

RIGHT OF ENTRY AGREEMENT AND LICENSE

Elm Grove Beach

THIS **RIGHT OF ENTRY AGREEMENT AND LICENSE** (“License”) is entered into as of January 27, 2026 (“Effective Date”) by and between the **CITY OF LAKE ELSINORE**, a municipal corporation (“City), and **ELSINORE YACHT CLUB**, a California corporation (“Licensee”).

RECITALS

A. City desires to encourage and promote public recreational activities at Lake Elsinore.

B. Licensee operates a yacht club offering recreational, educational and social activities to both its own members and members of the community.

C. extending to the waters of Lake Elsinore, as more particularly depicted on Exhibit A (“City Parcel”) attached hereto and incorporated herein by this reference.

D. City finds that the uses of the City Parcel as provided herein do not interfere with, but rather will contribute to the convenience of the general public in the use and enjoyment of, and the enhancement of recreational experiences available within the City and that the Permitted Uses and Activities (as defined in Section 4.a) are compatible with the general recreational plans for Lake Elsinore.

E. Licensee desires to obtain from the City a License in order to conduct the Permitted Uses and Activities within the City Parcel in accordance with the terms and conditions set forth herein.

NOW THEREFORE, based on the foregoing and the promises, covenants and undertakings contained in this License, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the City and Licensee agree as follows:

1. Term.

a. License Term. This License shall be effective beginning March 1, 2026 through February 28, 2027 (“License Term”). Except as otherwise specifically stated in this License, references to the “License Term” shall include any Extension Term as provided in Section 1.b.

b. Option to Extend. Licensee shall have two (2) options to extend the License Term for a period of one (1) year each (each, an “Extension Term”), provided that at the time of such election and at the expiration of such existing term Licensee is not then in default under any of the terms or provisions of this License. Licensee shall exercise an option by giving written notice of Licensee’s intent to exercise its option to City at least ninety (90) days prior to the then-current expiration of the License Term.

2. Fees and Adjustments.

a. License Fee. Licensee shall pay an annual license fee to the City in the amount of \$5,000 (the “License Fee”), provided, however, that such License Fee shall be subject to adjustment as provided in Section 2.b. The License Fee shall be due and payable no later than the first day of each year during the License Term.

The first License Fee payment maybe spread out over the first 12 months of operation and deducted from revenues generated ("Credit"). If a credit is requested, then the Licensee shall send a letter requesting this process and the city can approve or not approve, at any time, the credit option. In lieu of a License Fee payment to the city, Lake Elsinore Yacht Club can put on two (2) high quality community sailing events at \$2,500 each with the city as a sponsor, complying with the city's special events procedures and policies. If events are requested, Licensee shall send in a letter and special events application to the city adhering to all city special event procedures and policies in advance. The city, at any time, may restrict the in-lieu option of the License Fee payment.

All subsequent License Fees to be paid by Licensee to City shall be paid in advance on the first day of each year. License Fee payments shall be made payable to the City of Lake Elsinore and delivered to:

City of Lake Elsinore
c/o Department of Administrative Services and Economic
Development
130 South Main Street
Lake Elsinore, CA 92530

- b. Adjustment of License Fee. The License Fee set forth in Section 2.a shall be adjusted on the first (1st) anniversary of the Effective Date (that is, the beginning of License Year 2 of the License Term) (the "Adjustment Date"). The License Fee will be adjusted to reflect the percentage increase, if any (but not any decrease) in the Index (as defined below) from the final Index published before the Effective Date through the final Index published before the Adjustment Date, provided however, that the annual percentage increase shall in no event exceed three percent (2%). City shall notify Licensee of the adjustment to the License Fee, in writing, as soon as reasonably possible. Licensee acknowledges that the amount of such increase and written notice thereof may not be available until sometime after the Adjustment Date. Therefore, Licensee shall continue to make the annual License Fee payments to City until written notice of the newly calculated License Fee is received by Licensee. No later than ten (10) days following receipt by Licensee of such written notice, Licensee shall pay to City the amount of the increase reflected in such written notice for each year from the Adjustment Date to the date of receipt by Licensee of such written notice. For purposes of this Section, "Index" means the Consumer Price Index – Riverside-San Bernardino-Ontario – All Urban Consumers – All Items (2017=100), as published by the United States Department of Labor, Bureau of Labor Statistics.
- c. Percentage Fee. Licensee shall pay an annual fee to the City in an amount equal to twenty-five percent (25%) of the total revenues received by Licensee or its contractors or affiliates resulting from rentals of City-owned watercraft ("Percentage Fee"). The Percentage Fee shall be due and payable, in arrears, beginning on the first day of License Year 2 and continuing thereafter no later than the first day of each year during the License Term.

