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HROA WATERCRAFT (BOAT) SLIP LEASE AGREEMENT

This Watercraft (Boat) Slip ("SLIP") Lease Agreement ("AGREEMENT") is between the Heritage Ranch Owners Association ("HROA"), and

an HROA member in good standing ("LESSEE").

1. **Description of Property to be Rented.** HROA agrees to lease to LESSEE one SLIP designed to accommodate a watercraft up to thirty (30) feet in length.
2. **Rent.** This lease is for a five (5) year period beginning January 1, 2020 and ending December 31, 2024. **Payments are due annually, prior to January 1 of each year and become delinquent after January 15 of that year.** The annual lease fee is nine hundred dollars (\$900.00). With the acceptance of the terms and conditions of this AGREEMENT, the first and last year's lease fees along with a two hundred and fifty dollar (\$250.00) security deposit are to be paid. The security deposit is non-interest bearing and is refundable upon termination of this AGREEMENT. Upon completion of the five (5) year lease, LESSEE shall have first option to enter into a new AGREEMENT at the then-existing lease rate, and subject to the then-existing terms and conditions.
3. **Security Deposit.** LESSEE will deposit with HROA the sum of two hundred and fifty dollars (\$250.00) as a security deposit which will be held for the faithful performance by LESSEE of his/her/their obligations under this AGREEMENT. Upon LESSEE vacating this lease, HROA shall inspect the SLIP for damages. Any damages noted will be repaired at LESSEE's expense with costs deducted from the security deposit. Any remaining funds will be returned to vacating LESSEE with an itemized list of costs and repairs, within fifteen (15) days.

If all or any portion of LESSEE's security deposit is applied by HROA during the term of this AGREEMENT to make necessary repairs to the premises, HROA may demand that LESSEE replenish the full amount so applied. LESSEE's failure to replenish such amount within thirty (30) days after written demand by HROA will constitute a material breach of this AGREEMENT, and subject lease to cancellation. HROA's written demand for replenishment will include an itemized statement describing the disposition of the security deposit.

4. **Individuals Authorized to Use SLIP.** The SLIP will be used only by LESSEE and his/her/their guests. HROA shall be notified in advance by the LESSEE in writing that authorization has been granted for use of the SLIP by a person other than the LESSEE and the dates provided for said use by other than the LESSEE. The LESSEE is responsible for the conduct of said individual, who is required to register with HROA prior to use of said SLIP, which includes providing proof of insurance, the watercraft registration and CF #, and payment of a fee to HROA as determined by the HROA Board of Directors.
5. **Indemnification of HROA.** LESSEE agrees to indemnify, defend and hold harmless HROA from any liability arising before termination of this AGREEMENT for personal injuries or property damage caused by the negligent, willful, or intentional conduct of LESSEE or his/her/their guests or whenever immediate physical action is required by any HROA representative to prevent further damage to either personal property or the environment as outlined in the Watercraft (Boat) Slip Response Policy. HROA shall not be liable to LESSEE for any loss due to theft, vandalism, fire, collision, natural disaster or water level fluctuation unless found negligent.
6. **Assignment and Subletting.** LESSEE may not sublet the SLIP under any circumstances.
7. **Use of Premises.** The SLIP is rented to LESSEE for personal purposes only and may not be used by LESSEE for any commercial or other purpose.
8. **LESSEE Obligations.** LESSEE agrees to perform the following obligations:
 - A. To refrain from destroying, defacing, damaging, impairing or removing any part of the SLIP or permitting any person to commit such acts.
 - B. To provide HROA with a copy of all LESSEE's watercraft registrations.
 - C. To provide HROA with proof of homeowners insurance or an umbrella policy with the following minimum coverage of no less than \$500,000 in personal liability and property damage coverage and must also name "Heritage Ranch Owners Association" as "certificate holder".
 - D. To keep watercraft in the SLIP assigned to LESSEE and to display the provided HROA current year HROA decal on watercraft kept in the SLIP as instructed by HROA.
 - E. To tie up the watercraft in a safe and proper manner (per the instruction sheet provided with this AGREEMENT) so as not to damage the SLIP or other watercraft.
 - F. To keep the gate locked at all times. The key provided for this gate is not to be duplicated or transferred. Upon termination of this AGREEMENT, LESSEE shall return the key to HROA. There will be a \$25.00 key replacement charge, if lost or not returned.

