

LICENSE AGREEMENT

1. Parties and Date. This License Agreement ("License Agreement") is made as of _____, 2020, by and between the **CITY OF GARDEN GROVE**, a municipal corporation, ("City"), and Cottage Industries, LLC, a California Limited Liability Company ("Licensee").
2. Premises. Parking Lot Area located on 8th Street between 11391 Acacia Parkway and 11390-11400 Stanford Avenue (APN: 090-15-457). The Licensee shall have permission to use **FIFTY-TWO (52)** parking spaces depicted in approximate location on Exhibit A attached hereto and incorporated herein by reference.
3. Permit to Enter Premises. City grants to Licensee a nonexclusive revocable license to enter and use the Premises for the sole purpose set forth in Section 6 hereof and for no other purpose, subject to Licensee's compliance with all of the terms of this License Agreement. Licensee shall not permit any other person, except Licensee's employees and customers, to enter or use the Premises without City's prior written consent. Licensee acknowledges and agrees that it is not a tenant on the Premises and any rights or benefits which may accrue to Licensee by reason of execution of this Agreement or use of the Premises shall solely be those of a licensee and not a tenant.
4. Consideration. As consideration for the license granted in this License Agreement, Licensee shall pay a monthly fee to CITY in the amount of Twenty dollars (\$20) per parking space. Credit will be given to Licensee for improvements made to the Premises by Licensee as described in Section 10 of this License Agreement. Payment shall commence on the first day Licensee commences operation of the Cottage Industries project, but no later than December 2021 whichever comes first. Payment shall be prorated on a 30-day month basis.
5. Term. This License Agreement is for a term beginning upon the licensee receiving the certificate of occupancy or when developer begins the process of restriping the lot anticipated to be no later than December 2021 and shall continue on a month-to-month basis until terminated.
6. Use. The premises shall be used solely for customer parking of patrons and invitees of the Cottage Industries project and for its project lessees, employees, and owners, and for no other use. There will be no overnight parking or storage of any type.
7. Security Deposit. Licensee shall deposit with City a security deposit of One Thousand Dollars (\$1,000.00) prior to commencement of use of the Premises by Licensee ("Security Deposit"). The Security Deposit shall be returned to Licensee within thirty (30) days after the termination of this License Agreement if the Premises are left in the condition required by this License Agreement and Licensee is not otherwise in default of any provisions or requirements of this License Agreement.
8. Regulations. Licensee shall obtain, at its sole cost and expense, all governmental permits and authorizations of whatever nature required by any governmental agencies having jurisdiction over Licensee's use of the Premises. Licensee, at its sole cost, will comply with all applicable governmental laws and regulations. Licensee will also comply with any and all reasonable rules and regulations promulgated by City including, but not

limited to, those attached to this License Agreement as Exhibit B and incorporated herein by reference.

9. Condition and Maintenance of Premises. Licensee accepts the Premises in an "as is" condition. City expressly disclaims any warranty or representation with regard to the condition, safety, security or suitability for Licensee's intended use of the Premises. Licensee shall maintain the Premises in a neat, clean, orderly and safe condition and shall be responsible for any damage done in or to the Premises caused by Licensee or its employees, agents, invitees, project lessees or contractors. Licensee shall implement and enforce all dust, water, and sound control conditions and measures as specified and/or imposed by any and all public, administrative and/or regulatory bodies. Best Management Practices that will be used to ensure compliance with federal, state, and local environmental regulations. Upon termination of this License Agreement, Licensee shall peaceably surrender and quit the Premises in good order, condition and repair, reasonable wear and tear, excepted only and, at its expense, shall remove all of its trade fixtures and personal property and repair any damage to the Premises occasioned by removal of these items. Furthermore, Licensee shall maintain the public rights of way and paths used by its employees, agents, invitees, project lessees or contractors to access the Premises to/from Licensee's project neat and clean of trash.
10. Improvements. Licensee will improve the Premises with parking striping and traffic circulation signing as generally depicted in Exhibit D or as approved by the City's Traffic Engineer. Licensee will improve the Premises per City standard specifications attached as Exhibit E. Licensee, its employees, agents or contractors shall construct no structure, sign or other improvement of any kind on the Premises without the prior written approval of City in each case notwithstanding installation of improvements for dust, water, and noise control pursuant to Section 9. Licensee shall submit plans and specifications to City for approval in each instance. Approval may be withheld, at City's sole discretion. No changes, modifications or alterations from approved plans and specifications may be made without City prior written approval. No approval by City of any plans or specifications shall constitute (i) approval of architectural or engineering sufficiency or representation, or (ii) warranty by City as to the adequacy or sufficiency of the plans and specifications or the improvements contemplated for Licensee's use or purpose. City, by approving the plans and specifications, assumes no responsibility or liability for any defect in any improvements constructed on the basis of the plans and specifications. Prior to the commencement of any work, Licensee or its contractor shall notify the current tenant at 11391 Acacia Parkway, Garden Grove, CA 92840 pertaining to the work.
11. Liens. Licensee shall not permit to be placed against the Premises, or any part of the Premises, any mechanics', materialmen's, contractors' or subcontractors' liens. Licensee shall indemnify, defend and hold City harmless from all liability for any and all liens, claims and demands, together with the costs of defense and reasonable attorneys' fees related to same. Notwithstanding anything to the contrary set forth above, if Licensee in good faith desires to contest the validity of any lien, then Licensee shall procure, record and furnish to City a surety bond or other security satisfactory to City in an amount equal to at least one and one-half (1 1/2) times the amount of the contested lien, claim or demand, which bond or other security shall discharge the lien of record and hold the Premises free from the effect of the lien or claim. City reserves the right, at any time and from time to time, to post and maintain on the Premises, any portion thereof or on the improvements

