior written consent of LESSOR. LESSEE shall not cut, and shall not allow the cutting, of any timber without the prior written consent of the LESSOR. LESSEE shall not remove or place soil, sand, rocks or gravel to or from the subject property without the prior written consent of the LESSOR.

11.8 **Ejection from property:** Any LESSEE member or member of the public may be ordered to leave the Premises by any peace officer, Monterey County employee, or LESSOR employee, for violation of any law, regulation or rule, or any provision of this Agreement. Persons ordered to leave the Premises under this provision shall not be allowed to return onto the Premises for a period of at least seven (7) days. LESSOR may increase the time prior to return at its sole discretion.

11.9 **Compliance with Laws:** LESSEE represents and warrants to LESSOR that any construction performed by, for or on behalf of LESSEE, and LESSEE's current and proposed uses, and the operation of the Premises are in full compliance with applicable building and seismic codes, environmental, zoning and land use laws, and other applicable local, state and federal laws, regulations and ordinances. LESSEE agrees to defend and indemnify LESSOR for any responsibility for any code violations or other deviations from applicable local, state and federal laws, regulations and ordinances related to LESSEE's use, operations or construction.

11.10 **Hazardous Substances:** LESSOR shall have no liability or responsibility for toxic or hazardous materials or substances on the Premises which result from LESSEE's acts or omissions, or which occur on property not owned and occupied by LESSOR. LESSEE will comply with all applicable laws concerning the handling and removal of any hazardous materials, including asbestos or polychlorinated biphenyl (PCB) containing materials. Nothing in this Lease shall be taken as LESSOR's assumption of any duty or liability not otherwise imposed by law.

11.11 **Environmental Hazards:** LESSEE shall immediately notify LESSOR of any suspected appearance of toxic mold spores and of any conditions (such as excessive moisture) that may lead to the appearance of toxic mold spores, and LESSOR agrees to investigate same.

ARTICLE 12 - SIGNS AND FIXTURES

LESSEE may place such signs and advertisements upon the Premises as LESSEE may desire, subject to compliance with applicable law and approval by the LESSOR which consent shall not be unreasonably withheld provided, however, that at the expiration of the term hereof or any renewal or extension of this Lease, LESSEE will remove said signs and will repair any damage caused by such removal. Any trade fixtures, equipment, furniture, demountable walls, and other movable personal property installed in the Premises by and at the expense of the LESSEE (except those reimbursed in whole or part by LESSOR) shall remain the property of the LESSEE, and the LESSOR agrees that the LESSEE shall have the right at any time, and from time to time, to remove any and all of its trade fixtures, equipment and other movable personal property (except those reimbursed in whole or part by LESSOR) which it may have stored or installed in the Premises, provided that LESSEE repairs any damage caused by such removal. The LESSOR agrees not to mortgage or pledge the LESSEE's trade fixtures, equipment and other property. Upon termination of this Lease, LESSEE shall return the Premises in the same condition as when delivered to LESSEE, except for reasonable wear and tear, and damage by casualty or condemnation, and alterations approved by LESSOR.

ARTICLE 13 - SERVICES AND UTILITIES

Unless expressly so provided under this Agreement, this Agreement does not authorize LESSEE to use water from the reservoir on the premises for domestic, potable, farming, livestock or similar purposes.

ARTICLE 14 - REPAIR AND MAINTENANCE

14.1 **Maintenance of property:** LESSEE shall operate and maintain the Premises in a clean and orderly manner, and in compliance with all applicable laws, ordinances and regulations, and in compliance with the governing documents of LESSEE. LESSEE shall inform LESSOR in writing within thirty (30) days of the effective date of this Agreement of its plans for controlling and removing litter and trash and maintenance policies.

LESSEE shall request in writing approval from LESSOR prior to repairing and/or maintaining any matters including but not limited to erosion, tree care, shoreline damage and vegetation control.

14.2 **No LESSOR duty to maintain or repair:** LESSOR shall not have any obligation, during the term of this Agreement, to repair, restore, or maintain the Premises, except to the extent of any damage caused to the Premises by willful misconduct or negligent conduct of LESSOR.

14.3 **LESSOR and LESSEE Obligations:** LESSEE's repair and maintenance responsibilities are set forth in **Exhibit C**, Summary of Repair and Maintenance Responsibilities, which by this reference is incorporated herein. As stated in **Exhibit D**, the term "deemed necessary" shall mean that appropriate action needs to be taken to ensure the health, safety and general well-being of the occupants and or invitees of the Premises.

14.4 **Negligent Acts or Omissions of LESSEE:** Notwithstanding the foregoing, LESSEE will pay to LESSOR the reasonable cost of any repairs or maintenance to the extent required as a direct result of the negligence or willful misconduct of LESSEE.

14.5 **Failure of LESSEE to Make Repairs:** If LESSEE fails to maintain the Premises or to make the repairs required in this article within the time periods as specified in Article 23, LESSOR may perform such maintenance or make such repairs at its expense and add the cost of such repairs to the upcoming rent due from LESSEE.

14.4 **LESSOR/LESSEE Obligations in Applying Noxious Substances:** If applicable, LESSEE shall not apply any substance as part of any building maintenance or repair which would introduce irritating or noxious odors or any other hazardous condition to occupied spaces with the Premises or the Common Areas without prior coordination and approval of LESSOR. Prior notification and approval shall be made at least forty-eight (48) hours prior to the desired application time. Also, a Product Safety Data Sheet shall be furnished by the proposed applicator to the LESSOR. Examples of such substances or materials include, but are not limited to, the following:

- a. Termite Control Materials
- b. Pesticides
- c. Paint
- d. Water Treatment Chemicals
- e. Any other substance that is or could be construed as hazardous

ARTICLE 15 - INVASIVE SPECIES INSPECTION AND CONTROL MEASURES

LESSEE shall continue to work with both San Luis Obispo and Monterey Counties to protect Nacimiento Reservoir from the spread of invasive species. To that end, LESSEE has established and will continue to implement an Invasive Mussel Inspection Plan which is attached hereto as **Exhibit E** and incorporated by reference.

ARTICLE 16 - SERVICE COMPANIES

[This standard provision is not applicable to this Agreement.]

ARTICLE 17 - CONDITION OF THE LEASED PROPERTY

17.1 **Opportunity to inspect:** LESSEE acknowledges that it has inspected the subject property and knows its condition and further acknowledges that the LESSOR has not, and does not, make any representation or warranty regarding the condition of the subject property.

17.2 **Erosion standards and control:** [This standard provision is not applicable to this Agreement.]