3. License. Provided that all of the terms and conditions of this License are fully satisfied, the City hereby grants to Licensee a non-assignable license to conduct the Permitted Uses and Activities upon the City Parcel. The Permitted Uses and Activities shall only be conducted from the City Parcel described herein. The Licensee shall operate the Permitted Uses and Activities in accordance with all applicable laws, ordinances, resolutions, policies and rules applicable to Lake Elsinore and any operations conducted by Licensee hereunder (collectively, the "Applicable Laws"). Licensee shall not permit any offensive activity to be carried out upon the City Parcel. The License is subject to all liens, encumbrances, covenants, conditions, restrictions, rights, rights of way, dedications and other matters of title (whether or not of record) existing on the date of this License. Licensee's right to use the City Parcel shall be exclusive during Licensee operations and events but shall be non-exclusive at all other times.

4. License Conditions. Licensee and City agree to comply with the following conditions:

a. Permitted Uses and Activities.

- i. City Improvements. City shall (i) install four (4) picnic tables on the City Parcel, (ii) install a new dock and lockable gate on the existing dock with no fishing signs on dock located at 500 E Lakeshore Drive, Lake Elsinore and shown on Exhibit A ("Dock"), (iii) install three (3) cameras, if not already existing, on the City Parcel to the extent practicable or if there are existing cameras will make active for use, (iv) redirect the existing camera on the restroom structure to include the stored sailing vessels and Dock area in its line of sight to the extent practicable, (v) place one (1) fire pit at the City Parcel, (vi) install such facilities as are reasonably necessary to provide electrical service at the approximate location shown on Exhibit A, and (vii) move its eleven (11) City-owned kayaks, six (6) City-owned paddleboards, and storage vessel to the Dock (collectively, "City-owned Water Craft").
- ii. General Use and Activities. Licensee shall use the City Parcel to (i) conduct social and community events and classes, (ii) provide rentals of City-owned Water Craft only and instruction with respect thereto to members of the general public, (iii) provide recreational sailing opportunities to members of the general public, including classes on sailing technique and water safety, and the organization of competitive races, (iv) store sailboats 24 hours per day, 7 days per week, (v) sell merchandise (including without limitation rash guards, sunscreen, hats, souvenirs), rent chairs and umbrellas, rent bicycles (including e-bikes per city policy), (vi) sell pre-packaged food and drink in accordance with all Applicable Laws, and (vii) place temporary signage lighting, flags, tables, chairs and shade sails during Licensee operations in accordance with city policies and procedures.
- iii. General Licensee Obligations. Licensee shall (i) perform a thorough cleanup of all portions of the City Parcel in order to create a safe, usable waterfront area which complies with all Applicable Laws, (ii) ensure that all City-owned Water Craft are stored and secured after use thereof by Licensee and if stolen will replace City-owned Water Craft at market value at time of possession, (iii) require all users of City-owned Water Craft to execute a liability release and waiver in form and content reasonably acceptable to the City.

- iv. Dock. Licensee shall have exclusive access to the new dock located at 500 E. Lakeshore Drive and shown on Exhibit A during such times that Licensee is conducting an event at the City Parcel, and not associated with the existing fishing dock at Exhibit A. The dock exclusive for yacht club activities will also include an allowable sign depicting that the dock is exclusive for yacht club and no fishing activities.
- v. Parking. Licensee shall not use the City Parcel for vehicular parking. General patron parking is prohibited on the City Parcel, provided that Licensee may use utilize the City Parcel temporarily for parking of vehicles delivering watercraft or other related equipment or temporary structures supporting the Permitted Use.
- vi. Use of Fire Pits. Use of the fire pit (1), if any, on the City Parcel is subject to the following conditions:
 - 1. No more than one (1) fire pit is allowed at the City Parcel, provided that additional fire pits may be authorized by the City Manager.
 - 2. Fuel used in the fire pits is strictly limited to hardwood varieties (e.g., oak, cherry, walnut) and preferably kiln dried. To the extent that Licensee sells firewood, such wood shall be a recognized hardwood variety and kiln dried.
 - 3. Burning of trash, refuse, landscape clipping, driftwood, softwood varieties (e.g., pine, Douglas fir) is prohibited. Licensee shall post signs, prominently displayed near each fire pit, containing this prohibition.
 - 4. Fire pits shall be cleaned following each use and maintained in good and operable condition throughout the License Term.
- vii. Non-exclusive Access. Licensee and its invitees shall have reasonable non-exclusive access to the restrooms, gate, and hose bib connection adjacent thereto, and the vehicular gate north of the restrooms. Licensee and its invitees shall have access to the Launch Pointe Community Center at no cost for its monthly membership meetings, theoretical sailing instructions and weather safety related training sessions for members so that they do not interfere with the city's operations of the hall.
- b. Maintenance of City Parcels. With respect to the use of the City Parcel, Licensee is subject to the following conditions:
 - i. No building or permanent structure is permitted on the City Parcel. Temporary shade structures, picnic tables and relocatable fire pits complying with Section 4.a.vi. are permitted.
 - ii. Licensee shall maintain the City Parcel free of trash and debris at all time, and not utilize the City's trash cans. Licensee is responsible for trash services from operations related to the Yacht Club on the City Parcel.
 - iii. No overnight storage is permitted on the City Parcel except as expressly provided in Section 4.a.ii.

