

**RESOLUTION NO. 5-2024**

Introduced by Matt Grieves

**A RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A 2-YEAR LICENSE/LEASE AGREEMENT FOR COMMERCIAL RENTAL OPERATIONS AND RELATED ON-SITE STORAGE WITH THE PADDLESHACK, LLC TO USE CITY-LEASED PROPERTY LOCATED AT NICKEL PLATE BEACH BETWEEN MEMORIAL DAY AND LABOR DAY FOR CALENDAR YEARS 2024 AND 2025 IN THE AMOUNT OF FOUR HUNDRED FIFTY AND XX/100 DOLLARS (\$450.00) PER YEAR FOR THE LICENSE FEE, AND THREE HUNDRED AND XX/100 DOLLARS (\$300.00) PER YEAR FOR THE LEASE OF STORAGE SPACE, FOR AN AGGREGATED AMOUNT OF SEVEN HUNDRED FIFTY AND XX/100 DOLLARS (\$750.00) PER YEAR FOR A PERIOD OF TWO (2) YEARS.**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HURON, OHIO:**

**SECTION 1:** That the City Manager is authorized and directed to enter into a License/Lease Agreement with The Paddle Shack, LLC for commercial rental operations and related on-site storage to be conducted on the City's leased property at Nickel Plate Beach relating to the rental of equipment for water recreation activities and related on-site storage usage in the amount of Four Hundred Fifty and XX/100 Dollars (\$450.00) per year for the license fee, and Three Hundred and XX/100 Dollars (\$300.00) per year for the lease of storage space, for an aggregated amount of Seven Hundred Fifty and XX/100 Dollars (\$750.00) per year for two (2) years. A copy of the License/Lease Agreement is attached hereto as Exhibit "A" and incorporated herein by reference.

**SECTION 2:** That this Council hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Council and that all deliberations of this Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public in full compliance with applicable legal requirements, including O.R.C. §121.22 of the Revised Code.

**SECTION 3:** This Resolution shall be in full force and effect from and immediately following its adoption.

ATTEST:

  
Clerk of Council

ADOPTED:

23 JAN 2024

  
Mark Claus, Vice-Mayor

## LICENSE/LEASE AGREEMENT

**THIS AGREEMENT** made and entered into this \_\_\_\_ day of January, 2024 by and between **THE CITY OF HURON, OHIO**, an Ohio Municipal Corporation, hereinafter referred to as “City” and **THE PADDLE SHACK, LLC**, an Ohio Limited Liability Company, hereinafter referred to as “Company”

### WITNESSETH:

**WHEREAS**, the City operates a public beach located and known as Nickel Plate Beach (“Beach”), which is subject to a long-term lease from Norfolk and Southern Railroad; and

**WHEREAS**, the City desires to provide amenities and attractions for the benefit of visitors to its public beach; and

**WHEREAS**, Company has proposed an opportunity to the City which satisfies that goal; and

**WHEREAS**, it is the purpose and intent of this document to set forth the agreements which have been reached by the parties concerning the above referenced matters and other matters.

**NOW, THEREFORE**, in consideration of the mutual promises of the parties and other good and valuable consideration of the mutual promises of the parties and other good and valuable consideration, the parties agree as follows:

1. **PURPOSE.** The Purpose of this Agreement is to establish a License Agreement between the City and the Company for the use of land consistent with Company’s rental service. Additionally, this Agreement shall establish a Lease Agreement for miscellaneous storage which is supplemental to, and in support of, Company’s rental service.

1.1. **License Agreement:** Company will own and operate a rental service consisting of the rental of kayaks, paddle boards and other related merchandise consistent with non-motorized water recreation activities. Company is expressly prohibited from any commercial activities which may be deemed in competition with City sponsored endeavors on the Beach. Additionally, Company is expressly forbidden to engage in marketing or advertisement of any form identifying Company as being a partner, subsidiary or agent of the City. It is anticipated by the Parties that the rental of equipment for water recreation activities will commence on Memorial Day Weekend and conclude on Labor Day of each calendar year subject to this Agreement. This Agreement shall convey from the City to Company a License to permit such operations on the Beach.

**1.2. Lease Agreement:** The City will provide storage space on the Beach for storage of kayaks, paddles boards and other related merchandise consistent with non-motorized water recreation activities to Company. Storage for this purpose is secondary to the needs of the City and the Company will make reasonable accommodations to assist Company in utilizing the storage. Said storage is anticipated by the City to be needed by Company during all months of the term of this Agreement. This Agreement shall convey from the City to Company a Lease for the storage of said property. Company understands and affirms that the storage facility is not monitored by the City and Company assumes the risk of loss when utilizing the storage facility. At any time during this Agreement, the City reserves the right to rescind any access privileges afforded to Company, and therefore rescind the right to use the storage space(s) by way of keycode, or key access to said storage facility.

