

## SUBLICENSE AGREEMENT

THIS SUBLICENSE AGREEMENT (“**Sublicense**”) is made and entered into on January 1, 2025 (“**Effective Date**”), by and between AMERICA WORKS OF CALIFORNIA, INC, a California for-profit corporation (hereinafter referred to as “**Sublicensor**”) and CITY OF LA HABRA, a California non-profit (hereinafter referred to as “**Sublicensee**”), without regard to number and gender. Sublicensor and Sublicensee may sometimes hereinafter be referred to individually as “**Party**” or jointly as “**Parties.**”

### RECITALS

A. Sublicensor has occupied County of Orange (“**County**”) leased premises, consisting of approximately Six Thousand Four Hundred and Fifty-Eight (6,458) rentable square feet (“**RSF**”) of office space, located on the first floor in building located at 28202 Cabot Road, Suite 100 and 140, in Laguna Niguel, California (“**Sublicensor’s Premises**”) in order to provide services pursuant to a service agreement with the County. Both Sublicensor and Sublicensee have signed a Memorandum of Understanding with the Orange County Workforce Development Board (OCWDB) and the County of Orange to provide services out of the OC Workforce Solutions Center - South.

B. America Works of California, Inc., the Orange County Workforce Solutions program One-Stop Operator, proposes to license, within Sublicensor’s Premises, approximately 144 RSF office space to Sublicensee.

**NOW, THEREFORE**, in consideration of the covenants and agreements hereafter contained the Parties hereto mutually agree to the following:

#### **1. SUBLICENSE AREA (SRLic-1.1 S)**

Sublicensor grants to Sublicensee the right to use approximately 144 RSF in Sublicensor’s Premises, located at 28202 Cabot Road, Suite 140 in Laguna Niguel, California as described in Exhibit A and as shown on Exhibit B, which exhibits are attached hereto and by this reference made a part hereof (hereinafter referred to as the “**Sublicense Area**”), together with non-exclusive, in common use of elevators, stairways, washrooms, hallways, driveways for vehicle ingress and egress, pedestrian walkways, parking, other facilities and common areas appurtenant to the Sublicense Area. This right also includes reasonable and non-exclusive right to access the Sublicense Area.

#### **2. USE (SRLic-1.2 S)**

Sublicensee’s use of the Sublicense Area shall be limited to administrative and general office purposes and employment training within the Sublicense Area.

Sublicensee agrees not to use the Sublicense Area for any other purpose nor to engage in or permit any other activity within or from the Sublicense Area. Sublicensee further agrees not to conduct or permit to be conducted any public or private nuisance in, on, or from the Sublicense Area, not to commit or permit to be committed waste on the Sublicense Area, and to comply with all governmental laws and regulations in connection with its use of the Sublicense Area.

**NO ALCOHOL, TOBACCO, OR MARIJUANA PRODUCTS SHALL BE SOLD FROM OR CONSUMED WITHIN THE SUBLICENSE AREA. DRINKING ALCOHOLIC BEVERAGES AND SMOKING OF ANY KIND IS PROHIBITED INSIDE ANY BUILDING WITHIN THE SUBLICENSE AREA.**

**3. SUBLICENSOR’S USE RESERVATIONS AND RIGHT OF ENTRY (1.3 N)**

Sublicensor reserves the right, without unreasonable interference, to access and use the Sublicense Area for Sublicensor’s use as well as to confirm that Sublicensee is using the Sublicense Area consistent with those uses articulated in Clause 3 (USE). Sublicensee shall cooperate with Sublicensor during Sublicensor’s access and use of the Sublicense Area.

**4. TERM (SRLic-1.6 N)**

The Term of this Sublicense shall commence on the Effective Date and shall continue in effect until terminated in accordance with Clause 5 (TERMINATION) of this sublicense.

**5. TERMINATION (SRLic-1.7 N)**

This Sublicense shall be revocable by Sublicensor at any time that the Sublicensee breaches the terms and conditions of this Sublicense; however, as a courtesy Sublicensor will attempt to give thirty (30) days written notice to Sublicensee prior to the termination date.

**6. SUBLICENSE FEE (SRLic-1.8 N)**

The Sublicensee agrees to pay Sublicensor as rent for the use of the Sublicense Area the sum \$2,536.93 dollars per month commencing from July 1, 2024 until December 30, 2024.