ARTICLE 18 - MECHANICS' LIENS

18.1 **Mechanic's Liens:** LESSEE shall keep the Premises free from any liens arising out of any work performed by, materials furnished to, or obligations incurred by such LESSEE or on its behalf.

ARTICLE 19 - ASSIGNMENT AND SUBLETTING

LESSEE has no right to assign this Agreement to any party or entity, or in any manner sublease, transfer, or in any manner encumber, the subject property, without the prior written consent of the LESSOR.

ARTICLE 20 - ENTRY BY LESSOR

20.1 **Entry by LESSOR:** LESSOR shall, at all times during the term of this Agreement, have the right to enter upon and inspect the property for any purpose, including, but not limited to, assuring that the obligations of LESSEE, including those set forth in Paragraphs 14 and 17, above, are met. LESSOR and LESSOR's agents will give reasonable advance notice of entry (except in the case of emergency), and such entry shall be made in a reasonable manner and not unreasonably interfere with the conduct of LESSEE's business.

20.2 **Entry by peace officers and LESSOR employees:** LESSEE agrees that LESSOR employees, Monterey County employees, and any other federal, state or county peace officer may enter the Premises at any time to routinely patrol the Premises, investigate any crime, or for any other lawful purpose.

ARTICLE 21 - INSURANCE AND INDEMNIFICATION

21.1 **Insurance:** LESSEE shall, at all times during the term of this Agreement, maintain public liability and property damage insurance of at least \$2,000,000 per occurrence or if LESSEE requires aggregate no less than \$5,000,000 and property damage insurance of at least \$250,000 insuring against all liability of LESSEE and its authorized representatives arising out of and in connection with LESSEE's use or occupancy of the Property. LESSEE must also carry Auto liability of \$1,000,000 combined single limit.

All such insurance shall name the LESSOR as an additional insured and is expressly intended to provide LESSOR with protection from third party property damage and bodily injury claims, and damage to LESSOR property, arising out of the use of the property. LESSEE shall provide proof of such insurance to the LESSOR upon LESSOR's request.

21.2 **Duty to defend and indemnify LESSOR from activities:** LESSEE shall indemnify, defend, and hold harmless LESSOR, the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorney fees) occurring or resulting from the following:

- Boats or other water vehicles sinking in the reservoir;

- Boats or other water vehicles catching fire on the reservoir or on shore; and
- Oil, gasoline, other fuel or contaminant, or any hazardous material spill or contamination on land or in the reservoir.

21.3 **Duty to defend and indemnify LESSOR generally:** LESSEE shall indemnify, defend, and hold harmless the LESSOR, the County of Monterey, their officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorney fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with the LESSEE's performance of this Agreement, unless such claims, liabilities, or losses arise out of the sole negligence or willful misconduct of the LESSOR. LESSEE's "performance" includes LESSEE's action or inaction and the action or inaction of LESSEE's officers, employees, agents and subcontractors.

ARTICLE 22 - DESTRUCTION

22.1 **Destruction of property:** If the Premises is totally destroyed by fire or other casualty, either party may terminate this Lease immediately by giving notice to the other party.

22.2 **LESSOR termination for default:** If LESSEE remains in occupancy of the Premises though partially destroyed, the rent for said Premises as herein provided, during restoration, shall be reduced by the same ratio as the rentable square feet LESSEE is thus precluded from occupying, bears to the total rentable area in the Premises. For purposes of this Article, "rentable area" shall not include public areas.

ARTICLE 23 - DEFAULT BY LESSEE

23.1 **Default:** If any of the following events occur, each such event shall constitute a material breach of this Lease, and LESSOR may, at LESSOR's option, exercise any or all rights available to a LESSOR under the laws of the State of California:

- a. A default in the payment of rent or other obligation when such default continues for a period of thirty (30) days after written notice from LESSOR to LESSEE of such default;
- b. LESSEE fails to faithfully perform or observe any other covenant or undertaking required under this Lease and such failure continues for a period of thirty (30) days after written notice thereof from LESSOR to LESSEE of such default or, if such default is not reasonably curable within such thirty (30) day period, LESSEE fails to commence to cure such default within such thirty (30) day period and thereafter diligently pursue such cure to completion;
- c. LESSEE is adjudicated bankrupt; or
- d. LESSEE's lease interest is sold under execution of judgment.

Notice of default is sufficient if it is in writing, identifies the act, omission, or condition that constitutes the default, and is served upon LESSEE in the manner provided by this Lease for the giving of notice.

23.2 Remedies: If LESSEE fails to cure a prospective default within the time frames outlined above, if any, LESSOR shall have the option to cure the default, if curable, or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSOR elect to cure the default itself, all reasonable costs associated with such cure, including reasonable attorney fees (if any), shall be reimbursed by LESSEE to LESSOR, as additional rent, within thirty (30) days of receipt of LESSOR's invoice for said costs.

23.3 Termination following notice to cure: In the event that LESSEE defaults under any provision of this Agreement the LESSOR may, if such default is not cured within thirty (30) days following written notice given by the LESSOR to LESSEE, elect to terminate this Agreement. Such termination is effective upon the expiration of the thirty (30) day cure period and a written "notice of election to terminate" being served upon LESSEE by the LESSOR.

Such election to terminate in no way absolves LESSEE from any obligations under this Agreement, including the payment of any rent then owing, or the obligation to return the property in substantially similar condition to that at the effective date of this Agreement.

ARTICLE 24 - DEFAULT BY LESSOR

24.1 Default: LESSOR shall not be in default unless LESSOR fails to perform its obligations under this Lease within a reasonable time, but in no event later than thirty (30) days after written notice by LESSEE to LESSOR specifying wherein LESSOR has failed to perform such obligations. If the nature of LESSOR's obligation is such that more than thirty (30) days are required for performance, then LESSOR shall not be in default if LESSOR commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

24.2 Remedies: If LESSOR fails to cure a prospective default within the time periods outlined above, LESSEE shall have the option to cure the default or to terminate this Lease, in addition to any other remedies at law not inconsistent herewith. Should LESSEE elect to cure the default itself, all reasonable costs associated with such cure, including reasonable attorney fees (if any), shall be reimbursed by LESSOR to LESSEE within thirty (30) days of receipt of LESSEE's invoice for said costs.

ARTICLE 25 - CONDEMNATION

If the Property are taken or condemned for a public or quasi-public use, or the part taken renders the entire Property insufficient for the conduct of LESSEE's business and operations, then this Lease shall terminate at the option of LESSEE as of the date title shall vest in the condemner. If only part of the Property is taken and the remainder of the Property is sufficient for the conduct of LESSEE's business and operations, then the Lease shall continue as to the part not taken, but the monthly rent shall be reduced in proportion that the rentable area of the Property taken bears

to the rentable area of the Property before the taking.