**2. TERM.** The term of this Agreement shall commence upon the execution of all parties and shall terminate promptly after Labor Day weekend of 2025, subject to annual renewal periods as follows, unless written notice is provided by a party to the Agreement of an intent to terminate the Agreement pursuant to Section 4 or renegotiate the Agreement's terms within sixty (60) days prior to the expiration of the then-existing term: (i) Memorial Day Weekend thru Labor Day in the year 2024; and (ii) Memorial Day Weekend thru Labor Day in the year 2025.

**3. COSTS.** The following itemization of costs shall be applicable unless otherwise agreed upon by the Parties in accordance with this Agreement.

**3.1. License for commercial operations.** Upon execution of the Agreement, and for each annual term of the Agreement, Company agrees to pay to City \$450.00 annually, payable in three monthly installments of \$150.00 each, payable in each June, July and August for the license. Payments are due no later than the 7<sup>th</sup> day of the month.

**3.2. Lease for storage facility.** Upon execution of the Agreement, and for the initial term of the Agreement and any and all renewals as set forth in Section 2 hereof, Company agrees to pay to City \$300.00 annually, payable in a one-time payment for the initial lease term and payable in a one-time payment for each successive annual renewal thereof (if any) as outlined in Section 2. Company shall notify the City of its intent to exercise the lease option no later than October 1 of each year. Notwithstanding the termination provisions set forth in Section 4 below, the cost of the lease is non-refundable and shall not be prorated in the event of the early termination of the lease provisions.

**4. TERMINATION.** The City shall have the option to terminate this Agreement in the event the storage facilities being leased to Company become unavailable for any reason. The decision as to whether or not the storage facilities are unavailable shall be decided by the Huron City Administration, notice of which will be provided to Company in writing no less than thirty (30) days prior to termination.

**4.1.** Should City terminate this Agreement for reason other than an Event of Default (defined in Section 9 herein), all costs associated with this Agreement shall be prorated for those monies due up to the termination date.

**4.2.** Should Company terminate the License for commercial operations prior to the expiration of the term, all costs associated with this Agreement shall be prorated for those monies due up to the termination date.

**5. AMENDMENT.** This Agreement may only be amended by written instrument executed by all parties.

**6. ASSIGNABILITY AND TRANSFER.** The rights and authority conveyed through this Agreement shall not be assignable or transferrable by either party. This Agreement shall not be recognized as valid for any sublease, subcontract or conveyance to another party regardless of whether said sublease, subcontract or conveyance is in exchange for compensation.

**7. LIMITATION OF LIABILITY AND INDEMNIFICATION.** Company agrees to indemnify, defend, and hold the City harmless from any and all claims, demands, or suits arising or claimed to arise from its use or the use by participants, customers, creditors related to Company use as authorized by this Agreement and shall secure liability insurance, at least in the amount of One Million Dollars (\$1,000,000) bodily injury and death; One Hundred Thousand Dollars (\$100,000) property damage, which policies shall name City as an additional named insured. Company shall furnish City with evidence that the required insurance has been obtained, with proof of payment of the premium for the duration of this Agreement, prior to the opening event and a copy of such shall herein be attached and incorporated as Exhibit A. Such policy shall include a 30-day cancellation clause. This indemnification shall include all costs of defense, including reasonable attorneys' and expert witness fees, and shall also extend to use of the any City equipment by the Company.

**8. CHOICE OF LAW.** This Agreement shall be governed and interpreted in accordance with the laws of the State of Ohio and the parties hereto agree that any dispute or other matter arising out of

the interpretation or operation of this Agreement shall be determined in a Court of competent jurisdiction located within the State of Ohio and County of Erie.

9. **EVENTS OF DEFAULT.** The following events are referred to, collectively, as “Event(s) of Default”;

9.1. Failure to provide due and timely rent payments. In the event that Company fails to provide timely rent payments, the City shall provide written notice no later than ten (10) days after the first day of the month in which the rent is due. Such written notice shall permit the Company five (5) business days to rectify the delinquency of rent. Failure to do so shall result in an immediate default of the Agreement. The City will not be required to provide any further written notice beyond the first notice; or,

9.2. Company vacates or abandons the storage facilities or Company’s cessation of the operation of its rental service set forth in Section 1.1; or,

9.3. Company purports to assign this Agreement, or sublet all or a portion of the storage facilities, in violation of the terms set forth herein; or,

9.4. Company breaches any of the other agreements, terms, covenants, or conditions not in conflict with the terms included herein, and such breach continues for a period of ten (10) days after written notice from the City to Company or, if such breach cannot be cured reasonably with such ten (10) day period, if Company fails to diligently commence to cure such breach within ten (10) days after written notice from the City and to complete such cure within a reasonable time thereafter.