Effective January 1, 2025, the Sublicensee agrees to pay Sublicensor as rent for the use of the Sublicense Area the sum \$3,383.56 dollars per month, and adjusted pursuant to the Rent Schedule shown in Exhibit C, which is attached hereto and by reference made a part hereof (“Sublease Fee”).

Said Sublicense Fee shall be payable, without prior notice or demand, without deduction or offset, in lawful money of the United States.

**7. PAYMENT PROCEDURE (SRLic-1.9 N)**

The Sublicense Fee and any other payments due under this Sublicense shall be delivered to:

America Works of California, Inc.  
Attn: Mark Mackler  
228 E 45<sup>th</sup> Street, 16 Fl  
New York, NY 10017

**8. MAINTENANCE OBLIGATIONS OF SUBSUBLICENSEE - CONDITIONS AND CARE OF SUBLICENSE AREA (SRLic-2.2 N)**

Sublicensee expressly agrees to maintain the Sublicense Area in a safe, clean, wholesome, and sanitary condition, and in compliance with all applicable laws. Sublicensee further agrees to provide approved containers for trash and garbage and to keep the Sublicense Area free and clear of rubbish and litter.

**9. INSURANCE (SRLic-2.8 S)**

Sublicensee agrees to carry all required insurance at Sublicensee’s expense and provide to the Sublicensor current Certificates of Insurance, including all endorsements required herein, necessary to satisfy the Sublicensor that the insurance provisions of this Sublicense have been complied with. Sublicensee shall

keep such insurance coverage current, provide Certificates of Insurance and endorsements to the Sublicensor during the entire term of this Sublicense.

Sublicensee agrees that Sublicensee shall not operate on the Sublicense Area at any time the required insurance is not in full force and effect as evidenced by a Certificate of Insurance and necessary endorsements or, in the interim, an official binder being in the possession of Sublicensor. In no cases shall assurances by Sublicensee, its employees, agents, including any insurance agent, be construed as adequate evidence of insurance. Sublicensor will only accept valid Certificates of Insurance and endorsements, or in the interim, an insurance binder as adequate evidence of insurance. Sublicensee also agrees that upon cancellation, termination, or expiration of Sublicensee's insurance, Sublicensor may take whatever steps are necessary to interrupt any operation from or on the Sublicense Area until such time as the Sublicensor reinstates the Sublicense.

If Sublicensee fails to provide Sublicensor with a valid Certificate of Insurance and endorsements, or binder at any time during the term of the Sublicense, Sublicensor and Sublicensee agree that this shall constitute a material breach of the Sublicense. Whether or not a notice of default has or has not been sent to Sublicensee, said material breach shall permit Sublicensor to take whatever steps necessary to interrupt any operation from or on the Sublicense Area, and to prevent any persons, including, but not limited to, members of the general public, and Sublicensee's employees and agents, from entering the Sublicense Area until such time as Sublicensor is provided with adequate evidence of insurance required herein. Sublicensee further agrees to hold County and Sublicensor harmless for any damages resulting from such interruption of business and possession, including, but not limited to, damages resulting from any loss of income or business resulting from the Sublicensor's action.

Sublicensee may occupy the Sublicense Area only upon providing to Sublicensor the required insurance stated herein and carry such insurance for the entire term of this Sublicense. Sublicensor reserves the right to terminate this Sublicense at any time Sublicensee's insurance is canceled or terminated and not reinstated within ten (10) days of said cancellation or termination. Sublicensee shall provide to Sublicensor immediate notice of said insurance cancellation or termination.

If Sublicensee is self-insured, Sublicensee will indemnify and defend County and Sublicensor for any and all claims resulting or arising from Sublicensee's use of the Sublicensor's Premises, services, or other performance in accordance with the indemnity provision stated in this Sublicense.

### **Qualified Insurer**

The policy or policies of insurance must be issued by an insurer with a minimum rating of A- (Secure A.M. Best's Rating) and VIII (Financial Size Category as determined by the most current edition of the Best's Key Rating Guide/Property-Casualty/United States or [ambest.com](http://ambest.com)).