on the Premises any notices of non-responsibility or other notice as may be desirable to protect City against liability. In addition to and not in limitation of City's other rights and remedies under this License Agreement, should Licensee fail, within ten (10) days of a written request from City, either to discharge any lien or claim related to Licensee's use of the Premises or to bond for any lien or claim as provided above, or to indemnify, hold harmless and defend City from and against any loss, damage, injury, liability or claim arising out of Licensee's use of the Premises as provided above, then City, at its option, may elect to pay any lien, claim, loss, demand, injury, liability or damages, or settle or discharge any action or satisfy any judgment and all costs, expenses and attorneys' fees incurred in doing so shall be paid to City by Licensee upon written demand, together with interest thereon at the rate of ten percent (10%) per annum from the date incurred or paid through and including the date of payment.

12. Indemnity. Licensee agrees to and shall indemnify, defend, protect, and hold harmless the City of Garden Grove and its officials, officers, employees, attorneys, consultants, and agents (collectively, the "Indemnitees"), jointly and severally, from and against any and all liabilities, suits, actions, claims, demands, penalties, damages (including, without limitation, penalties, fines and monetary sanctions), losses, costs or expenses, proceedings, lawsuits, orders, judgments, fines, obligations, encumbrances, liens, expenses (including without limitation all costs and expenses reasonably incurred to investigate and defend claims, whether or not any such claim is ultimately defeated, and costs and expenses reasonably incurred for consultants, court fees, administrative fees, expert witness fees, and attorneys' fees and remedial and response costs) of whatever kind or nature, contingent or otherwise, matured or not matured, foreseeable or unforeseeable, at law or in equity, any of which are suffered or incurred by the Indemnitees, or assessed, levied or asserted by any person or entity (whether governmental or private) against the Indemnitees, relating to, resulting from, arising out of or based upon, in whole or in part, the following: (i) any act, omission or negligence of the Licensee or its contractors, subcontractors, invitees, agents, servants, project lessees or employees in conjunction with the exercise of rights granted to Licensee pursuant to this License Agreement; (ii) any use of the Premises, or any accident, injury, death or damage to any person or property occurring in, on or about the Premises, or any part of the Premises, pursuant to this License Agreement or from any activity, work or thing done, permitted or suffered by Licensee or its contractors, subcontractors, employees, agents, project lessess or invitees in or about the Premises; (iii) Licensee's failure to comply with any provisions of this License Agreement; (iv) the validity or enforceability of this License Agreement or City's approval thereof; (v) the presence, release, use, generation, discharge, storage, disposal, removal or remediation of any hazardous materials (as such term is defined in Exhibit B) on, in, under, or emanating from the Premises as a result of the use of the Premises by Licensee or its contractors, subcontractors, invitees, agents, servants, project lessees or employees pursuant to this License Agreement; or (vi) the violation, or alleged violation, or compliance with the requirements of any governmental law, statute, ordinance, order, rule, regulation, permit, judgment or license relating to the use, generation, release, discharge, storage, disposal or transportation of hazardous materials to, from, on, in, under, about or around the Premises by Licensee or its contractors, subcontractors, invitees, agents, servants, project lessees or employees. Notwithstanding the foregoing, the indemnities described in (i) and (ii) above shall not apply to the extent of the sole negligence or willful misconduct of the Indemnitees.

Licensee further agrees that City shall not be responsible for any loss or theft of any property on the Premises, and Licensee hereby waives, and releases City from, any and all claims or demands for any personal injury, property damage, or other loss suffered by Licensee or Licensee's contractors, subcontractors, invitees, agents, project lessees or employees on the Premises, and agrees to so indemnify and hold City harmless from the same.