ARTICLE 26 - HOLDING OVER

If LESSEE remains in possession of the Property after the Lease Term or any Extended Term, this Lease shall automatically be extended on a month-to-month basis at the monthly rent applicable to the last month of the Lease Term, subject to termination upon sixty (60) days' written notice by either party. During such holdover period, the cost of living increases provided by this Lease shall be applied to rent. All other terms and conditions shall remain in full force and effect.

ARTICLE 27 - WAIVER

The waiver by LESSOR or LESSEE of any term, covenant or condition herein contained shall not be deemed to be a waiver of any other term, covenant or condition, nor shall either party consent to any breach of any term, covenant or condition, nor shall either party be deemed to constitute or imply its consent to any subsequent breach of the same or other term, covenant or condition herein contained.

ARTICLE 28 - QUIET POSSESSION

LESSEE shall at all times during the term of this Lease peaceably and quietly have, hold and enjoy the Property, without suit, trouble or hindrance from LESSOR or any person claiming under LESSOR, subject to the terms of this Lease.

ARTICLE 29 - ESTOPPEL CERTIFICATE

Within thirty (30) days of written notice by one party to the other, each will execute, acknowledge and deliver to the other an estoppel certificate in writing declaring any modifications, defaults or advance payments and whether the lease, as may be modified, is in full force and effect. Any such certificate may be conclusively relied upon for the intended transaction for which the statement was requested.

ARTICLE 30 - MISCELLANEOUS PROVISIONS

30.1 **Amendment; Waiver:** This Lease may be amended or modified only by an instrument in writing signed by LESSEE and LESSOR. Any waiver of any term or condition of this Lease must be in writing and signed by LESSEE and LESSOR. A waiver of any of the terms and conditions of this Lease shall not be construed as a waiver of any other term or condition in this Lease.

30.2 **Time is of the Essence:** Time is of the essence of in each and all of the provisions of this Lease.

30.3 **Binding Effect:** Subject to any provision hereof restricting assignment or subletting by LESSEE, this Lease shall bind the parties, their personal representatives, successors, and assigns.

30.4 **Invalidity:** The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way affect the validity of any other provision hereof.

30.5 **Authority:** Any individual executing this lease on behalf of LESSEE or LESSOR represents and warrants hereby that he or she has the requisite authority to enter into this Lease on behalf of such party and bind the party to the terms and conditions of this Lease.

30.6 **Interpretation of Conflicting Provisions:** In the event of any conflict or inconsistency between the provisions of this Lease and the provisions of any addendum or exhibit attached hereto, the provisions of this Lease shall prevail and control.

30.7 **Integration:** This Lease, including the exhibits and addenda, represents the entire agreement between LESSEE and LESSOR with respect to the subject matter of this Lease and shall supersede all prior negotiations, representations or agreements, either written or oral, between LESSEE and LESSOR as of the effective date of this Lease, which is the date that LESSEE signs this Lease.

30.8 **Successors and Assigns:** This Lease and the rights, privileges, duties, and obligations of LESSEE and LESSOR under this Lease, to the extent assignable or delegable, shall be binding upon and inure to the benefit of the parties and their respective successor, permitted assigns, and heirs.

30.9 **Headings:** The headings in this Lease are for convenience only and shall not be used to interpret the terms of this Lease.

30.10 **Governing Law:** This Lease shall be governed by and interpreted under the laws of the State of California.

30.11 **Construction of Lease:** LESSEE and LESSOR agree that each party has fully participated in the review and revision of this Lease and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this lease or any amendment to this Lease. The parties agree that they have been afforded an opportunity to have this Agreement reviewed by counsel of their choice. In interpreting this Agreement there shall be no presumption based upon the authorship of this Agreement.

30.12 **Counterparts:** This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Lease.

30.13 **Disputes; consultations by parties:** In the event that any problem or issue arises with respect to the implementation or interpretation of the Agreement, the parties mutually agree to meet at the request of either of them to discuss and resolve the issue. In such event, the General Manager of LESSEE will meet with the General Manager of the LESSOR or his/her designee to reach a mutually satisfactory and reasonable conclusion.

If the parties cannot resolve the dispute pursuant to the preceding paragraph above, the Parties agree

to mediate any disagreements in good faith. Should either Party determine the dispute cannot be resolved in mediation, it is agreed that the dispute may be resolved in a court of law competent to hear the matter.

31 – LESSEE FEES AND EXPENSES

In addition to any other rates, rents, charges, cost of living increases or other fees and expenses otherwise provided for in this Agreement, LESSEE agrees to pay, upon invoice or demand, those costs, fees and expenses provided for in **Exhibit F** to this agreement, or as may be provided for by a schedule of fees and expenses adopted by the LESSOR from time to time.

Dated:

Dated:

Monterey County Water Resources Agency

Heritage Ranch Owners Association
[form of business entity]

By _____

By _____

LESSOR

By _____
LESSEE

Exhibits

- A. Description of property
- B. Heritage Ranch Marina Rules
- C. Lessee Maintenance Responsibilities
- D. Lessor Summary of Repair and Maintenance
- E. Invasive Mussel Inspection Plan
- F. Lessee Fees & Expenses

[signature page follows]

**LESSEE: MONTEREY COUNTY WATER
RESOURCES AGENCY**

By:

Shanua Lorance

Title: Interim General Manager

Date:

**APPROVED AS TO FISCAL
PROVISIONS: (County Auditor/Controller)**

By:

Name:

Title: [Assistant] Auditor Controller

Date:

APPROVED AS TO FORM:

Charles J. McKee, County Counsel

By:

Kelly L. Donlon

Title: Deputy County Counsel

Date:

**APPROVED AS TO LIABILITY
PROVISIONS: (County Risk Management)**

By:

Name:

Title: Risk Manager

Date:

LESSEE:

(_____)

By:

Name:

Title:

Date:

LESSEE:

(_____)

By:

Name:

Title:

Date:

EXHIBIT A

DESCRIPTION OF PROPERTY

Within those portions of property owned by the MONTEREY COUNTY WATER RESOURCES AGENCY adjacent to the NACIMIENTO RESERVOIR; the southern half of the Northwest ¼ of the Northwest ¼ of Township 25 South, Range 10 East, Section 28, all within San Luis Obispo County as shown on the Exhibit "A" map on file in the office of said MONTEREY COUNTY WATER RESOURCES AGENCY, 1441 Schilling Pl., Salinas, California.

