

SUB-LICENSE AGREEMENT

This Agreement is entered into on _____, 2007, between COMISION HONORIFICA MEXICANA AMERICANA, INC. (SUB-LICENSOR), and the COUNTY OF TULARE (COUNTY);

WITNESSETH:

WHEREAS, a property license agreement was entered into between the City of Porterville (CITY) and Comision Honorifica Mexicana Americana, INC. (CHMA) on March 6, 2007 for property situated at 466 E. Putnam Avenue, Porterville; and

WHEREAS, Per section 4(i) of the property license agreement, CHMA is to enter into good faith negotiations with Kings/Tulare Area Agency on Aging (K/T AAA) for accommodation and use of the Center for a Senior Nutrition Program to be operated five-days per week; and

WHEREAS, a Memorandum of Understanding was executed on March 6, 2007 between the City of Porterville and Kings/Tulare Area Agency on Aging to facilitate a Senior Nutrition Program within the CITY boundaries;

NOW, THEREFORE, IT IS AGREED as follows:

1. **SUB-LICENSE:** SUB-LICENSOR leases to COUNTY and COUNTY leases from SUB-LICENSOR, a portion of the real property located at 466 E. Putnam, in the City of Porterville, State of California, consisting of exclusive use of two offices, as well as the dining room, kitchen, and restroom facilities delineated on Exhibit "A" (the PREMISES). This agreement supersedes the agreement between Sub-Licensor and K/T AAA regarding said property.

2. **TERM/OPTION TO RENEW:** The term shall commence upon execution by the County and shall expire two (2) years thereafter. The COUNTY will have the option and right to renew this sub-license for two additional two (2) year terms upon the same terms and

conditions by serving a notice of exercise of the option to renew on SUB-LICENSOR prior to the end of the term.

3. **CONSIDERATION:** COUNTY shall pay to SUB-LICENSOR monthly funds to defer the operating costs of the nutrition program, without deduction, set off, prior notice, or demand of \$1,000.00 payable in advance on the first day of each month, commencing on the date the term commences, and continuing during the term and any option periods. Funds to defer operating costs shall be prorated for any partial month at the rate of 1/30th of the monthly deferred operating cost day.

4. **ACCEPTANCE:** On the commencement of the term, the Premises shall be in good-condition. COUNTY's taking possession of the Premises on commencement of the term shall constitute COUNTY's acknowledgement that the Premises are in good condition.

5. **USE:** COUNTY will use the Premises to serve food for COUNTY's Senior Nutrition Program, and as a meeting place for seniors in the community. COUNTY will serve food, but that food shall not be prepared on the Premises, with the exception of liquid refreshments such as tea, coffee, and cold punch. COUNTY will have access to use the kitchen facilities and equipment. COUNTY will comply with all laws concerning such use of the Premises, except that COUNTY shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the Premises unless the alterations, maintenance or restoration are required as a result of COUNTY's particular and specific use of the Premises at the time. COUNTY shall not use the Premises in any manner that will constitute waste or nuisance or unreasonable annoyance.

6. **HOURS OF OPERATION:** COUNTY will have access to and exclusive use of the south/east office and south/west office and shared use of the restrooms, Monday thru Friday, between 8:00 am and 5:00 pm. COUNTY will have exclusive use of the kitchen and dining room area, Monday thru Friday, 8:30 am to 2:30 pm. The Conference Room (Fire Side Room) and the Stage are available for use by COUNTY. SUB-LICENSOR retains the right to schedule meetings and/or events in these areas if necessary. Tables utilized by COUNTY will remain and be made available for the use of SUB-LICENSOR during non-program hours. There are currently nine (9) round tables that seat eight (8). Additional

hours of operation needed by COUNTY to accommodate special events for seniors may be coordinated directly between SUB-LICENSOR and COUNTY staff.

7. **ACTIVITY MANAGEMENT:** COUNTY will provide a Project Site Manager or other volunteer manager who will be present during the hours of operations of the Senior Nutrition Program. COUNTY will clean, and leave in sanitary condition, counters, tables, chairs, serving equipment, serving areas, dining areas, and any other areas, furniture or equipment directly related to the serving and consuming of meals.