If the insurance carrier does not have an A.M. Best Rating of A-/VIII, CEO/Office of Risk Management retains the right to approve or reject a carrier after a review of the company's performance and financial ratings.

The policy or policies of insurance maintained by the Sublicensee shall provide the minimum limits and coverage as set forth below:

<u>Coverage</u>	<u>Minimum Limits</u>
Commercial General Liability	\$1,000,000 per occurrence \$2,000,000 aggregate

Automobile Liability including coverage	\$1,000,000 combined single limit each For owned or scheduled, non-owned, and hired vehicles accident
Workers' Compensation	Statutory
Employers' Liability Insurance	\$1,000,000 per accident or disease
Commercial Property Insurance on an "All Risk" or "Special Causes of Loss" basis covering all, contents, and any tenant improvements including Business Interruption/Loss of Rents with a 12 month limit.	100% of the Replacement Cost Value and no coinsurance provision
Pollution Liability (Optional coverage to be required when hazardous materials are involved).	\$1,000,000 per claims- made, or occurrence

Increased insurance limits may be satisfied with Excess/Umbrella policies. Excess/Umbrella policies when required must provide Follow Form coverage.

#### Required Coverage Forms

The Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

The Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing liability coverage at least as broad.

#### Required Endorsements

The Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

- 1) An Additional Insured endorsement using ISO form CG 20 26 04 13 or a form at least as broad naming the *County of Orange, its elected and appointed officials, officers, employees, and agents and Sublicensor* as Additional Insureds. Blanket coverage may also be provided which will state- *As Required by Written Contract*.
- 2) A primary non-contributory endorsement using ISO form CG 20 01 04 13, or a form at least as broad, evidencing that the Sublicensee's insurance is primary, and any insurance or self-insurance maintained by the County shall be excess and non-contributing.

The Workers' Compensation policy shall contain a waiver of subrogation endorsement waiving all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, employees, and agents and Sublicensor*. Blanket coverage may also be provided which will state- *As Required by Written Contract*.

All insurance policies required by this Sublicense shall waive all rights of subrogation against the *County of Orange, its elected and appointed officials, officers, employees, and agents* and *Sublicensor* when acting within the scope of their appointment or employment.

The Commercial Property policy shall contain a Loss Payee endorsement naming the County and Sublicensor as respects the County's financial interest when applicable.

Sublicensee shall provide thirty (30) days prior written notice of any policy cancellation or non-renewal and ten (10) days prior written notice where cancellation is due to non-payment of premium and provide a copy of the cancellation notice to Sublicensor. Failure to provide written notice of cancellation may constitute a material breach of the Sublicense, upon which the Sublicensor may suspend or terminate this Contract.

The Commercial General Liability policy shall contain a severability of interests clause, also known as a "separation of insureds" clause (standard in the ISO CG 001 policy).

Insurance certificates should be forwarded to the Sublicensor address provided in the Clause (NOTICES) below. Sublicensee has ten (10) business days to provide adequate evidence of insurance, or this Sublicense may be cancelled.

Sublicensor expressly retains the right to require Sublicensee to increase or decrease insurance of any of the above insurance types throughout the term of this Sublicense. Sublicensor shall notify Sublicensee in writing of changes in the insurance requirements. If Sublicensee does not provide acceptable Certificates of Insurance and endorsements to Sublicensor incorporating such changes within thirty (30) days of receipt of such notice, this Sublicense may be in breach without further notice to Sublicensee, and Sublicensor shall be entitled to all legal remedies.

The procuring of such required policy or policies of insurance shall not be construed to limit Sublicensee's liability hereunder nor to fulfill the indemnification provisions and requirements of this Sublicense, nor in any way to reduce the policy coverage and limits available from the insurer.

## **10. INDEMNIFICATION (SRLic-2.9 S)**

Sublicensee hereby agrees to indemnify, hold harmless, and defend, Sublicensor and County, its elected and appointed officials, officers, agents, employees, and those special districts and agencies which the Board of Supervisors acts as the governing board, with counsel approved by County, against any and all claims, loss, demands, damages, costs, expenses, or liability arising out of the ownership, maintenance, or use of the Sublicense Area, except for liability arising out of the negligence of Sublicensor, its elected and appointed officials, officers, agents, or employees, including the cost of defense of any lawsuit arising therefrom.