PARCEL _____ Contains approximately _____ acres above the high water line and _____ acres below the highwater line.

In case of a discrepancy between words and figures, the words shall prevail.

See attached map(s) of premises:

Surveyed Map
APN Map

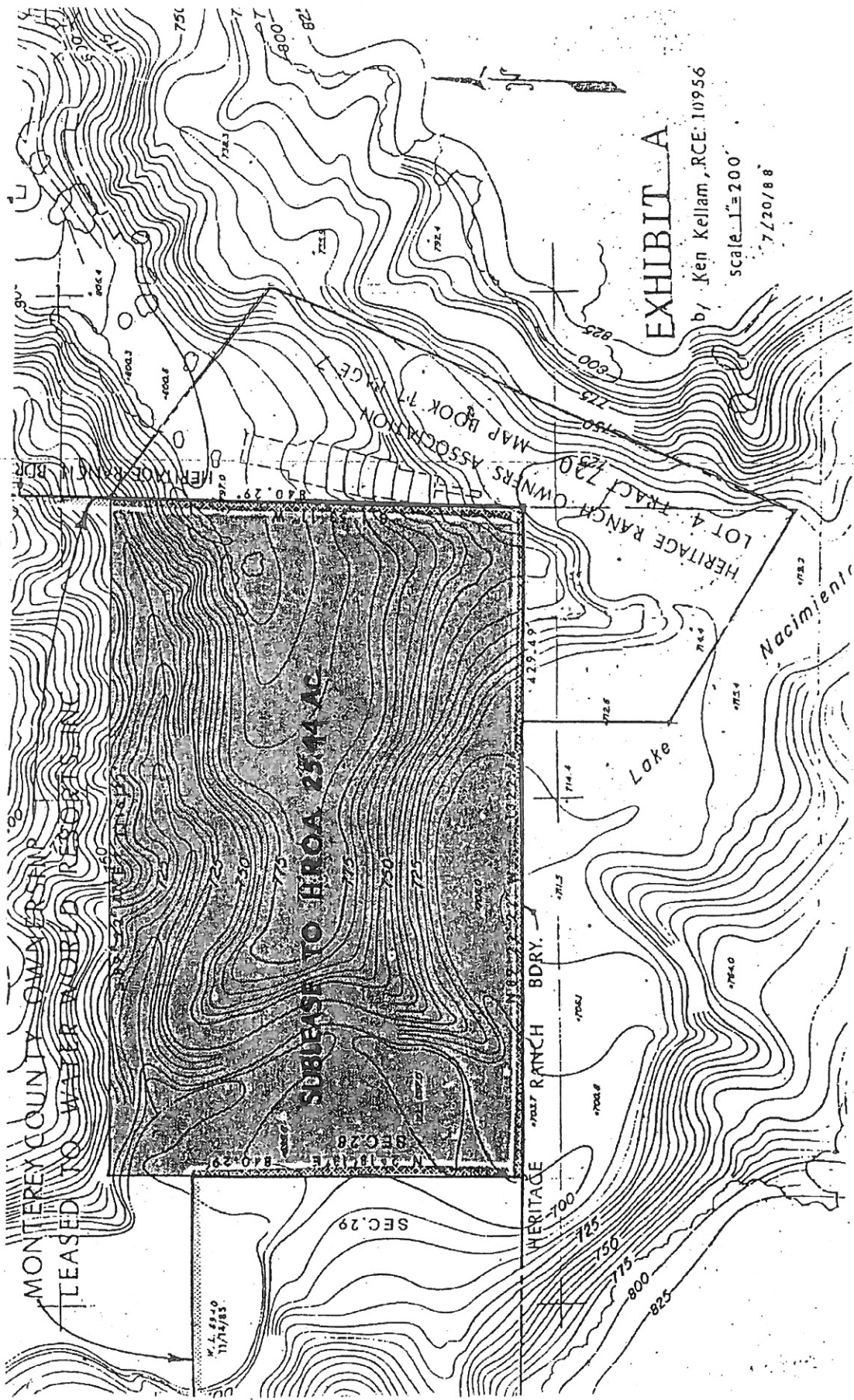


EXHIBIT A

by Ken Kellam, RCE: 10956

Scale 1"=200'

7/20/88



Property Information Search Results

One matching record was found for APN 080-121-014. For more information, please select the record you would like to view.

Click [here](#) to return to the Search Page.

[Print this page](#)

Assessment Number	Owner Name	Community	Structure Type	
080121014	Monterey Co Water Resources Agency		Land	Select

To view the details for a property, please click "Select". To return to the Search page, click [here](#).

Assessment Information for the 2017/2018 Tax Year

Assessment Number: 080-121-014
Owner Name: Monterey Co Water Resources Agency
Street Address: 0 Nacimiento Lake Dr
Community Code:
Tax Rate Area: 114-024
Parcel Size: 0 SF
Link to Map: [080121014](#)

Assessed Value: 21,374
Land Value: 21,374
Improvements: 0
Personal Property: 0
Fixtures Value: 0
Total Exemption: 0
Net: 21,374

Property Information as of January 1, 1900

Primary Structure	Miscellaneous Improvements
Structure Type: Land	Improvements: (none)
Original Size: 0	
Addition Size: 0	
Total Area: 0	
Year Built: 0	
Bedrooms: 0	
Bathrooms: 0	
Levels: 0	
Parking: None	

Disclaimer:

The data contained in this database is deemed reliable but not guaranteed. This information should be used for informational use only and does not constitute a legal document for the description of these properties. Every effort has been made to ensure the accuracy of this data; however, this material may be slightly dated which would have an impact on its accuracy. The San Luis Obispo County Assessor's Office disclaims any responsibility or liability for any direct or indirect damages resulting from the use of this data.

080121014000

Monterey County Water Resources Agency
080120140000 (50 acres)

 MCWRA Owned Parcel



0 200 400 600 800
Feet



The scale and configuration of all project boundaries and information shown herein are not intended as a guide for design or survey work.

Image Source: Google (2016)
Map Date: 4/19/2018



Sources: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus, UGA, USDA, AeroGRID, IGN, SRTM30, and the U.S. Department of Commerce.

