

THIS OPERATING AGREEMENT is made and entered into by and between the City of Klamath Falls, Oregon, a municipal corporation (hereinafter referred to as "City") and the Ladies Community Lounge League, an Oregon non-profit corporation (hereinafter referred to as "League").

W I T N E S S E T H:

WHEREAS, through funds acquired pursuant to the 1952 Community Restroom Levy, the City has recently purchased that property known as the Esquire Theatre to provide a permanent location for the services dealt with in said levy; and

WHEREAS, the League has formerly operated the City's Community Lounge in various locations since the passage of the levy; and

WHEREAS, the City desires to continue to utilize the services of said League for Lounge operations and the League desires to continue to provide such services; NOW, THEREFORE,

IN CONSIDERATION OF THE RESPECTIVE COVENANTS HEREIN CONTAINED THE PARTIES AGREE AS FOLLOWS:

1) Operation. The League shall equip, maintain, and operate the City's Community Lounge facilities which are outlined in red on the attached Exhibit A and located at 200 North Seventh Street in the City of Klamath Falls, for the purpose of providing a place where women and children may rest and women may care for their small children through the shopping hours of business days, which room(s) are equipped with washing and toilet facilities (herein after referred to as "Lounge").

2) Hours. The Lounge shall be open for use during normal business hours of the day for six (6) days a week, Sundays and legal holidays excepted. During all open hours, the League shall have a hostess on duty to supervise the Lounge and see it is kept clean and order is kept among the visitors and guests.

3) Rules. The League may, from time to time, adopt and amend reasonable rules and regulations to govern the use of the Lounge. One copy of the current rules and regulations shall be filed with the City Recorder, and a second copy posted in plain view at a point inside near the entrance of the Lounge.

4) Annual Report. The League shall keep a monthly record of the number of visitors and guests and of the expenses incurred by the League in its operation and maintenance of the Lounge. On or before February 1 of each calendar year the League shall submit an annual report to the City's Manager which report shall

include the monthly breakdown of visitors, guests, and expenses for Lounge operations for the last calendar year.

5) Remodeling and Costs. All cost of remodeling, maintenance and repair and of equipping and operating the Lounge shall be paid by the League from 1952 Levy funds and/or other income sources.

The League shall not allow any lien or encumbrance to attach to the Lounge through any of the acts of the League, its officers or agents without the prior written permission of the City. If such a lien or encumbrance does attach to the Lounge, it will be sufficient grounds for City to forthwith, or at any time while such lien or encumbrance exists, terminate this lease, and without any right of the League to damages or compensation in any amount or form whatsoever.

Permission is hereby given to the League to remodel the interior of the Lounge area to meet the goals of the 1952 Levy. Provided, however, plans for any remodeling shall first be approved by the City Manager, provided however, the City Manager's decision may be appealed to the City Council.

6) Expenses and Budget. Together with the annual report to be submitted under Paragraph 4) above, the League shall submit to the City's Manager a proposed budget for the operation of the Lounge for the upcoming City's fiscal year. Said proposed budget shall be detailed by line item and shall be within the 1952 Community Restroom Levy funds projected to be received by City.

It is understood by both parties hereto that the final Lounge budget is subject to City approval through its budgetary process. By July 15 the League shall submit a fiscal year reconciliation of expenses to the City. The City shall submit a check for the total Lounge budget amount approved through the City budget process for the year to the League upon approval of said reconciliation or by August 1, whichever occurs last. In the event the League expends less than the amount budgeted, the difference shall constitute a cash carry over for the proposed budget for the next fiscal year. Expenses incurred during the fiscal year in excess of the approved budget total shall be the responsibility of the League unless the City Council shall have approved of such specific additional expense(s) in advance.

7) Indemnity and Insurance. The League agrees at all times during the term hereof, at its own expense, to maintain, keep in effect, furnish and deliver to the City liability insurance policies, in form and with an insurer satisfactory to the City, insuring both the City and League against

all liability for damage to persons or property in or about said premises; the amount of said liability and property damage coverage shall be the maximum amount allowed in Oregon Revised Statutes Section 30.270 as now enacted or subsequently amended. The League agrees to and shall indemnify and hold the City harmless against any and all claims and demands arising from the negligence of its officers, agents, invitees and/or employees, as well as those arising from League's failure to comply with any covenant of this agreement of its part to be performed, and shall at its own expense defend the City against any and all suits or actions arising out of such negligence, actual or alleged, and all appeals therefrom, and shall satisfy and discharge any judgment which may be awarded against the City in any suit or action.

8) Termination. Either party may terminate this agreement effective June 30 of any calendar year upon ninety (90) days prior written notice to the other party. Such termination shall be executed only if the location referred to in Exhibit A shall cease to be used as a community lounge. In addition, the City retains the right to terminate this Operating Agreement at any time for violation of the terms and conditions contained herein by the League. Provided, however, prior to such termination, City shall have given the League written notice of the violation and the League shall then have sixty (60) days in which to correct or cease said violations. In the event the League disputes the alleged violation it may request a hearing before the City Council whose decision shall be final.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized representatives the days and year below written.