- iv. Licensee shall not impede reasonable cross-access by the public along the shoreline of Lake Elsinore. Accordingly, to the extent that Licensee cordons off the City Parcel, such obstructions shall terminate five (5) feet before reaching the waterline.
- v. Under no circumstances shall Licensee place any obstruction or allow any obstruction to exist within the waters of Lake Elsinore. In the event that the lake level is rising such that Licensee's picnic equipment, temporary facilities or fire pits are threatened with inundation, Licensee shall immediately relocate such items to higher ground.

c. Miscellaneous Terms of License.

- i. Licensee shall provide the Licensee Administrator with written verification of insurance in accordance with the requirements set forth in Section 15. Written verification of insurance updates shall be submitted without inquiry, prior to the ending of the existing insurance coverage term.
- ii. Licensee shall notify the Director in writing, at least thirty (60) days in advance, of any special event request and, to the extent applicable as determined by the Director, obtain a Special Events Permit in accordance with applicable provisions of the City's Municipal Code.
- iii. City reserves the right to close Lake Elsinore and/or beach without notice for reasons of potential adverse health, safety and other unforeseen situations. Under no circumstances shall City be required to compensate Licensee as a result of such a closure. The City may or may not temporarily relocate operations depending on the conditions of the health or safety concern.

5. Liens. Licensee shall not suffer or permit to be filed or enforced against the City Parcel any mechanics', laborers', materialmen's, contractors', subcontractors' or any other liens arising from any work performed or caused to be performed by the Licensee as a result of the use of the City Parcel by the Licensee or the public. Licensee shall pay all such liens before any action is brought to enforce the same against the City Parcel. City shall have the right to post and maintain on the City Parcel such Notices of Non-responsibility as desired by City or as may be provided by law.

6. Suspension of Permitted Uses and Activities. City may, in the exercise of its discretion, suspend operation of the Permitted Uses and Activities on the City Parcel when the City deems Licensee's use of, or operations on, the City Parcel as failing to follow the requirements of this License (including without limitation as set forth in Section 4) and/or otherwise needlessly endangering the public's health and safety at anytime.

7. Inspections. The City hereby reserves the right to enter upon the City Parcel at any time to inspect, investigate, and survey the City Parcel, any equipment, and the Permitted Uses and Activities as deemed necessary for administration and enforcement of the terms of this License, or to determine the need for any actions necessary for operation of the Permitted Uses and Activities as provided herein.

8. Independent Contractor. It is understood that Licensee shall act as and be an independent contractor and shall not act as an agent or employee of the City. Licensee acknowledges that the use provided hereunder is intended by City to result in the access to and

enjoyment in the particular water-related activities conducted. Licensee has the sole responsibility for ensuring that the activities are conducted in a reasonable and prudent manner.

9. Compliance with Laws. Licensee shall comply with all applicable federal, state and local laws, codes, ordinances and regulations. Licensee shall not have any outstanding charges with any local, state, or federal regulatory agencies.

10. Permits. Licensee represents and warrants to City that it has all licenses, permits, qualifications, insurance and approvals which are legally required of Licensee. Licensee represents and warrants to City that Licensee shall, at its sole cost and expense, keep in effect or obtain at all times during the License Term, any licenses, permits, insurance and approvals which are legally required of Licensee. Licensee shall also maintain a City of Lake Elsinore business license.

11. No Interest in Real Property Estate. Licensee understands and agrees that the License granted herein is a license and not lease; confers only permission to occupy and use the City Parcel described for prescribed purposes in accordance with the terms and conditions hereinafter specified without granted or reserving to Licensee any interest or estate therein; the expenditure of capital and/or labor in the course of use and occupancy thereunder shall not confer any interest or estate in the in the City Parcel by virtue of such use, occupancy and/or expenditure of money thereon; and it is the intention of the parties to limit the right of use granted herein to a personal, revocable and assignable privilege of use in the City Parcel for the License granted herein.