In the event County is named as codefendant, Sublicensee shall notify County of such fact and shall represent County, with counsel approved by County, in such legal action unless County undertakes to represent itself as codefendant in such legal action, in which event Sublicensee shall pay the County's litigation costs, expenses, and attorneys' fees. In the event judgment is entered against County and Sublicensee because of the concurrent negligence of County and Sublicensee, their officers, agents, or employees, an apportionment of liability to pay such judgment shall be made by a court of competent jurisdiction. Neither Party shall request a jury apportionment.

## **11. LIMITATION OF THE SUBLICENSE (SRLic-3.3 S)**

This Sublicense and the rights and privileges granted Sublicensee in and to the Sublicense Area are subject to all covenants, conditions, restrictions, and exceptions of record or apparent from a physical inspection of the

Sublicense Area. Nothing contained in this Sublicense or in any document related hereto shall be construed to imply the conveyance to Sublicensee of rights in the Sublicense Area which exceed those owned by County, or any representation or warranty, either express or implied, relating to the nature or condition of the Sublicense Area or County's interest therein. Sublicensee has accepted the Sublicense Area in its "as is"/"where is" condition.

**12. NO ASSIGNMENT, SUBAGREEMENTS (SRLic-3.6 S)**

The Sublicense granted hereby is personal to Sublicensee and any assignment of said Sublicense by Sublicensee, voluntarily or by operation of law, shall automatically terminate the Sublicense granted hereby. Subleases or Sublicenses are not authorized under this Sublicense and any attempt by Sublicensee to create any such sublease or sublicense shall be null and void and shall automatically terminate the Sublicense.

**13. RIGHT TO WORK AND MINIMUM WAGE LAWS (SRLic-3.9 S)**

In accordance with the United States Immigration Reform and Control Act of 1986, Sublicensee shall require its employees that directly or indirectly service the Sublicense Area or terms and conditions of this Sublicense, in any manner whatsoever, to verify their identity and eligibility for employment in the United States. Sublicensee shall also require and verify that its contractors or any other persons servicing the Sublicense Area or terms and conditions of this Sublicense, in any manner whatsoever, verify the identity of their employees and their eligibility for employment in the United States.

Pursuant to the United States of America Fair Labor Standard Act of 1938, as amended, and State of California Labor Code, Division 2, Parts 4 and 7, Sublicensee shall pay no less than the greater of the Federal or California Minimum Wage to all its employees that directly or indirectly service the Sublicense Area, in any manner whatsoever. Sublicensee shall require and verify that all its contractors or other persons servicing the Sublicense Area on behalf of the Sublicensee also pay their employees no less than the greater of the Federal or California Minimum Wage.

Sublicensee shall comply and verify that its contractors comply with all other Federal and State of California laws for minimum wage, overtime pay, record keeping, and child labor standards pursuant to the servicing of the Sublicense Area or terms and conditions of this Sublicense.

Notwithstanding the minimum wage requirements provided for in this Clause 30, Sublicensee, where applicable, shall comply with the prevailing wage and related requirements pursuant to the provisions of Section 1773 of the Labor Code of the State of California.

**14. SUBLICENSE ORGANIZATION (SRLic-4.2 S)**

The various headings and numbers herein, the grouping of provisions of this Sublicense into separate clauses and paragraphs, and the organization hereof, are for the purpose of convenience only and shall not be considered otherwise.

**15. AMENDMENTS (SRLic-4.3 S)**

This Sublicense is the sole and only agreement between the Parties regarding the subject matter hereof; other agreements, either oral or written, are void. Any changes to this Sublicense shall be in writing and shall be properly executed by both Parties.

**16. PARTIAL INVALIDITY (SRLic-4.4 S)**

If any term, covenant, condition, or provision of this Sublicense is held by a court of competent jurisdiction

to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

**17. GOVERNING LAW AND VENUE (SRLic-4.6 S)**

This agreement has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the Parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394.

**18. TIME OF ESSENCE (SRLic-4.8 S)**

Time is of the essence of this Sublicense Agreement. Failure to comply with any time requirements of this Sublicense shall constitute a material breach of this Sublicense.