HROA Lease Area

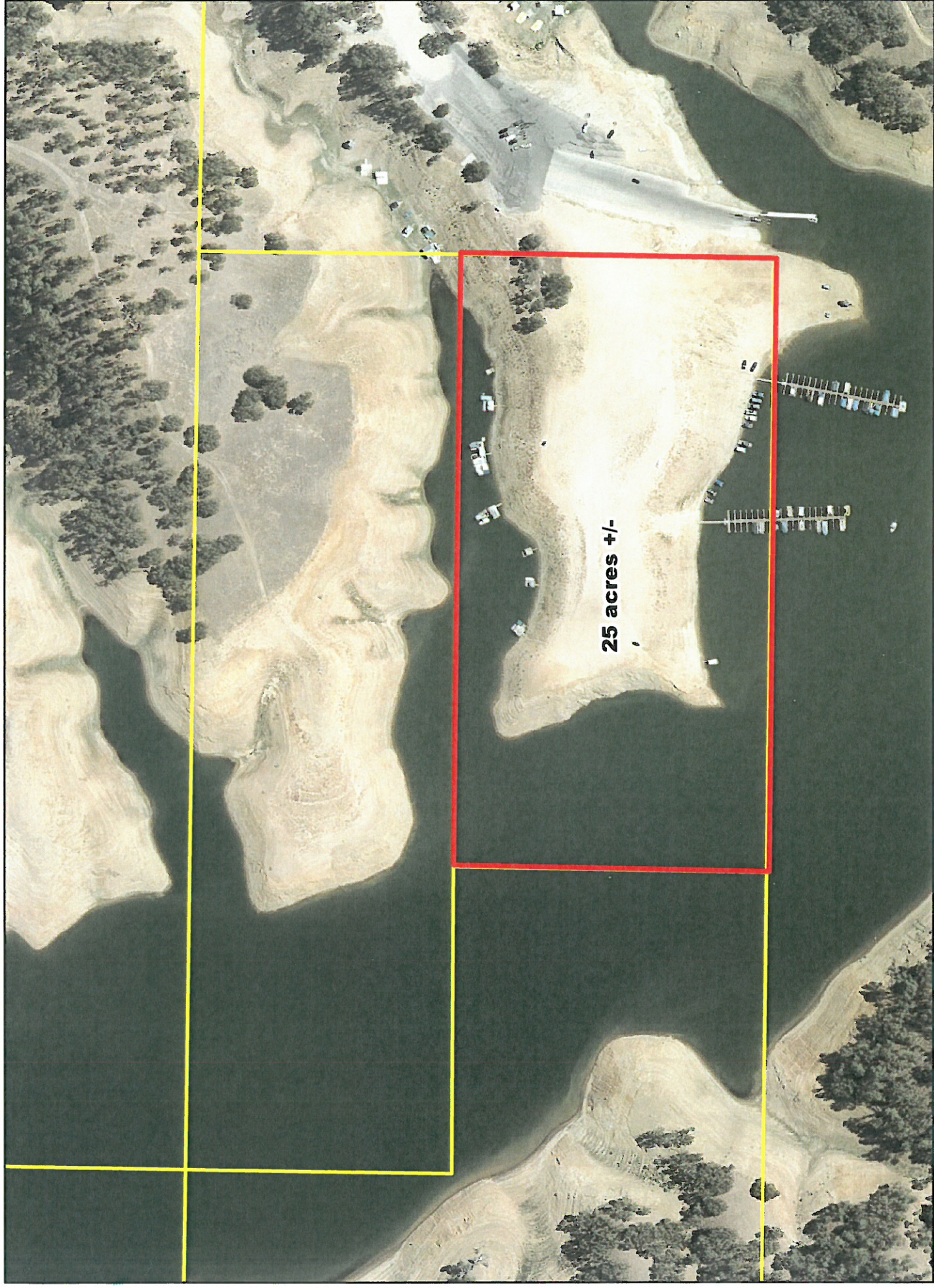


EXHIBIT B

HERITAGE RANCH MARINA RULES

EXHBIT B

Excerpt: Heritage Ranch Owners' Association Membership Handbook - Rules and Regulations (Effective July 1, 2018)

5.03 Marinas

This Section provides information regarding use of the Marina(s). A violation of any of the provisions in this Section, unless specified, is subject to a citation and fine as determined by the Board of Directors. Parking violations may be issued every 24 hours and storage violations may be issued every 72 hours. Please refer to the SCHEDULE OF MONETARY PENALTIES by numbered subject matter.

5.03.01 - Canopies and Personal Property

Canopies may not be erected overnight between 2:00 a.m. and 5:00 a.m.

The Point: No personal property, including canopies, is allowed on the Point when it is closed between 10:00 PM and 6:00 AM.

The Marina: No canopies or personal property are allowed in the Marina area between 2:00 AM and 5:00 AM.

Personal property present during restricted times may cited as a violation and/or removed.

5.03.02 Courtesy Dock

All watercraft must be attended to while using the courtesy dock. No fishing, jumping, diving, swimming, loitering or bicycling on or around the courtesy dock is allowed at any time.

5.03.03 Floating Docks and Boat Slips

The floating docks and boat slips are only for PRIMARY MEMBERS, CO-MEMBERS and TENANTS (and their GUESTS) who rent or lease them from the ASSOCIATION. If an unauthorized person utilizes a floating dock or boat slip, their watercraft may be towed in addition to any citation issued. (Refer to Section 5.07.02 for rental information and restrictions)

5.03.04 Launch Ramp

The launch ramp is for launching and retrieving of vessels only. No parking at any time is allowed on the launch ramp.

Motorized vessels may not launch from shore at any time.

For safety reasons, unmotorized vessels such as sailboats, kayaks and canoes may launch from shore on the Point. After launching, vehicles with trailers must leave the shore and park in the designated parking area at the Marina.

Any individual who does not have a current VESSEL DECAL must pay a usage fee at the Main GATEHOUSE to use the launch ramp.

5.03.05 Monterey County Nacimiento Fees

Two (2) payment stations (iron rangers) are located on the RANCH. One (1) is near the Main GATEHOUSE and the other is in the Main Marina Parking Lot. You can place your daily or annual fee in one (1) of these rangers. Contact the Monterey County Parks Department for further information at 805-472-2311. The ASSOCIATION is not responsible for any County citations occurring at or on the lake.

5.03.06 Marina Parking

The General Manager, at his or her discretion and after consulting with Ranch Patrol and the Marina Committee, may restrict Marina Parking during periods of high usage, such as holidays and weekends, to HROA decal vehicles only.

When Marina parking restrictions are in effect, signs will be posted at the entrance to the Marina alerting Members and Guests of the restrictions and enforcement. At other times, non-decal vehicles are permitted to park in the Marina.

All Vehicles, including vehicles with attached trailers, must park completely within defined parking spaces and not extend beyond a marked space into traffic lanes, or otherwise interfere with traffic.