- G. To not block other SLIP LESSEE's passage to their watercraft.
- H. To remove the watercraft from the SLIP when requested by HROA for maintenance, operations or safety.
- I. To keep only one (1) watercraft at each SLIP (no jet skis or dinghies are to be tied behind watercraft in SLIP).
- J. LESSEE may not disturb, annoy, endanger, or interfere with other SLIP LESSEEs or his/her/their guests. LESSEE may not use the SLIP for any unlawful purpose, violate any law or ordinance, or commit waste or nuisance in connection with his/her/their use of the SLIP.
- K. The SLIP is to be used for access to and from watercraft only. Therefore, no loitering on or fishing or swimming or diving from any SLIP, dock, or the walk ramp is permitted.
- L. LESSEE shall refrain from leaving chairs, ice chests, towels, etc. on or near the SLIP unattended, and shall refrain from leaving same-on the dock or walk ramp.
- M. LESSEE shall not alter the SLIP in any way or attach anything to it including but not limited to: lockers, extra tie-downs, bumpers or carpets.
- N. If repairs are necessary, the LESSEE shall inform HROA of the need for such repairs via a written form available at the HROA Office.

9. **Water Level Fluctuations.** LESSEE understands that Lake Nacimiento water levels are controlled by the Monterey County Water Resources Agency. HROA will make every effort to notify LESSEE of impending severe water level fluctuations. Water levels may drop so low that watercraft must be removed from the SLIPs. In this case, no refunds of fees will be given.

10. **Early Termination by LESSEE.** In the event that LESSEE terminates the AGREEMENT, or otherwise vacates the SLIP prior to the expiration of the AGREEMENTS term, LESSEE shall not be entitled to any refund unless there are no other vacancies available for prospective LESSEEs and a waiting list exists and only then, Upon HROA's receipt of payment and evidence of insurance, etc. from the new LESSEE. In the above described release of the SLIP the vacating LESSEE's lease fees will be prorated.

11. **Early Termination by HROA.** In the event that any of the following occurs, it shall be cause for immediate termination of this AGREEMENT by HROA prior to the expiration of the AGREEMENT's term at which time LESSEE shall not be entitled to any refund unless there are no other vacancies available for prospective LESSEEs and a waiting list exists and only then, upon HROA's receipt of payment and evidence of

insurance, etc. from the new LESSEE. In the above described release of the SLIP the vacating LESSEE's lease fees will be prorated:

- A. LESSEE fails to make any payment within thirty (30) days of the delinquent date
- B. LESSEE fails to maintain their good standing with HROA for any thirty (30) day period
- C. LESSEE's insurance coverage is lapsed or cancelled due to nonpayment by LESSEE
- D. LESSEE's insurance coverage is cancelled due to other than nonpayment; and LESSEE fails to cure within thirty (30) days.
- E. LESSEE is no longer an owner associated with HROA
- F. LESSEE fails to register watercraft located in the SLIP with HROA within five. (5) days of written notice by HROA by warning, citation or letter

Any guest of LESSEE who fails to appropriately register with HROA prior to use of the SLIP, fails to maintain appropriate insurance and provide evidence of that to HROA, or fails to pay the fee provided for will be automatically denied any future right of use of any SLIP, by being placed on a revoked right of use list. Additionally, a warning or citation may be issued against the LESSEE. Any dispute related to being denied use by HROA of LESSEE's guest, shall be decided by the HROA Board of Directors at the request of the LESSEE.

12. **Attorney's Fees.** In any legal action brought by either party to enforce the terms of this AGREEMENT, the prevailing party is entitled to all costs incurred in connection with such action, including reasonable attorney's fees.

13. **Entire AGREEMENT.** This AGREEMENT contains all the agreements of the parties and cannot be amended or modified except by written agreement, authorized in writing by the HROA Board of Directors.

14. **Service of Notices.** For the purpose of service of process of notices and demands. **(This information must be kept current):**

LESSEE's address is _____

LESSEE's Phone # is _____ () _____

Alternate-Phone # is _____ () _____

Notices, demands and service of process for HROA may be served on HROA at the following address: 3945 Heritage Road, Lake Nacimiento, Paso Robles, CA 93446

15. **Registration of Watercraft:** LESSEE shall provide HROA a list of all watercraft held in LESSEE's name that will use the SLIP during the term of this AGREEMENT. **(This information must be kept current):**

LESSEE Watercraft CF # _____ Type of Craft _____

LESSEE Watercraft CF # _____ Type of Craft _____

LESSEE Watercraft CF # _____ Type of Craft _____

LESSEE Watercraft CF # _____ Type of Craft _____

LESSEE:

LESSEE Signature

Date

HROA:

HROA Authorized Signature

Date

Attachments:

1. Watercraft tie-up Instruction Sheet
2. Watercraft (Boat) Slip Response Policy
3. Watercraft (Boat) Slip Management Policy