

**MEMORANDUM**

**TO:** Board of Trustees

**FROM:** Bobby Magee  
District General Manager

**SUBJECT:** Review, Discuss, and Approve Amendment 2 with Sand Harbor Water Sports to Provide Services at the Restricted Access Beaches Managed by the Incline Village General Improvement District

**DATE:** May 8, 2024

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**I. RECOMMENDATION**

Approve the agreement with Sand Harbor Water Sports to provide services at the restricted access beaches managed by the Incline Village General Improvement District (Attachment A).

**II. BACKGROUND**

Sand Harbor Water Sports LLC, dba as Lake Tahoe Water Sports provides Retail Concession (non-motorized water sports equipment rental) services at Burnt Cedar and Incline Beaches. The purpose of this amendment to the original agreement is to extend the agreement for an additional year.

**III. FINANCIAL IMPACT AND BUDGET**

The amendment requires the concessionaire to pay Incline Village General Improvement District (IVGID) a flat fee cap of \$22,000 assuming a gross revenue of \$100,000 or greater. Should the gross revenue be below \$100,000, IVGID and Concessionaire shall mutually agree upon a percentage between 10% - 15% of actual 2024 beach season revenue through a separate agreement.

**IV. ALTERNATIVES**

1. Do not approve the agreement with Sand Harbor Water Sports.

**V. ATTACHMENTS**

- A. Amendment No. 2 to the retail concession agreement dated May 20, 2022, between Incline Village General Improvement District and Sand Harbor Water Sports LLC DBA Lake Tahoe Water Sports.

**AMENDMENT NO. 2  
TO RETAIL CONCESSION AGREEMENT DATED MAY 20, 2022  
BETWEEN  
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT  
AND  
SAND HARBOR WATER SPORTS LLC DBA LAKE TAHOE WATER SPORTS**

This Amendment No. 2 to the Retail Concession Agreement dated May 20, 2022 (“Amendment”) is made and entered into as of (Date) by and between the Incline Village General Improvement District (“District”) and Sand Harbor Water Sports LLC, dba Lake Tahoe Water Sports (“Concessionaire”). District and Concessionaire are sometimes individually referred to as “Party” and collectively as “Parties.”

**Recitals**

- A. Original Agreement. The Parties entered into an agreement for Retail Concession (non-motorized water sports equipment rental) services at Burnt Cedar and Incline Beaches on May 20, 2022 (“Original Agreement”), as subsequently amended by agreement dated November 2, 2022, which is incorporated herein by reference as if fully set forth herein, for the purpose of District retaining Concessionaire to provide the concession services set forth therein.
- B. Amendment Purpose. District and Concessionaire wish to extend the Original Agreement for an additional one year term.
- C. Amendment Authority. This Amendment is authorized pursuant to Section 3 of the Original Agreement.

**Amendment**

Now therefore, the Parties hereby modify the Original Agreement as follows:

- 1. Definitions. All capitalized terms used in this Amendment not defined in this Amendment shall have the same meaning as set forth in the Original Agreement, if defined in the Original Agreement.
- 2. Term. Section 3, “Term,” of the Original Agreement is hereby amended to read in its entirety as follows:

“The term of this Agreement shall be the beach season of 2024 beginning, at the earliest, on May 13, 2024 and ending on September 30, 2024 (or earlier, depending upon weather and other conditions). Both parties reserve the right to extend this Agreement for an additional year, to cover the 2025 beach season, and may begin those negotiations in January or February of 2025. For each beach season the Concessionaire provides services under this Agreement, the Owner shall provide Concessionaire notification of the closure date of the Burnt Cedar and Incline Beaches as soon as that date is known. On the last day of the Term or any extension of the Term, Concessionaire shall surrender the Premises to Owner in the same condition in which they were received by Concessionaire.”

3. Rent. Section 4, "Rent," of the Original Agreement is hereby amended to read in its entirety as follows:

"Concessionaire covenants to pay to Owner a flat fee of up to \$22,000.00 for equipment rental services to be provided by the Concessionaire for the 2024 beach season. The flat fee cap of \$22,000.00 assumes a gross Concessionaire revenue for the 2024 beach season of \$100,000.00 or greater. Should Concessionaire's gross revenue for the 2024 beach season be below \$100,000.00 (as documented in records maintained by Concessionaire and made available to Owner), Owner and Concessionaire shall mutually agree upon a percentage between 10-15% of actual 2024 beach season revenue, and memorialize that agreement in a separate writing signed by both Parties. Concessionaire shall remit the agreed-upon flat fee to Owner no later than November 9, 2024."

4. Hours of Operation. Section 6, "Hours of Operation," of the Original Agreement is hereby amended to read in its entirety as follows:

"Minimum hours of operation for the 2024 beach season shall be as follows:

**Incline Beach**

Opens for the season Monday, May 13, 2024

May (subject to Owner's discretion) operate on weekends only (Saturday and Sunday) until June 17, 2024

Open seven days a week from June 18 to September 30, 2024 (subject to early closure upon mutual agreement of the Parties)

Hours of Operation: 10:00 AM until 6:00 PM

**Burnt Cedar Beach**

Opens for the season Monday, May 13, 2024

May (subject to Owner's discretion) operate on weekends only (Saturday and Sunday) until June 17, 2024

Open seven days a week from June 18 to September 30, 2024 (subject to early closure upon mutual agreement of the Parties)

Hours of Operation: 10:00 AM until 6:00 PM

Hours of operation are not subject to change at either location for the duration of the 2024 season.

Concessionaire shall pay to Owner a penalty of \$1,000.00 per day that it does not remain open for business pursuant to the dates and hours of operation identified herein, unless such closure is a result of a decision of the Owner's Director of Parks and Recreation or their designee."

5. Continuing Effect of Agreement. All provisions of the Original Agreement otherwise remain in full force and effect and are reaffirmed. From and after the date of this Amendment, whenever the term "Agreement" appears in the Original Agreement, it shall mean the Original Agreement as amended by this Amendment.
6. Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Amendment.

7. Severability. If any portion of this Amendment is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**OWNER:**  
**INCLINE VILLAGE G. I. D.**

**CONTRACTOR:**  
**SAND HARBOR WATER SPORTS LLC, DBA  
LAKE TAHOE WATER SPORTS**  
**Agreed to:**

**Agreed to:**

By:

\_\_\_\_\_  
Bobby Magee, District General Manager

\_\_\_\_\_  
*Signature of Authorized Agent*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Print or Type Name and Title*

\_\_\_\_\_  
*Date*

If Concessionaire is a Corporation, attach evidence of authority to sign.

**Reviewed as to Form:**

\_\_\_\_\_  
Sergio Rudin  
District Legal Counsel

\_\_\_\_\_  
*Date*