Overflow Parking Areas: Vehicles may park in the Overflow Parking areas located outside the entrance to the Marina without a HROA decal.

Campsites: Parking is reserved for registered guests.

Golf Carts: Vehicles parking in spaces reserved for golf carts is prohibited.

5.03.07 Private Docks

The private docks are for OWNERS that have registered them with the ASSOCIATION since 1999 as specified in the ASSOCIATION'S 'Private Dock Policy'. No new private docks are allowed and no OWNER may transfer any rights they may have in a private dock except as provided for in the 'Private Dock Policy'. Each OWNER of a private dock is required to register annually with the ASSOCIATION and with Monterey County, pay the annual fees and provide proof of current liability insurance in order to receive the annual dock permit. A violation of the 'Private Dock Policy' is administered through the Board of Directors.

5.03.08 Watercraft on Shore

If a PRIMARY MEMBER, CO-MEMBER, TENANT or GUEST would like to temporarily leave their watercraft in the water, they may anchor it near or on the shoreline. For purposes of this Section, the term "use" means taking the vessel out on the lake for

the purpose of boating. Any vessel left on shore for over seventy-two (72) consecutive hours without being used as defined herein is a violation of this Section and subject to a fine. A person, who operates their vessel by removing it from the shoreline for the purpose of boating within that seventy-two (72) hour increment, will not have violated this Section.)

5.03.09 Mussel Inspections

All vessel owners shall obtain any required inspections for mussels to launch their vessel from HROA docks. Any person, who is not properly verified by mussel inspection personnel to launch their vessel, shall not be authorized to launch that vessel from any RANCH property. All vessel owners must maintain a current mussel inspection issued through ASSOCIATION personnel when tied to any shoreline or docks anchored to property owned or controlled by the ASSOCIATION. Any GUEST who violates this provision, and is subsequently fined by any county, state or federal officer on Nacimiento Lake for failing to obtain a required mussel inspection, is subject to being banned from bringing any vessel in the future onto RANCH property for the purpose of launching said vessel.

5.03.10 Commercial Use of HROA Marina Facilities

It is a violation to use HROA Marina Facilities for a commercial enterprise. A violation of this Section, in addition to a fine, may result in a 30-day suspension of all watercraft privileges per infraction.

EXHIBIT C

LESSEE MAINTENANCE RESPONSIBILITIES

EXHIBIT C

Lessee Maintenance Responsibilities

Heritage Ranch Owners Association (HROA) employees a Maintenance & Service Staff that will provide all needed maintenance services to the leased property to include, but not be limited to debris and trash removal, erosion prevention, and general oversight of the property.

EXHIBIT D

LESSOR SUMMARY OF REPAIR AND MAINTENANCE

EXHIBIT D

Lessor Summary of Repair and Maintenance

Heritage Ranch Owners Association (HROA) employees a Maintenance & Services staff that provides services throughout their property. HROA's Maintenance & Service staff will provide all needed maintenance services to include, but not be limited to debris and trash removal, erosion prevention, and general oversight of the property.

EXHIBIT E

INVASIVE MUSSEL INSPECTION PLAN

EXHIBIT E

INVASIVE MUSSEL INSPECTION
PLAN
FOR THE
HERITAGE RANCH OWNERS ASSOCIATION

FOR THE 2016 SEASON

PREFACE

The primary goal of the Heritage Ranch Owners Association (HROA) Invasive Mussel Inspection Plan (PLAN) is to help prevent the transfer of quagga and zebra mussels from entering Lake Nacimiento. The second goal of the PLAN is to keep the waters open to boating and recreation for all HROA members and their guests to the greatest extent possible.

While it may only take one infested vessel to establish an invasive mussel population, the vast majority of vessels using Lake Nacimiento are not transporting mussels. The long-term significant objective is to readily identify high risk vessels so that personnel can be focused where they are the most critically needed.

HROA anticipates periodic updates to the PLAN as a result of continued discussion and dialog, and in the sharing of ideas and goals with other agencies and organizations, and all HROA members. Changes to regulations at the local, state, and possibly federal level that occur may also require updates. Outreach to the members of HROA will be by e-mail (mussel.hroa@gmail.com and generalmanager@hroa.us), website (www.hroa.us), mailings, handouts, personal contact, and message center (805) 226-5359).

This PLAN has been updated for the 2016 boating season and will serve as the PLAN until further notice.

BACKGROUND

HROA is working directly with both San Luis Obispo and Monterey Counties to protect Lake Nacimiento from the spread of invasive mussels. In 2011, HROA became aware that stricter measures would be put in place to better monitor all vessels entering Lake Nacimiento. Prior to 2011 there was a self-certification program in place. For private ramp owners such as HROA, this means that all vessels utilizing the HROA launch ramp must undergo a mandatory screening process and receive a Vessel Permit from a Certified Inspector indicating the vessel was inspected prior to launching. All vessels moored in the water and tied to property owned or controlled by HROA must also be inspected. The Vessel Permits are valid for a maximum of 21 days with all vessels subject to leaving Heritage Ranch subject to re-certification. Two significant changes to the program beginning in 2011 include that: 1) the Certified Inspector must inspect all vessels, and 2) the Certified Inspector must sign and stamp the Vessel Screening Permit in order for it to be valid.

Recreation at Lake Nacimiento and the Lake Nacimiento Resort is governed by Chapter 11.20 of the San Luis Obispo County Code. This entire chapter was revised in May 2010 by the San Luis Obispo County Board of Supervisors; the revisions include language that strengthens water quality protection and also gives enforcement authority to the Monterey County Parks Department as well as the San Luis Obispo Sheriff's Department. A fine of up to \$2,000.00 may be issued by San Luis Obispo and Monterey County peace

officers on Lake Nacimiento for non-compliance with the Invasive Mussel Program. Both agencies have stated they intend to enforce the San Luis Obispo County Code to promote compliance. The enforcement began on May 27, 2011 and is on-going. Lake Nacimiento is also under the jurisdiction of the California Fish and Game. Section 2301 and 2302 regulate the transfer of mussels and requires any person, or federal, state, or local agency, district or authority that owns or manages a reservoir, to develop and implement a program designed to prevent the introduction of nonnative quagga and zebra mussels. The Monterey County Water Resources Agency is responsible for the Lake Nacimiento Reservoir.

HROA has developed a PLAN in compatibility with these objectives and standards at the request of all entities sharing authority on Lake Nacimiento. HROA formally adopted their PLAN on June 10, 2011.