LADIES COMMUNITY LOUNGE LEAGUE

By: Elaine A. Kurns
President

Attest: Dorothy A. Shoop
Secretary

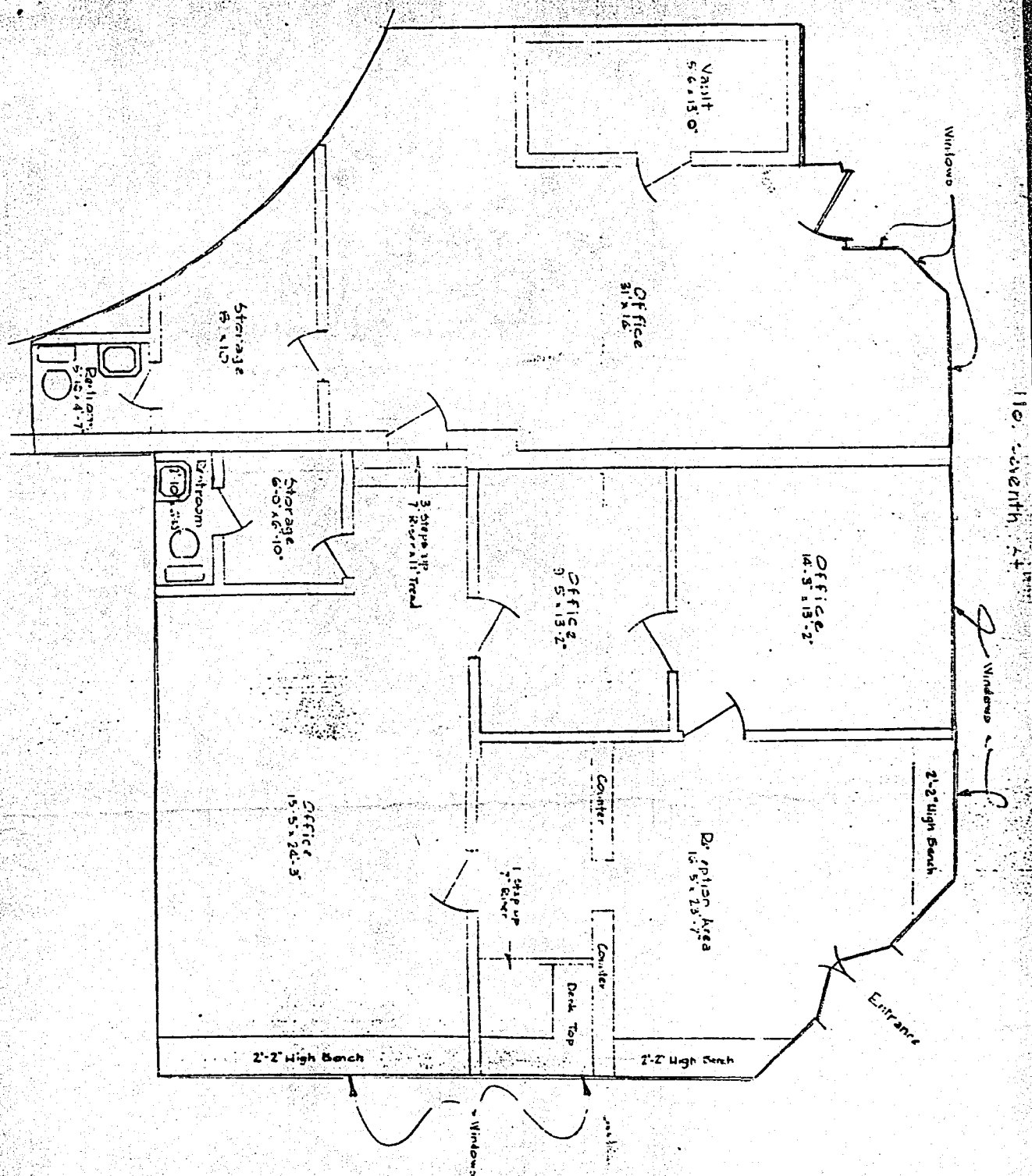
Date: September 6, 1983

CITY OF KLAMATH FALLS

BY: George C. Filbeck
Mayor

Attest: Karren Fowler
Recorder

Date: September 6, 1983



STATE OF OREGON,
County of Klamath ss.

Filed for record at request of:

Elaine Kerns

on this 3rd day of Oct. A.D. 19 89
at 2:09 o'clock P.M. and duly recorded
in Vol. M89 of Misc. Page 18649
Evelyn Biehn County Clerk

By Pauline Mullendorf
Deputy.

Fee. \$20.00
cc 2.50

FLOOR PLAN
OFFICE SPACE IN ESQUIRE THEATRE BUILDING
FOR LADIES COMMUNITY LOUNGE

SCALE: 1/4" = 1'-0"	DATE:	SHEET OF
DESIGNED:	CITY OF KLAMATH FALLS	FILE NO.
DRAWN BY:	DEPT. OF PUBLIC WORKS	1855
CHECKED BY:	KLAMATH FALLS, OREGON	

Return: Elaine Kerns
P.O. Box 482
Ft. Klamath, Or. 97626