

LICENSE AGREEMENT
FOR
MORROW COUNTY UNIFIED RECREATION DISTRICT

THIS AGREEMENT (the "Agreement") made as of this _____ day of _____, 2012 is between Morrow County School District R-1 (the "Owner"), whose business address is 270 West Main Street, Lexington, OR 97829 and Morrow County Unified Recreation District "Rec District" (the "Licensee," and collectively, the "Parties").

RECITALS:

- A. Licensee wishes to use Owner's space for community use events (the "Events");
- B. Licensee has the authority to provide cultural and recreational activities for the people of Morrow County. (See Morrow County Ordinance number 0-27-95 adopted March 24, 1995).
- C. The Owner may permit the use of school buildings and grounds by residents of the district for civic and recreational purposes, including supervised recreational activities and meeting places for discussion of all subjects and questions which in the judgment of the residents may relate to the educational, political, economic, artistic and moral interests of the residents. (See ORS 332.172).
- D. The Licensee desires to utilize the facilities and staff of the Owner to provide such activities and the School District agrees to so provide.
- E. The Licensee and Owner have entered into this agreement to better serve the public more efficiently and effectively and to provide continuity of services to the community which is in the public interest.

In consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

1. Space License: Owner hereby grants to Licensee a limited and revocable license (the "License") to access the following spaces: (see attached document Facility Descriptions (the "Spaces"). The License reserves to the Owner the right to use the Spaces specified in the Facility Descriptions document and stated therein. The term of this agreement shall be from August 1, 2012 through June 30, 2013 (the "Agreement Year").
2. Event Dates: The Events shall be held during the seasons specified in the Facility Descriptions document. Licensee shall not have access to the Spaces at any time other than during those specified, unless Licensee receives prior written permission from Owner. Space management, including

scheduling, priority, and approval of Events will be at Owner's discretion in compliance with the Owner's Facility Use Request Application (see attached KG – Form (1)).

3. License Fees: Licensee shall pay a license fee to Owner in the total sum of \$476,000 (the "License fee") for the use of the Spaces. Payments of \$158,700 are due and payable to Owner on or before December 1, \$158,700 on or before April 1, and \$158,600 on or before June 1 of the Agreement Year. The fee payable under this license, and the grant of use, have been established to reflect the savings below what would otherwise be market rent (were this a rental agreement, which it is not) resulting from the exemption of the property from taxation.
4. Cancellations: If Licensee cancels the license of Spaces within 30 days of the payment due date, Licensee shall still be responsible to pay the next payment coming due as stated in Paragraph 3 hereof, and Owner shall be entitled to retain the payment.
5. Scheduling/Request to Use Spaces: The scheduling of all Events will be made using the Owner's Facility Use Request application by those who intent to use the Spaces. Application must be made to the school principal whose Spaces of use are intended. Users must abide by the Facility Use Request Policies attached herein as set forth by the Owner (KG-AR, KG-Form (1), KGB).
6. Condition of Premises: The Spaces shall be provided as-is, and Owner makes no warranty to Licensee or its Spaces users regarding the suitability of the Spaces for the intended use. Licensee and its users shall leave the Spaces in the same or similar condition as when Licensee entered. Licensee shall be responsible for any damage caused by it or its users to the Spaces beyond ordinary wear and tear, and shall be required to arrange for the repair of any such damage. In the event that the Licensee does not satisfactorily arrange for such repair, Owner shall be entitled to arrange for any such repairs within 30 days of receipt of Owner's written request for reimbursement, which request shall be accompanied by written verification of the amount of the expenses incurred.
7. Indemnification: The indemnification rights and obligations of the parties shall be as determined by general principles of tort law including all special principles pertaining to public bodies. However, if Licensee's use of the Spaces, or if Licensee's users of the Spaces, or if this agreement result in property taxes being assessed against any of the subject property of Owner, Licensee shall be solely and completely responsible to pay said taxes.

8. Permitted Use: Licensee is authorized pursuant to the License to use the Spaces to hold the Events, and for no other purpose, unless Owner gives Licensee prior written authorization for additional permitted uses. Licensee may not use the Spaces in any manner that may render the insurance for the Spaces or any of the Owner's property void, or which may result in increased insurance premiums for Owner with respect to the Spaces or any other of Owner's property. No space may be used for commercial purposes. Licensee may permit others to use the Spaces pursuant to the terms hereof.
9. Compliance with Laws: Licensee shall obtain and maintain any necessary permits, licenses, or other forms of permission necessary to use the Spaces according to the permitted uses set forth in Section 9 in a lawful manner. Licensee shall not use the Spaces in any manner that would violate local, state or federal laws or regulations.
10. Revocation: Owner shall have the right to revoke this License and Licensee's right to use any of Owner's property at any time within Owner's discretion and without cause of notice. In the event that Owner revokes the License for reasons other than nonpayment of fees or other breach of this Agreement by Licensee, Owner shall refund to Licensee a prorated amount of the licensee fee representing that proportion of the quarterly payment period which would become available for use due to the revocation.
11. Assignment: Licensee may not assign or transfer its respective rights or obligations under this Agreement without prior written consent from the Owner, except as Licensee is authorized to permit others to use Owner's property by the express terms of this Agreement.
12. Governing Law: This Agreement shall be construed in accordance with, and governed by all respects by, the laws of the State of Oregon, without regard to conflicts of law principles.
13. Counterparts: This Agreement may be executed in several counterparts, each of which shall constitute an original and all of which, when taken together, shall constitute one agreement.
14. Severability: If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.

15. Notice: Any notice required or otherwise given pursuant to this Agreement shall be in writing and mailed certified return receipt requested, postage prepaid, or delivered by overnight service, addressed as follows:

If to Licensee: MCURD
 PO Box 765
 Heppner, OR 97836

If to Owner: MCSD
 PO Box 368
 Lexington, OR 97839

16. Headings: The headings for section herein are for convenience only and shall not affect the meaning of the provisions of this Agreement.

17. Entire Agreement: This Agreement constitutes the entire agreement between Licensee and Owner, and supersedes any prior understanding or representation of any kind preceding the date of this Agreement. There are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

LICENSEE

OWNER

Signature

Signature

Print Name

Print Name

Title

Title