APPROACH

HROA employs a Mussel Inspection Manager, an Assistant Mussel Manager and appropriate seasonal employees who will all become Certified Inspectors operating under the control of HROA (HROA CERTIFIED INSPECTORS). HROA intends to actively recruit volunteers to assist the paid staff to help reduce costs to the members and their guests in implementing this PLAN. Volunteers will not work separately from the paid staff, and all volunteers will report to the Mussel Inspection Manager. The Volunteer Program will focus on assisting HROA personnel, and on educating members and guests on quagga and zebra mussels related to Lake Nacimiento. All personnel will clock in and out at the Main Gatehouse. (Employees are expected to work less than 30 hours a week, and no more than 5 hours a day except in an emergency.)

It is important to note that it is not possible to certify vessels are free of mussels, only that the most current and effective protocols and standards have been applied in preventing mussel invasion. Only vessels which pose a minimal risk will be allowed to launch at the Heritage Ranch launch ramp. High risk vessels are ones which have been used in any body of water known or suspected of having zebra or quagga mussels in the past 30 days. Vessels may also be subject to risk if they are not clean, and to the extent practical, drained and dry.

To make a minimal risk assessment, and to establish effective protocols and standards for inspecting vessels, the HROA CERTIFIED INSPECTORS will utilize three (3) steps for inspecting all vessels on Heritage Ranch. These steps include:

- **Screening Interview**
- **Visual Inspection**
- **Certification or Exclusion**

Vessel owners must be present during the Screening Interview and Visual Inspection, except as otherwise stated in this document.

Screening Interview: The Screening Interview will consist of asking the owner of the vessel a series of questions prior to launching or entry that are designed to determine the level of risk posed by that vessel based on its recent history of use. A standard Screening Interview, at a minimum, will include the following questions: the primary address of the owner of the vessel; the specific location where the vessel was last used; the date of the last use; the location of where the vessel is registered, and the vessel CF Number. In order to be most effective, the Screening Interview should not rely totally on the responses given, but the person conducting the interview should be attentive enough to make sure that the responses given match the physical evidence available and are credible.

The Screening Interview should also be utilized to provide the opportunity to explain the importance of prevention and to educate the vessel owners on ways they can clean their vessels to keep them mussel free and have them prepared for an inspection. Vessels that will be excluded during the Screening Interview will include the following:

- Any vessel that has been on an infested lake within the past 30 days
- Any reasonable suspicion of deception on the part of the owner of the vessel during the screening interview

Visual Inspection: The Visual Inspection will be in conjunction with the training provided to determine the presence or likelihood of mussel contamination. The Visual Inspection will cease at any time it is determined the minimal risk assessment is exceeded. The vessel being inspected shall meet the following minimal standards or it will be excluded:

- Clean: Absent of visible mussels or attached vegetation, dirt, debris or surface deposits including mussel shells or residue on the vessel, trailer, or outdrive that could mask the presence of attached mussels.
- Drained: To the extent practical, all water drained from any live-well, bait-well, storage compartment, bilge area, engine compartment, floor, ballast tank, water storage and delivery system, cooler or other water storage area of the vessel, trailer or engine.
- Dry: No visible sign of standing water on or in the vessel, trailer or engine

Note on Ballast Tanks Areas that can maintain water or moisture for extended periods like ballast tanks and other hard to access and drain water storage areas do not dry sufficiently. When ballast tanks or other inaccessible water storage areas are present, a higher standard of scrutiny should be applied.

Certification: The Certification process will be completed for all vessels which are determined to pass the Screening Interview and Visual Inspection.

Exclusion: Exclusion will be only for vessels that exceed the minimal risk assessment, and for vessel owners who recklessly disregard any directive given by HROA personnel and volunteers including refusing to have their vessel inspected. Those vessels will not be allowed to be launched at Heritage Ranch and shall be directed to the public launch ramp at Lake Nacimiento Resort, and/or reported to the appropriate authorities including the HROA Board of Directors.

IMPLEMENTATION

Vessels which must be Inspected: All vessels using the Heritage Ranch launch ramp or on Lake Nacimiento and tied to property owned or controlled by HROA (including vessels which stay in Lake Nacimiento) must be inspected. Vessels in dry storage do not need to be inspected while they are in dry storage. The Vessel Screening Permit is valid for a maximum of 21 days. When a Vessel Screening Permit expires, a new one must be obtained. Any time a vessel leaves Heritage Ranch it also needs to be re-inspected. The types of vessels requiring an inspection include every description of watercraft used or capable of being used as a means of transportation on water (with limited exception), including motorized and non-motorized vessels, such as power boats, sailboats, personal watercraft, canoes and kayaks.

All vessels exiting Heritage Ranch environs must surrender their Vessel Screening permit at the Main or North Gates and require a re-inspection and new Vessel Screening permit.

Inspection Locations: It is important for all persons to plan ahead when using Lake Nacimiento and to coordinate their intended launch dates with their mussel inspections based on the HROA Mussel Inspection Schedule provided. Please also review the Main Marina Gate Arm System below for additional information. For purposes of this document the "boating season" is defined as the Friday before Memorial Day through the Sunday after Labor Day.

HROA will set up an Inspection Station at the Main Marina, which will be manned throughout the boating season, Friday through Sunday. On Saturday the times are 7:00 a.m. to 5:00 p.m. On Friday and Sunday the times are 9:00 a.m. to 4:00 p.m. (As long as you are in line by the specified times an inspection will be completed). Those who receive an inspection at the Main Marina will have their HROA Identification Card activated within one (1) hour of that inspection to use the Main Marina Gate Arm System.

Vessels moored in Lake Nacimiento can be inspected on the water if in an HROA owned slip, or on the HROA shoreline near the launch ramp (or at the public launch ramp at Lake Nacimiento Resort (according to the Monterey County Parks Department).

Certified Inspectors (other than those under HROA's control) may use the Main Gatehouse designated stamp, which is available 24-7, for their own vessels (only), and upon proof to the HROA personnel of their identification and ownership of the vessel. Those who are self-inspecting as Certified Inspectors will have their HROA Identification Card activated by 9:00 p.m., corresponding the date the Vessel Screening Permit was

appropriately presented to an HROA representative on or before 7:00 p.m. that same day.

Inspections at the Main Gatehouse are on a limited basis, as personnel are available. Those who receive an inspection at the Main Gatehouse will have their HROA Identification Card activated within one (1) hour of that inspection. Any other inspections will be handled on a case-by-case basis, through the Mussel Manager and Assistant Mussel Manager, and are expected to be on a limited basis as personnel are available.

Regarding the above schedule for all options shown, during the off-season, the Mussel Manager shall determine an appropriate schedule and post the locations, times and dates that inspections are available, and post that information on the HROA website and bulletin boards as needed.