Licensee's obligations pursuant to this Section 12 shall survive expiration or earlier termination of this License Agreement.

13. Insurance. Prior to entering the Premises and at all times during the Term, Licensee, at its sole expense, shall maintain a policy or policies of insurance with a reputable insurance company acceptable to City, meeting the requirements set forth in Exhibit C attached hereto and incorporated herein by reference. Licensee shall, prior to entering into possession of the Premises, deliver to City certificates of insurance evidencing same.
14. Termination and Remedies. This license may be terminated or revoked for any reason by the City following ninety (90) days written notice. City incurs no liability whatsoever for termination of this License Agreement. City acknowledges this License Agreement and associated parking stalls are necessary to satisfy Licensee's land use entitlement requirements for the Cottage Industries project. In the event City terminates this License Agreement within five years of its initial term, City agrees to assist Licensee in identifying replacement parking spaces to the extent Licensee demonstrates that the Cottage Industries project cannot then accommodate sufficient required parking under the then-applicable provisions of the Garden Grove Municipal Code. If Licensee is in breach of any of its obligations under this License Agreement and fails to cure such breach within forty-eight (48) hours of receipt of written notice from City specifying the nature of the breach (or commence to cure and diligently pursue such cure to completion if such cure takes over forty-eight (48) hours), City shall have the right to terminate this License Agreement by written notice to Licensee.

Upon termination or revocation of the License, Licensee agrees to vacate the Premises and to surrender this License on or before the termination date specified by City, and City agrees to refund the appropriate portion of the Security Deposit within thirty (30) days. City may at its election remove any of Licensee's vehicles, supplies or equipment left on the Premises after the termination date, and City shall have no obligation to insure the safekeeping or storage of any items removed from the Premises by City. In addition to the foregoing, in the event of termination due to a breach by Licensee of any provision of this License Agreement, City may also seek all other remedies available at law or in equity including, but not limited to, a suit for damages or an action for specific performance or injunction. All remedies provided in this License Agreement or by law or in equity shall be cumulative and nonexclusive.

15. Inspection. City and its representatives, employees, agents or independent contractors may enter and inspect the Premises or any portion of the Premises or any improvements on the Premises at any time and from time to time.
16. Non-assignment. Licensee may not assign, sublet or otherwise transfer its interest under this License Agreement. Any attempted assignment, sublet or transfer made in violation of this provision shall be null and void.

17. Costs of Enforcement. If it is necessary for either party to employ an attorney to commence an action to enforce any of the provisions of this License Agreement, the nonprevailing party agrees to pay all costs of such action including, but not limited to, court costs and reasonable attorneys' fees.
18. Notices. All notices, consents, submissions for approvals, approvals, requests, demands and other communications provided for in this License Agreement shall be in writing and shall be deemed to have been duly given and received if and when personally served or forty-eight (48) hours after being deposited in the United States mail, registered, return receipt requested, postage prepaid, addressed to the intended party at:

CITY:

City of Garden Grove
11222 Acacia Parkway
P.O. Box 3070
Garden Grove, CA 92842
Attention: City Manager

LICENSEE:

Cottage Industries, LLC
709 Randolph Avenue
Costa Mesa, CA 92625
Attention: Shaheen Sadeghi, CEO

20. Miscellaneous. This License Agreement constitutes the entire agreement between the City and Licensee pertaining to the subject matter of this License Agreement and supersedes all prior and contemporaneous agreements, representations, and understandings of City and Licensee, oral or written. No supplement, modification or amendment of this License Agreement shall be binding unless in writing and executed by Licensee and City. No waiver of any provision of this License Agreement shall constitute a continuing waiver or waiver of any other provision. This License Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. The headings of this License Agreement are for purposes of reference only and shall not limit or define the meaning of any provision. This License Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same instrument. Neither this License Agreement nor a short form memorandum of this License Agreement shall be filed or recorded in any public office.
21. Non-Discrimination. Licensee covenants that there shall be no discrimination against or segregation of any person, group, or employees due to race, color, creed, religion, sex, marital status, age, handicap, national origin, or ancestry, in any action or activity pursuant to this license.
22. Relocation Benefits. Licensee acknowledges that it is not and shall not be eligible for relocation assistance or benefits, or any claims, costs or obligations related in any manner thereto. Licensee hereby knowingly waives all notices of termination that may be required pursuant to California Government Code section 7260, et. seq., or any other

displacement, acquisition or relocation laws or regulations, and waives all rights such relocation benefits, assistance and/or other compensation of whatever kind or nature.

