

City of Rocklin and Adventure Operations, LLC. Lease Transition Terms Sheet

Adventure Operations, LLC. (AO) Intends to replace the current operating agreement with a lease of the Quarry Park Adventures facility. This means that some of the current terms of the operating agreement will be exchanged for a lease and will not continue to be valid once a new agreement is entered into. AO will pay back the shortfall in its entirety before making this change.

1. Lease Term:
 - a. Initial term of 6 years with two additional 2 year term extension options at City Manager's discretion for a total of 10 years
 - b. Lessor: City of Rocklin
 - c. Lessee: Adventure Operations, LLC.
 - d. Rent: 8% of Gross receipts monthly during the initial term, increased to 9% of Gross receipts monthly commencing at the start of the first extension, and increased to 10% of Gross receipts monthly commencing at the start of the second extension.
 - i. AO provides reporting to the City monthly with lease payment detailing total gross receipts.
 - ii. City has rights to audit
2. Items leased:
 - a. All equipment used for the park defined in Exhibit D of the current agreement
 - b. All Premises listed in modified Exhibit B (Attached) – *The intent of the change is to switch the Guest services building and main parking lot to control by AO. – This is simply because we cannot operate the park without them. The City is willing to the consent of the use of this lot during your normal operating hours but the City reserves use of the lot during all non-operating hours and during concerts.*
3. All maintenance of the rides will be done by AO or an appropriate vendor that AO employs
4. All normal maintenance and capital maintenance (ie. air conditioning, roof replacement, etc.) of the public facilities (buildings, sidewalks, landscaping, bathrooms, etc.) will be the responsibility of Lessor. This items is to be further negotiated and a detailed description and exhibit will be attached to the lease.
5. AO will be required to keep the facility maintained to all standards listed in section 5 of the current agreement
6. AO shall be responsible for all utilities payments along with monthly security monitoring expenses.
7. All Inspections will be paid for by AO
8. AO will provide both the City and Placer Valley Tourism with 50 "4-hour all access" tickets annually at no cost.
9. AO may use the Flex Space (see Exhibit B) on a case by case basis as approved by the City through the City's special event permit process.
10. In addition, the following sections from the operating agreement are intended to remain as part of the lease agreement:
 - a. Marketing: Section 6 and 7 of the current agreement
 - b. Insurance: Section 11 of the current agreement
 - c. Indemnification and Hold Harmless Agreement: Section 12 of the current agreement
 - d. Limitation of liability: Section 13
 - e. Compliance with Laws, Rules, Regulations and Policies: Section 15