

FIRST AMENDMENT TO ADVENTURE PARK OPERATING AGREEMENT

This First Amendment to the Adventure Park Operating Agreement is made at Rocklin, California, as of February 11, 2020, by and between the City of Rocklin "CITY" and ADVENTURE OPERATIONS LLC.

RECITALS

WHEREAS, the CITY and ADVENTURE OPERATIONS entered into an Adventure Park Operating Agreement on March 12, 2019, for the operation of Quarry Park Adventures; and

WHEREAS, ADVENTURE OPERATIONS has completed its first full operating season as manager and operator of Quarry Park Adventures; and

WHEREAS, the parties recently met and conferred to discuss Park operations including any matters that were specifically required to be discussed pursuant to the terms of the Adventure Park Operating Agreement; and

WHEREAS, the parties seek to amend the Park Operating Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants hereinafter contained, the CITY and ADVENTURE OPERATIONS LLC hereto agree as follows:

1. The Recitals set forth above are true and correct, and are incorporated herein by reference.
2. The parties have met and conferred as required by Section 4.3(b) of the Adventure Park Operating Agreement. ADVENTURE OPERATIONS LLC agrees to accept a financial contribution from the CITY in the total amount of \$166,000 as full and final satisfaction of any and all obligations the CITY may have pursuant to Section 4.3(b) of the Adventure Park Operating Agreement. The CITY'S financial contribution shall be as follows:
 - a. The City will make four equal installment payments to Adventure Operations in the amount of \$31,500 in February, March, April and May 2020.
 - b. The City will contribute \$10,000 to the City's Shortfall Account in the months of February, March, April and May 2020, for a total contribution of \$40,000. The City's additional contribution to the City's Shortfall Account is subject to all of the terms and conditions of the Adventure Park Operating Agreement.
3. In furtherance thereof, the parties agree to amend the Adventure Park Operating Agreement as follows:
 - a. **Section 8.6 Phases**, is amended as follows:

- i. Subsection b, Phase II- Initial Operating Phase, “iii” CITY Shortfall Account, subsection “1” is amended to read as follows (new language noted in underline):

(1) CITY will create an operating deficit “Shortfall Account” in the amount of \$200,000 (“the CITY Shortfall Account”) on or by the Commencement Date. The CITY will make an additional contribution of \$40,000 to the CITY Shortfall Account in calendar year 2020.”

- ii. Subsection b, Phase II- Initial Operating Phase, “iii” CITY Shortfall Account, subsection “3” is amended to read as follows (language to be removed noted in strike-out):

~~(3) The CITY’s contribution to the CITY Shortfall Account will occur once.~~ The CITY is not obligated to replenish the CITY Shortfall Account. If the CITY Shortfall Account is depleted, ADVENTURE OPERATIONS is responsible for any and all operating deficits of the Adventure Park.

- iii. Subsection “c” Phase III- Operating Phase, subsection “ii” Net Revenue is amended as follows: the sum of the shortfall account balance to be replenished is revised from \$200,000 to \$240,000.

Except as set forth in this Amendment, the Adventure Park Operating Agreement is unaffected and shall continue in full force and effect in accordance with its terms. If there is a conflict between this Amendment and the Adventure Park Operating Agreement, the terms of this Amendment will prevail.

Executed as of the date first written above.

CITY OF ROCKLIN

ADVENTURE OPERATIONS LLC

APPROVED AS TO FORM:

By.

Sheri Chapman, City Attorney

ATTEST:

By:

Hope Ithurnburn, Interim City Clerk