No banding program is included in this PLAN at this time. HROA maintains a database of all inspections completed.

HROA will be issued 15 Certification Stamps from San Luis Obispo County, each having a unique number. Only HROA CERTIFIED INSPECTORS and designated HROA personnel will have access to the 15 Certification Stamps, which will be under the control of the Mussel Inspection Manager. Volunteers will not be issued Certification Stamps.

HROA's 6 month and 12 month program: HROA is offering a 6 month and 12 month (annual) program for those members who wish to have their vessels automatically inspected on a three week basis, which vessel does not leave Heritage Ranch during that time. This will be handled on a case-by-case basis and be up to the Mussel Manager and Assistant Mussel Manager to determine if the member qualifies for this program. Inspections are done at the member's residence, on one of the 80-Boat Slips, or on a private dock or shoreline, and if a release form is signed, HROA personnel will be able to conduct the inspection without the member being present. The completed Vessel Screening Permit for home inspections will be left in an agreed place, except for the 80-Boat Slip leases, in which case the completed inspection form would be placed in a locked box on the slips. The inspections done at the 80-Boat Slips, docks and shoreline will be completed on every third Thursday between 9:00 a.m. and 12:00 noon.

MAIN MARINA GATE ARM SYSTEM

ENTRY - A single entry lane with a gate, activated by two separate card readers and various cameras is set up to capture and record photographic information related to the driver, the vehicle and vessel utilizing the entry gate when entering the launching area. One of the card readers will be labeled "Autos Only" and the other will be labeled "Autos/Boats Only". When a person approaches the card reader station and holds up their current assigned Identification Card to be read, the first card reader for "Autos Only" will allow that individual to gain entry the same as at the entrances at the Main Gate, North Gate and Main Entry to 1910 at Heritage Ranch. The only difference is that a loop

installed into the pavement behind the auto zone will not allow the gate arm to open if that vehicle is towing a trailer.

The second card reader for "Autos/Boats Only" will be programmed to only accept specified cards, and is expected to be used for all of those launching vessels, as explained above in relation to receiving a mussel inspection. The expectation is that once a person receives their mussel inspection, the inspector would provide data to the Main Gatehouse to activate the corresponding card for the specified period of time the mussel inspection is good for.

For a guest to be able to launch their vessel, they would need to utilize a temporary card which would be issued to them. When a guest registers at the Main Gatehouse and after they receive their mussel inspection, their temporary card would be activated to correspond to the dates they have paid to utilize the launch ramp for and/or received their mussel inspection. This card would only function at the Main Marina. If the guest does not return their issued card at the end of their paid stay date, it would not continue to function and a bill would eventually be sent to the owner responsible for that guest, to pay for a replacement card.

Those who have been given water rights by the member annually will be given a guest card, as required for Marina entrance. Those who have family members wishing to use their vessels when they are not on Heritage Ranch will be handled on a case-by-case basis by the Mussel Manager and Assistant Mussel Manager, potentially using a guest card to gain access, which can be picked up at the Main Gatehouse.

The card reader station is located behind the entry gate far enough, so that if a person cannot get the gate to raise to access the launch ramp, they can exit the entry lane through the parking lot behind the entry lane and find assistance from HROA personnel.

As an individual goes through the entry gate, cameras would transfer and record data via fiber optic. HROA would capture all vehicles and vessels going through the entry gate and be able to retain that information.

EXIT - The exit lane would operate the same as at the North Gatehouse. A loop in the pavement would activate the exit arm as the vehicle approaches it, allowing the person to leave the launch area.

HROA personnel are expected to be on duty during busy holiday weekends to assist those attempting to use the gate system and for assisting in verifying Vessel Permits.

Other: HROA will utilize the Vessel Screening Permit (Revision 12/27/13) form, a log-sheet, and a 3-Part Payment form for conducting inspections and logging in information.

FEES

Beginning July 1, 2011 a small fee will be charged to recoup costs associated with this PLAN. The rates currently are:

- \$5.00 / Inspection at the Inspection Station or other Designated Areas
\$3.00 / Inspection of non-motorized items
- \$5.00 / Inspection for Guest Vessel Inspections
- \$35.00 / 6 Month Program (for slip leases and shoreline)
- \$45.00 / 6 Month Program (other appointments)
\$30.00 Each additional watercraft at same location
- \$65.00 / Annual Inspections Program (for slip leases and shoreline)
- \$85.00 / Annual Inspection Program (other appointments)
\$55.00 Each additional watercraft at same location

A 3-Part form will be utilized for identifying fee amounts, which must be signed by the responsible property owner, and include payment in full at the time of inspection. Payment can also be made in advance through the HROA Office. Cash or checks will be accepted by HROA personnel (no credit cards). The Mussel Manager and/or Assistant Mussel Manager shall be responsible to account for all monies received, and deliver all funds received and a report of transactions, to the HROA Bookkeeper for processing.

REPORTING

HROA will not take responsibility for any Certification Stamps not issued to them that are found on Heritage Ranch property, and HROA personnel and volunteers will be directed to report use of those unauthorized stamps to the appropriate authorities.

HROA personnel and volunteers will be directed to report any vessels seen launching at Heritage Ranch without a current Vessel Screening Permit to the appropriate authorities.

EXHIBIT F

LESSEE FEES AND EXPENSES

Name	Purpose	Amount/Rate
<i>Initial Lease Administration Charge (ILAC – Annually)</i>	Administrative costs include: Property taxes, processing, inspections, management of account)	Ten percent (10%) of the Annual Lease
<i>Follow-up/ Compliance Inspection Fee</i>	Triggered by deficiencies such as untimely or inadequate Lessee reporting, document compliance; follow-up from annual field inspection	Flat fee: \$600 per incident Hours – Position: 1 – Deputy General Manager 2 – County Counsel 3 – Administrative Services Assistant
<i>Late charge</i>	Assessed on balances 30 days after they come due, unless a different time is specified.	Ten percent (10%) of the Annual Lease
<i>Lease violation (Breach) Administrative Penalty (LVAP)</i>	A contractual penalty assessed when certain breaches of lease occur: e.g.: unauthorized improvements & booms; illegal dumping; runaway vessels; pollution; encroachment; allowing access to/for unauthorized tenants & uses.	First breach: \$250.00 Second breach: \$500.00 Third and subsequent breaches: \$1,000.00
<i>Pollution Clean-up fee</i>	Fee for clean-up, such as pollution, dumping, abandoned property.	Actual costs, plus ten percent (10%) Administrative Fee