10. **COMPLIANCE WITH FEDERAL, STATE, AND LOCAL LAW, ORDERS, GUIDANCE, RULES AND REGULATIONS.** Company shall ensure that it and all employees, agents, contractors, and any other persons subject to their direction and control shall **strictly** comply with all federal, state, and local laws, orders, instructions, requirements, guidance, and any other safeguards, including those related to any and all communicable diseases, including COVID-19. Company agrees to be solely responsible for ensuring that the activities covered by this Agreement will be operated, run, managed, and conducted in a manner consistent with all applicable all federal, state, and local laws, orders, instructions, requirements, guidance, and any other safeguards, including those related to COVID-19, and will coordinate with the Erie County Department of Health to ensure the same. Company understands that its proposed activities under this Agreement and the use of the Beach and storage facilities will expose the it and its employees,

agents, guests, contractors and other persons subject to its control to a risk of injury and illness (ex: communicable diseases such as MRSA, influenza, and COVID-19), including the potential for permanent paralysis and death, and while particular rules, equipment, and personal discipline may reduce these risks, the risks of serious injury and illness do exist, and KNOWINGLY AND FREELY ASSUME ALL SUCH RISKS, both known and unknown, EVEN IF ARISING FROM THE NEGLIGENCE OF THE CITY, and assumes full responsibility for any such risk which may occur during its proposed activities under this Agreement and the use of the Beach and storage facilities. Company further AGREES TO DEFEND, INDEMNIFY, RELEASE, AND HOLD HARMLESS the City, and its officials, agents, and/or employees ("RELEASEES"), WITH RESPECT TO ANY AND ALL CLAIMS, DEMANDS, LAWSUITS, ACTIONS, ETC. OF ANY TYPE FOR ANY ALLEGED INJURY, ILLNESS, DISABILITY, DEATH, or loss or damage to person or property, WHETHER ARISING FROM THE NEGLIGENCE OF THE CITY OR OTHERWISE, to the fullest extent permitted by law.

**11. REMEDIES OF DEFAULT.** If any one or more Events of Default set forth in this Agreement occurs then the City has the right, at its election:

**11.1.** To terminate this Agreement, in which case Company's right to use the storage facilities and operate its rental service at the Beach will cease and this Agreement will be terminated as if the expiration of the Term fixed in such notice were the end of the Term. If this Agreement is terminated pursuant to this Section, the City will be entitled to recover from Company: (i) the unpaid rent that has been earned at the time of termination; (ii) the unpaid rent for the balance of the Term of this Agreement.

**11.2.** To reenter and take possession of the Beach and license/lease-related areas, expel Company by means of "self-help" repossession, and remove the effects of Company, using such force for such purposes as may be necessary, without being liable for prosecution, and without prejudice to any remedies for arrears of all amounts payable under this Agreement.

**11.3. Remedies Cumulative.** The City's rights hereunder shall be in addition to, and not in lieu of, every other right or remedy provided for herein or now or hereafter existing at law or in equity by statute or otherwise, including, but not limited to injunctive relief, specific performance and damages. The exercise or beginning of exercise by the City of any one or more rights or remedies, provided herein or now or hereafter existing at law or in equity by statute or otherwise, shall not preclude the simultaneous or later exercise by the City of any or all other rights or remedies provided for in this Agreement or now or hereafter existing at law

or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and nonexclusive.

**12. GENERAL TERMS AND CONDITIONS.** This Agreement constitutes the entire Agreement between the parties and supersedes all prior or written agreements or understandings. Company shall comply with all Federal, State and Local laws and ordinances. Company shall submit a completed Regional Income Tax Registration Form at the time of execution of this Agreement.

**IN WITNESS WHEREOF**, the parties have hereunto subscribed their names to duplicates hereof on the day and year last aforesaid.

**CITY OF HURON, OHIO**



\_\_\_\_\_  
Matthew Lasko, City Manager

Date: 1/29/2024

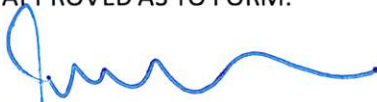
**THE PADDLE SHACK, LLC**

By: 

Its: \_\_\_\_\_

Date: 2/2/24

APPROVED AS TO FORM:



\_\_\_\_\_  
Todd A. Schrader, Law Director

**Notary Jurats Follow**

**ACKNOWLEDGEMENT**

STATE OF OHIO        )  
                                  )        SS:  
COUNTY OF ERIE     )

BEFORE ME, a Notary Public in and for said County and State, personally appeared the above-named City of Huron, Ohio, by Matthew Lasko, its City Manager, who acknowledged that he did sign the foregoing instrument in his capacity as City Manager and that the same is his free act and deed in such capacity. The notarial act certified hereby is an acknowledgement. No oath or affirmation was administered to signer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at Huron, Ohio, this 29<sup>th</sup> day of January, 2024.



TERRI S. WELKENER  
Notary Public, State of Ohio  
My commission expires July 30, 2024

*Terri Welkener*  
\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

**ACKNOWLEDGEMENT**

STATE OF OHIO        )  
                                  )        SS:  
COUNTY OF ERIE     )

BEFORE ME, a Notary Public in and for said County and State, personally appeared the abovenamed The Paddle Shack, LLC, by \_\_\_\_\_, its \_\_\_\_\_ who acknowledged that they did sign the foregoing instrument in their capacity as \_\_\_\_\_ and that the same is their free act and deed in such capacity. The notarial act certified hereby is an acknowledgement. No oath or affirmation was administered to signer.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal at \_\_\_\_\_, Ohio, this \_\_\_\_\_ day of January, 2024.

\_\_\_\_\_  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_