8. **MAINTENANCE:** SUB-LICENSOR shall keep and maintain the Premises in good condition. SUB-LICENSOR will be responsible for all maintenance, repair and upkeep of the entire Premises, including without limitation, the parking lot, grounds, building and improvements, and equipment and fixtures attached thereto. Such responsibility shall include, without limitation, the following:

- i. The structural parts of the building and other improvements in which the Premises are located, which structural parts include the foundations, bearing and exterior walls, sub flooring, and roof;
- ii. The exposed and unexposed electrical, plumbing, and sewage systems, including, without limitation, those portions of the systems lying outside the Premises;
- iii. Doors, door frames, and door hardware, windows and window frames, gutters, and down spouts on the building and other improvements in which the Premises are located;
- iv. Heating, ventilating, and air-conditioning systems servicing the Premises including preventive servicing and regular changing of filters;
- v. Light fixtures, ballasts and replacements bulbs;
- vi. Painting when needed;
- vii. Kitchen equipment, except that COUNTY will provide and maintain its own refrigerator;

COUNTY will provide full pest control services and refuse service for the entire Premises.

In cases of emergency the SUB-LICENSOR will take immediate steps to protect persons and property. If the SUB-LICENSOR does not take the necessary steps, COUNTY will have the right to repair or contract to repair and to be reimbursed by SUB-LICENSOR. If the full amount of the reimbursement is not delivered by SUB-LICENSOR to COUNTY within 10 days after COUNTY's delivery to SUB-LICENSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly payment of funds to defer operating costs.

Except for cases of emergency, SUB-LICENSOR will make all repairs as soon as is possible. In the event SUB-LICENSOR has not made a repair referred to in a written notice from COUNTY to SUB-LICENSOR within 30 days after date of notice, COUNTY will have the right to repair or contract to repair and be reimbursed by SUB-LICENSOR. If the full amount of the reimbursement is not delivered by SUB-LICENSOR to COUNTY within 10 days after COUNTY's delivery to SUB-LICENSOR of a written statement or bill evidencing the cost of the repair, COUNTY will have the right to deduct the cost of repair from the next monthly payment of funds to defer operating costs.

9. **ALTERATIONS:** COUNTY shall not make any structural or exterior alterations to the PREMISES without SUB-LICENSOR's consent, which consent shall not be unreasonably withheld; however, COUNTY shall have the right without cost to the SUB-LICENSOR to make, without SUB-LICENSOR's consent, nonstructural alterations to the Premises that COUNTY requires in order to conduct its operations on the Premises. COUNTY may also contract with SUB-LICENSOR to make any alteration COUNTY requires in order to conduct its operations on the Premises.

Upon termination of the tenancy, COUNTY shall have the right to remove from the Premises immediately before the termination of the tenancy, or within ten (10) days thereafter, any alterations COUNTY has made to the Premises, as long as the removal will not cause any structural damage to the Premises, and COUNTY at its cost promptly restores any damage caused by the removal.

10. **MECHANICS LIENS:** COUNTY shall pay all costs for construction done by it or caused to be done by it on the Premises as permitted or required under this Agreement. COUNTY shall keep the building, other improvements, and land on which the Premises are

located free and clear of all mechanics liens resulting from construction or repair work done by or for COUNTY.

11. UTILITIES AND JANITORIAL: SUB-LICENSOR shall make all arrangements for, and pay for, all utilities and services furnished or to be used by COUNTY, including, without limitation, gas, electricity, water, sewer and for all other connections therefore. COUNTY shall provide fire extinguishers and related signs in the kitchen and dining rooms. Except as noted above in Paragraph 7, SUB-LICENSOR shall furnish, at its own expense, all other normal janitorial services. COUNTY shall arrange for the installation of any and all telephones and data lines it shall require, and pay for any and all charges relating thereto.