23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument.

(SIGNATURES ON THE FOLLOWING PAGE)

City and Licensee have executed this instrument as of the date first above written.

CITY

CITY OF GARDEN GROVE, a municipal
corporation,

By: _____
City Manager

ATTEST:

By: _____
City Clerk

APPROVED AS TO FORM

City Attorney

LICENSEE

**Cottage Industries, LLC a California limited
liability company**

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT A



EXHIBIT B

RULES AND REGULATIONS

Licensee, its employees, and agents shall abide by the following rules and regulations ("Rules") and any modifications and additions to these Rules at any time made.

1. Hours of Operation. By written notice to Licensee, City may place reasonable limits on the permitted hours during which Licensee may use the Premises.

2. Hazardous Materials. Licensee shall not store or stockpile or permit to be stored or stockpiled upon the Premises, and shall, at Licensee's sole cost and expense, clean up and remediate any spill, release, or discharge of, any chemicals, unhealthy substances, pesticides, explosive materials, corrosive substances or other hazardous materials on or from the Premises resulting from Licensee's use of the Premises. The term "hazardous materials" shall mean (i) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Carpenter-Presley-Tanner Hazardous Substance Account Act (California Health and Safety Code Sections 25300 et seq.), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) petroleum, oil, gasoline (refined and unrefined) and their respective by-products and constituents; and (vi) any other substance, whether in the form of a solid, liquid, gas or any other form whatsoever, which by any law, rule, or regulation of any governmental agency with jurisdiction over the Premises either requires special handling in its use, transportation, generation, collection, storage, treatment or disposal, or is defined as: "hazardous" or harmful to the environment. The requirements of this section shall not be interpreted to prevent Licensee from parking or storing the motor vehicles used for its business operations as provided for in Section 6 of the main body of the License Agreement.

3. Condition of Premises. Licensee shall keep the Premises in a clean and sanitary condition satisfactory to the City at all times during the term of this License. No dust, offensive or refuse matter, nor substance constituting an unnecessary, unreasonable or unlawful hazard or material detrimental to the public health shall be permitted or remain thereon, and Licensee shall prevent any such matter or material from accumulating in the Premises.

4. Signs. No sign, advertisement display, awning visible from the exterior of the Premises shall be inscribed, painted or affixed by Licensee on any part of the Premises without the prior written consent of the City.

5. Conflict of Rules with License Agreement. If there is any conflict, inconsistency or ambiguity between these Rules and the provisions in the main body of the License Agreement, the provisions in the main body of the License Agreement shall control and prevail.

EXHIBIT C

INSURANCE REQUIREMENTS

1. COMMENCEMENT OF OCCUPANCY OR WORK. Licensee shall not occupy or commence any work under this License Agreement until all insurance certificates and endorsements have been received and approved by the City. All insurance required by this License Agreement shall contain a Statement of Obligation on the part of the carrier to notify the City of any material change, cancellation, or termination at least thirty (30) days in advance.
2. WORKERS COMPENSATION INSURANCE. For the duration of this License Agreement, Licensee and all contractors and subcontractors shall maintain Workers Compensation Insurance in the amount and type required by law, if applicable. The insurer shall waive its rights of subrogation against City, its officers, officials, agents, employees, and volunteers.
3. INSURANCE AMOUNTS. Licensee shall maintain the following insurance for the duration of this License Agreement:
 - (a) Commercial general liability in an amount not less than \$1,000,000 per occurrence; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to City and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the City.
 - (b) Automobile liability in an amount not less than \$1,000,000 combined single limit; **(claims made and modified occurrence policies are not acceptable)**; Insurance companies must be acceptable to City and have an AM Best's Guide Rating of A-, Class VII or better, as approved by the City.

An Additional Insured Endorsement, **ongoing and completed operations**, for the policy under section 3 (a) shall designate City, its officers, officials, agents, employees, and volunteers as additional insureds for liability arising out of work or operations performed by or on behalf of Licensee. Licensee shall provide to City proof of insurance and endorsement forms that conform to City's requirements, as approved by City.

An Additional Insured Endorsement for the policy under section 3 (b) shall designate City, its officers, officials, agents, employees, and volunteers as additional insureds for automobiles owned, leased, hired, or borrowed by the Licensee. Licensee shall provide to City proof of insurance and endorsement forms that conform to City's requirements, as approved by City.

For any claims related to this License Agreement, Licensee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, agents, or volunteers shall be excess of Licensee's insurance and shall not contribute with it.

PRELIMINARY RESTRIPPING PLAN



EXHIBIT E

CITY STANDARD SPECIFICATIONS FOR PARKING