**19. NONDISCRIMINATION (SRLic-5.3 S)**

Sublicensee agrees not to discriminate against any person or class of persons by reason of sex, age, race, color, creed, physical handicap, or national origin in employment practices and in the activities conducted pursuant to this Sublicense. Sublicensee shall make its accommodations and services available to the public on fair and reasonable terms.

**20. CONDITION OF SUBLICENSE AREA UPON TERMINATION (SRLic-5.4 S)**

Except as otherwise agreed to herein or in subsequent approval in writing by Sublicensor, upon termination of this Sublicense, Sublicensee shall redeliver possession of said Sublicense Area to Sublicensor in substantially the same condition that existed immediately prior to Sublicensee's entry thereon, reasonable wear and tear, flood, earthquakes, war, and any act of war excepted.

**21. RELATIONSHIP OF PARTIES (SRLic-5.7 S)**

The relationship of the Parties hereto is that of Sublicensor and Sublicensee, and it is expressly understood and agreed that County does not in any way or for any purpose become a partner of or a joint venture with Sublicensee in the conduct of Sublicensee's business or otherwise, and any provisions of this Sublicense and the agreements relating to money payable hereunder are included solely for the purpose of providing a method by which such payments are to be measured and ascertained.

**22. ATTACHMENTS TO SUBLICENSE (SRLic-6.0 S)**

This Sublicense includes the following, which are attached hereto and made a part hereof:

**I. EXHIBITS**

- Exhibit A – Sublicense Area Description
- Exhibit B – Depiction of the Sublicense Area
- Exhibit C – Rent Schedule

This Sublicense may be executed in one or more counterparts, each of which will be deemed an original signature but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties have executed this Sublicense the day and year first above written.

**SUBLICENSOR:**

Lee Bowes, CEO  
America Works of California, Inc.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**SUBSUBLICENSEE:**

Jim Sadro, City Manager  
City of La Habra

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

## **EXHIBIT A**

### **SUBLICENSE AREA DESCRIPTION**

The shaded Sublicense Area shown as Suite 100 and Suite 140 on the plot plan marked Exhibit B, attached hereto and made a part hereof, being approximately 144 rentable square feet of office space, commonly known as Suites 100 and 140, collectively the Sublicense Area, located on the first (1<sup>st</sup>) floor of that certain 10-story building located at 28202 Cabot Road, in the city of Laguna Niguel, County of Orange, State of California, together with non-exclusive, in common use of parking spaces, as unreserved and/or designated visitor parking on the Sublicense Area, elevators, stairways, washrooms, hallways, driveways for vehicle ingress and egress, pedestrian walkways, parking, other facilities and common areas appurtenant to the Sublicense Area.