12. INDEMNITY: SUB-LICENSOR shall not be liable to COUNTY for any damage to COUNTY or COUNTY's property from any cause, except that SUB-LICENSOR shall be liable to COUNTY for damage to COUNTY resulting from the acts or omissions of SUB-LICENSOR, his agents and employees. COUNTY shall hold SUB-LICENSOR harmless from all damages arising out of any injury or damage to person or property occurring in, on, or about the Premises, except that SUB-LICENSOR shall be liable to COUNTY for, and shall hold COUNTY harmless from, injury or damage resulting from the acts or omissions of SUB-LICENSOR, his agents and employees. In no event will the COUNTY be liable for SUB-LICENSORS losses under any Theory of Fire Legal Liability.

13. INSURANCE: SUB-LICENSOR acknowledges and agrees that COUNTY is a self-insured entity, and waives any requirement that COUNTY procure and/or maintain insurance of any kind, including liability and/or fire/extended coverage insurance. Prior to approval of this Agreement by COUNTY, SUB-LICENSOR shall file with the Clerk of the Board of Supervisors evidence of the required insurance as set forth in Exhibit "B" attached.

14. DESTRUCTION: In the event the building on the demised Premises shall be totally or partially destroyed by fire, earthquake, or other casualty so as to render that part of said building hereby leased unfit in whole or in part for occupancy, COUNTY shall be entitled to a reduction in the payment of funds to defer operating costs during the period that such part remains unrepaired or unrestored, in proportion to the amount of floor space unfit for occupancy bears to the total floor space included in the lease; provided, however, that if it

should reasonably appear that SUB-LICENSOR cannot or will not restore or repair the Premises within ninety (90) days from the date of such damage, either party shall be entitled to terminate the sub-license by giving the other party notice in writing of intention to so terminate ten (10) days before the proposed date of termination.

15. **CONDEMNATION:** If, during the tenancy, there is any taking by condemnation of all or part of the building, other improvements, or land of which the Premises are a part, or any interest in the tenancy, the rights and obligations of the parties shall be determined as follows:

- a. If the Premises are totally taken by condemnation, the tenancy shall terminate on the date of the taking;
- b. If any portion of the Premises is taken by condemnation the tenancy shall remain in effect, except that COUNTY may elect to terminate the tenancy by giving notice of same within ten (10) days of the date of the taking.

If any portion of the Premises is taken by condemnation and the tenancy remain in effect, the funds to defer operating costs of nutrition program shall be reduced by an amount that is in the same ratio to funds to defer operating costs of nutrition program as the value of the area of the portion of the Premises taken bears to the total value of the Premises immediately before the taking.

16. **ASSIGNMENT:** COUNTY shall not assign or encumber its interest in the tenancy, or sublease all or any part of the Premises, without the consent of SUB-LICENSOR, which consent shall not be unreasonably withheld.

17. **DEFAULT:** The occurrence of any of the following shall constitute a default by COUNTY:

- a. Failure to provide funds to defer operating costs when due, if the failure continues for ten (10) days after written notice has been given to COUNTY;
- b. Abandonment and vacation of the Premises;
- c. Failure to perform any other provision of this agreement if the failure to perform is not cured within a reasonable time after notice has been given of same to COUNTY. Notices given under this section shall specify the alleged default and the applicable provisions of this agreement, and shall demand that the Party perform the

provisions within the applicable period of time. The purpose of the notice requirements set forth in this section is to extend the notice requirements of the unlawful detainer statutes of California. In the event of a default, the parties shall have the remedies now or later allowed by law.

18. **SIGNS:** COUNTY may not install, or permit any other person to install, any sign, awning, canopy, marquee or other advertising on any exterior wall, door, or window on the Premises without SUB-LICENSOR's prior written consent, which consent shall not be unreasonably withheld. Eleven (11) days after the expiration or termination of this sub-license, SUB-LICENSOR may remove and destroy any items, which were permitted to be installed in accordance with the terms of this section and not removed by COUNTY.