12. Taxes. Licensee acknowledges that this License may create a possessory interest of Licensee in and to the property of City, a tax-exempt public entity. Such possessory interest may be subject to property taxation. In the event of such taxation, Licensee, not City, shall be responsible for the payment of such taxes. This Section shall constitute disclosure of the possibility of the taxation of Licensee's interest, as said notice is contemplated by Section 107.6 of the Revenue and Taxation Code of State of California. Notwithstanding the foregoing, no property rights in the City Parcel, or right of possession thereof, is granted by this License.

13. Indemnification; Waiver. Licensee agrees to indemnify and hold City and its employees, officers, directors, agents and contractors (collectively, "City's Representatives") harmless, and to defend City and the City's Representatives with counsel reasonably satisfactory to City, from and against any and all liabilities, losses, actions, damages, obligations, judgments, costs and expenses (including, without limitation, attorneys' fees) (collectively, "Liabilities") which City or any of the City's Representatives may incur or suffer arising out of or in any manner connected with (i) the use of the City Parcel by Licensee or the public or (ii) the breach of or failure of Licensee to perform any of Licensee's covenants contained in this License.

14. Non-liability. To the fullest extent permitted by law, neither City nor any of the City's Representatives shall bear any responsibility for any Liabilities arising out of or in any manner connected with any person's use of City Parcels, and all persons using the City Parcel do so completely at their own risk.

15. Insurance Requirements. Licensee, at Licensee's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies:

- a. General Liability Coverage. Consultant shall maintain general commercial general liability insurance in an amount not less than two million dollars (\$2,000,000) per accident and (\$2,000,000) two million dollars general aggregate.

- b. Automobile Liability Coverage. Consultant shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with the work to be performed under this License, including coverage for owned, hired and non-owned vehicles, in an amount of not less than one million dollars (\$1,000,000) combined single limit for each occurrence.
- c. Workers' Compensation Coverage. Consultant shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for his/her employees in accordance with the laws of the State of California. In addition, Consultant shall require each subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the City at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against City, its officers, agents, employees and volunteers for losses arising from work performed by Consultant for City.

16. Amendment. This License may be amended, modified or terminated only by an instrument in writing executed by Licensee and City agreeing to amend, modify or terminate this License at any time.

17. Survival. The obligations under this License shall survive the expiration of the License and the License Term; provided, however, in no event shall Licensee have the right to use the City Parcel after the expiration of the License Term nor shall the public have the right to use the City Parcel for such an operation after such time.

18. Licensee Defaults. For the purpose of this License, the term "Default by Licensee" shall mean the occurrence of any one or more of the following events:

- a. Failure by Licensee to pay when due any payment of the License Fee or Percentage Fee or any other sum of money payable under this License, provided that such failure shall continue for a period of five (5) days after the date Licensee receives written notice from City of such failure.
- b. Failure by Licensee to pay any premium for insurance required under this License, or any other sum required to be paid by Licensee pursuant to this License provided that such failure shall continue for a period of five (5) days after Licensee receives written notice from City of such failure or failure by Licensee to maintain any insurance required under this License;
- c. Commencement of any action or proceeding by or against Licensee under any federal or state bankruptcy or insolvency law or other debtors relief law, whether now or hereafter in force, including (but not limited to) any action or proceeding to have Licensee declared bankrupt and any action or proceeding seeking reorganization of Licensee or seeking an arrangement with all or some of Licensee's creditors, whether or not a trustee or receiver is appointed, provided that such action or proceeding continues without dismissal for a period of ninety (90) days after its commencement;
- d. Appointment, either voluntarily or involuntarily, of a receiver, trustee, keeper, or other person to take possession of all or substantially all of the assets of

Licensee, if such appointment and possession continues without dismissal for a period of ninety (90) days after commencement;

- e. Execution by Licensee of an assignment for the benefit of its creditors of all or substantially all of its assets that are available by law for the satisfaction of claims of judgment by creditors of Licensee; or
- f. Failure by Licensee to perform or comply with any other term, covenant, or provision of this License including, but not limited to, the obligation to operate the Permitted Uses and Activities, not cured within five (5) days after Licensee receives written notice from City of the default (which notice shall specify the particulars of such default), or, in the case of a default reasonably requiring more than five (5) days to cure, not cured within a reasonable time after the giving of such notice, provided that the curing of the default is commenced within the five (5) day period after City gives Licensee notice of such default and is diligently and in good faith pursued and executed to completion.