**NOT TO BE RECORDED**

**EXHIBIT B**

**DEPICTION OF THE SUBLICENSE AREA**

**28202 Cabot Road,  
Laguna Niguel, CA  
Suite 100 and 140**



**EXHIBIT B (CONTINUED)**

**DEPICTION OF THE SUBLICENSE AREA**

**28202 Cabot Road,  
Laguna Niguel, CA**

**SUITE 100**

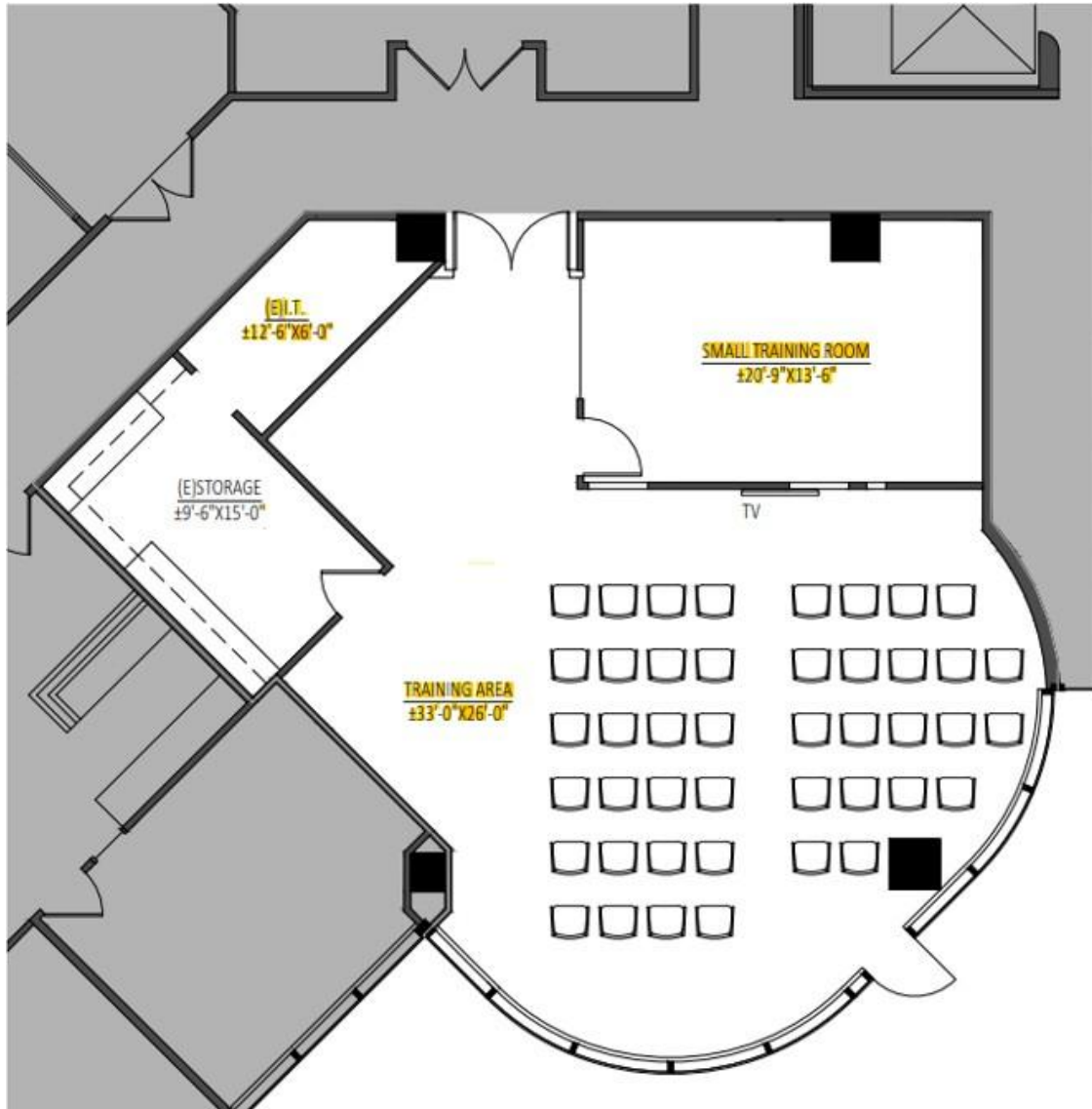


EXHIBIT B (CONTINUED)

DEPICTION OF THE SUBLICENSE AREA

28202 Cabot Road,  
Laguna Niguel, CA

SUITE 140



**EXHIBIT C**

**RENT SCHEDULE**

**28202 Cabot Road, Laguna Niguel, CA**

<b>Suite 140 City of La Habra</b>					
<b>Year</b>	<b>Rent Period</b>	<b>Total Laguna Monthly Rent</b>	<b>Total Laguna Monthly Rent and Operating Expenses</b>	<b>La Habra (11.43%) Monthly</b>	<b>La Habra (11.43%) Rent Period Total</b>
Year 1	7/1/2023-6/30/2024	\$23,388.25	\$29,421.44	\$2,521.42	\$30,257.01
Year 2	7/1/2024- 12/31/2024	\$23,388.25	\$29,602.44	\$2,536.93	\$15,221.57
Year 2	1/1/2025-6/30/2025	\$23,388.25	\$29,602.44	\$3,383.56	\$20,301.35
Year 3	7/1/2025-6/30/2026	\$23,388.25	\$29,788.86	\$3,404.87	\$40,858.40
Year 4	7/1/2026-6/30/2027	\$23,388.25	\$29,980.88	\$3,426.81	\$41,121.78
Year 5	7/1/2027-6/30/2028	\$23,388.25	\$30,178.66	\$3,449.42	\$41,393.05