19. **SUB-LICENSOR'S ENTRY ON PREMISES:** SUB-LICENSOR and his authorized representatives shall have the right to enter the Premises at all reasonable times, and after reasonable notice to COUNTY, for any of the following purposes:

- a. To determine whether the Premises are in good condition and whether COUNTY is complying with the obligation under this agreement;
- b. To do any necessary maintenance and to make any restoration to the Premises or the building and other improvements in which the Premises are located that SUB-LICENSOR has the right or obligation to perform;
- c. To serve, post, or keep posted any notices required or permitted under this agreement;
- d. To show the Premises to prospective brokers, agents, buyers, and prospective COUNTYs at any time during the tenancy.

20. **SURRENDER:** On expiration or other termination of the tenancy, COUNTY shall surrender the Premises to SUB-LICENSOR in good condition, ordinary wear and tear excepted. COUNTY shall remove all its personal property, and shall perform all restoration made necessary by the removal of any alteration or fixtures.

21. **TERMINATION:** Either party may terminate this License without cause upon ninety (90) days prior written notice to the other party. Additionally, either party may terminate this License for cause upon ten (10) days prior written notice to the other party.

For purposes of this section, "cause" shall be defined as the failure of either party to remedy any material breach of the License within 30 days of written notice of the breach.

22. **SUCCESSORS:** This agreement shall be binding on, and inure to, the benefit of the parties, their successors and assigns, except as otherwise limited by this agreement.

23. **NOTICE:** Any notice, demand, request, consent, approval or other communication required or permitted under this agreement shall be in writing and either served personally or sent by prepaid, first class mail, certified return receipt requested, and addressed to the other party at the address indicated below:

COUNTY: Board of Supervisors
County of Tulare
Administration Building
2800 W. Burrel
Visalia, CA 93291

COPY TO: Resource Management Agency
Property Management
5961 S. Mooney Blvd.
Visalia, CA 93277
559-733-6291

SUB-LICENSOR: Comision Honoraria Mexicana Americana, Inc.
ATTN: Roberto De la Rosa
P.O. Box 2046
Porterville, CA 93258
559-784-1214

Notice shall be deemed communicated four (4) days from the time of mailing as provided in this section.

24. **WAIVER:** SUB-LICENSOR's consent to or approval of any act by COUNTY shall not be deemed to waive or render unnecessary SUB-LICENSOR's consent to or approval of any subsequent act by COUNTY.

25. **INTEGRATION:** This instrument contains all the agreements of the parties relating to the Premises and cannot be modified or amended except by a subsequent agreement in writing

26. **SEVERABILITY:** The unenforceability, invalidity, or illegality of any provision of this agreement shall not render the other provisions of the agreement unenforceable, invalid, or illegal.

27. **HOLDING OVER:** If COUNTY, with SUB-LICENSOR's consent, remains in possession of the PREMISES after expiration of the tenancy, such possession shall be deemed to be a month to month tenancy terminable on thirty (30) days written notice given at any time by either party. During any such month to month tenancy, COUNTY shall pay all payment of funds to defer operating costs required by this agreement, all other provisions of which shall apply to the month to month tenancy.

28. **REDUCTION OF COUNTY FUNDING:** SUB-LICENSOR expressly understands and agrees that COUNTY is dependent upon certain City of Porterville funding for the deferment of the operating costs of the nutrition program that is provided in this agreement. If such City funding is discontinued or reduced, COUNTY shall have the right to: (a) reduce the amount of space occupied by COUNTY, or (2) terminate the sub-license. In either event COUNTY shall provide SUB-LICENSOR with at least 90 days prior written notice of such reduction or termination.

In the event of reduction in the amount of space, the monthly deferment of the operating costs of the nutrition program shall be reduced by an amount equal to the ratio of the total remaining occupied space in square feet divided by the total space in square feet previously occupied by COUNTY.

In the event COUNTY reduces the amount of space, SUB-LICENSOR, in the exercise of its own absolute discretion, shall have the right to terminate the sub-license by giving written notice of the exercise of such right to COUNTY within 10 days of its receipt of the notice of reduction from COUNTY. The tenancy shall then terminate 60 days after service of the notice of the exercise of the right to terminate by SUB-LICENSOR.