In the event of any Default by Licensee under this License that is not cured by Licensee within any applicable grace period, and in addition to any and all other rights or remedies of City hereunder, or as provided by law or in equity, City may exercise the following remedies at its sole option:

- g. Termination. In the event of any Default by Licensee, City shall have the right to terminate this License and the License granted herein by giving Licensee written notice of termination. No act by or on behalf of City (such as entry onto the City Parcel by City to perform maintenance and efforts to seek another Licensee), other than giving Licensee written notice of termination, shall terminate this License. If City gives such notice, this License and the License Term, as well as the license, right, and interest of Licensee under this License, shall wholly cease and expire (except as to Licensee's liability) on the date specified in such notice as if such date were the expiration date of the License Term without the necessity of re-entry or any other act on City's part.
- h. City shall be entitled to recover from Licensee, without limitation, as damages any amount necessary to compensate City for all the detriment proximately caused by Licensee's failure to perform its obligations under this License, or which in the ordinary course of things would be likely to result therefrom, including, without limitation, attorneys' fees and costs; provided, however, the City shall have no right to consequential damages.
- i. Right to Continue the License. City has the right, but not the obligation, to continue this License in effect after a Default by Licensee, and may recover License Fees when due for so long as City does not terminate this License. Upon a Default by Licensee, City's acts of preservation, efforts to find another Licensee, or the appointment of a receiver to protect its interest under this License shall not constitute a termination of Licensee's License interest.

Notwithstanding the foregoing, three (3) or more (consecutive or otherwise) Defaults by Licensee occurring within a 12-month period shall constitute an automatic default hereunder without any further obligation on the part of City in any way and shall entitle City to immediately terminate this License and the License granted herein by giving Licensee written notice of termination.

19. Default by City. For the purpose of this License, the term "Default by City" shall mean the occurrence of any one or more of the following events:

- a. Failure by City to provide access to the City Parcel;
- b. Default or breach by City of any other term, covenant, or provision of this License, other than providing necessary access to the City Parcel to the Licensee, not cured within fifteen (15) days after City receives written notice from Licensee of the default (which notice shall specify the particulars of such default), or, in the case of a default reasonably requiring more than fifteen (15) days to cure, not cured within a reasonable time after the giving of such notice, provided that the curing of the default is commenced within the fifteen (15) day period after Licensee gives City notice of such default and is diligently and in good faith pursued and executed to completion.

In the event of any Default by City under this License that is not cured by City within any applicable grace period of 48 hours, Licensee shall have all other rights and remedies available hereunder, or as provided by law or in equity, including the right to terminate this License or continue this License in effect.

20. Entire Agreement; Exhibits. This License includes Exhibit A which is attached hereto and incorporated by reference herein. This License constitutes the complete exclusive statement of License between the City and Licensee. All prior written and oral communications, including correspondence, drafts, memoranda, and representations, are superseded in total by this License.

21. Construction. Headings in this License are for convenience only and are not part of this License. When the context so requires, words in the masculine, feminine or neuter gender shall include each other gender; and words in the singular or plural shall include each other. Unless otherwise indicated, all references to paragraphs and subparagraphs are to this License. This License is executed and delivered in the State of California and shall be construed and enforced in accordance with and governed by the laws of the State of California.

22. Severability. In the event any portion of this License shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this License and the remaining part of this License shall remain in full force and effect, as fully as though such invalid, illegal and unenforceable portion had never been part of this License.

23. Controlling Law and Venue. This License and all matters relating to it shall be governed by the laws of the State of California and any action brought relating to this License shall be held exclusively in a state court in the County of Riverside. The Licenses contained herein shall not be construed in favor or against either party, but shall be construed as if all parties prepared this License.

24. Interest. Any amounts required to be paid by one party to the other party under this License shall bear interest from the date due until paid at the lesser of the rate of ten percent (10%) per annum or the highest rate permitted by applicable law.

25. Attorneys' Fees. If any action is brought to enforce this License, the prevailing party(s) shall be entitled to recover all costs and expenses of the action including reasonable attorneys' fees.

32. Prohibited Interest. Licensee maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Licensee, to solicit or secure this License. Further, Licensee warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Licensee, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this License. For breach or violation of this warranty, City shall have the right to rescind this License without liability. For the term of this License, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this License, or obtain any present or anticipated material benefit arising therefrom.

IN WITNESS WHEREOF, the parties have executed this License on the day and year set forth below.

“CITY”

CITY OF LAKE ELSINORE, a municipal corporation

Date: _____

By: _____
Jason Simpson, City Manager

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

“LICENSEE”

Elsinore Yacht Club, a California corporation

Date: _____

By: _____
Daniel Penning

EXHIBIT A
SITE MAP