29. COMMUNICATION/GRIEVANCE PLAN AGREEMENT:

The Parties to this agreement acknowledge that, for the sake of efficiency and clarity of communications, it is in the best interests of all concerned to channel all communications through these designated parties. Should any issues or grievances arise in the course of the K/T AAA nutrition program operations under this agreement, it is hereby agreed that the

above-noted parties shall be notified and shall have the responsibility to address any such issues or grievances. COUNTY and SUB-LICENSOR agree to form a communication/grievance plan which maps out the process of communicating between the programs. County will designate the K/TAAA Nutrition Program Coordinator and Unit Manager. CHMA will designate a representative for their office.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

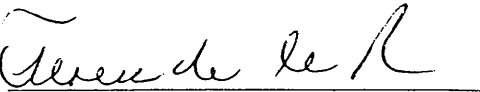
SUB-LICENSOR*

Comision Honoraria Mexicana Americana, Inc

Date: 04-03-2007

By: 
Roberto De la Rosa, President

Date: 4/3/07

By: 

*Corporations Code Section 313 requires that contracts with a corporation shall be signed by the (1) chairman of the Board, the president or any vice-president and (2) the secretary, any assistant, the chief financial officer, or any assistant treasurer; unless the contract is also accompanied by a certified copy of the Board of Directors resolution authorizing the execution of the contract.

COUNTY

COUNTY OF TULARE

Date: _____

By: _____
Chairman, Board of Supervisors

ATTEST: C. BRIAN HADDIX
LESSEE Administrative Office/Clerk
Of the Board of Supervisors

By _____
Deputy Clerk

Approved as to Form:

County Counsel

By: 
Deputy County Counsel

4-4-07

[illegible]

Exhibit B

Insurance Requirements

(County As Lessee)

Lessor shall provide and maintain insurance for the duration of the this Agreement against claims for injuries to persons and damage to property which may arise from, or in connection with performance under the Agreement by the Lessor, his agents, representatives, employees, or contractors.

A. MINIMUM SCOPE OF AND LIMITS OF INSURANCE.

1. Coverage at least as broad as Commercial General Liability Insurance of \$1,000,000.00 combined single limit per occurrence.

- a. Names the COUNTY, its officers, agents, employees and volunteers, individually and collectively as additional insureds.
- b. States that such insurance for additional insureds shall apply as primary insurance and any other insurance maintained by the County shall be excess.
- c. Provides that coverage shall not be suspended, voided, canceled or otherwise materially changed except after thirty (30) days prior written notice is given to the County and provide ten (10) days prior written notice be given to the County for cancellation for non-payment of premium.

2. Comprehensive Automobile Liability Insurance (if applicable) of \$1,000,000 per occurrence, combined single limit.

Names the COUNTY, their officers, agents, employees and volunteers, individually and collectively, as additional insureds.

States that such insurance for additional insureds shall apply as primary insurance and any other insurance maintained by COUNTY shall be excess.

Provides that coverage shall not be suspended, voided, canceled, reduced in coverage, or otherwise materially changed except after thirty (30) days prior written notice has been given to the County and provide ten (10) days prior notice be given to the County for cancellation for non-payment of premium.

3. Workers' Compensation and Employer's Liability Insurance as required by law. Insurer shall agree to waive all rights of subrogation against the COUNTY, its

officers, officials, employees, agents and volunteers for losses arising out of activities which are the subject of this Agreement.

DEDUCTIBLES AND SELF-INSURED RETENTIONS

Any deductible or self-insured retention that exceeds \$50,000 must be approved by the COUNTY Risk Manager.

ACCEPTABILITY OF INSURANCE

Insurance must be placed with insurers with a current rating given by A.M. Best and Company of no less than "A:V" or as approved by the County's Risk Manager and from a company admitted to do business in California.

VERIFICATION OF COVERAGE

Prior to approval of this Agreement by Lessee and the COUNTY, the Lessee shall file with the COUNTY certificates of insurance with additional insured endorsements effecting coverage in form acceptable to the COUNTY. COUNTY reserve the right to require certified copies of all required insurance policies at any time.