

SPECIAL USE PERMIT
Exhibit E – Sublicensing Agreement

This Sublicense Agreement (**Sublicense**) is entered into between THE CITY OF SANDEIGO, a California municipal corporation (**CITY**), Balboa Tennis Club, a non-profit California Corporation (**PERMITTEE**), and HJK Ventures, 2221 Morley Field Dr., San Diego, CA 92104, (**SUBLICENSEE**), to be effective when signed by all parties entering into this Sublicense and approved by The City of San Diego City Attorney (**Effective Date**).

PERMITTEE has previously entered into a SPECIAL USE AGREEMENT (**SUP**) with CITY effective 5/1/25 (**Permit**), a copy of which is attached as **Exhibit A**, for the non-exclusive use of certain CITY-owned property, commonly known as Balboa Tennis Club, 2221 Morley Field Dr., San Diego, CA 92104 (**Premises**). PERMITTEE now desires to sublicense part of the Premises to SUBLICENSEE. Therefore, the parties agree as follow:

1. FACILITY ON PREMISES. SUBLICENSEE, in consideration of the License Fees provided pursuant to the Permit and this Sublicense, and with permission and approval by the CITY, will use and occupy the Pro Shop and office space in order to sell tennis related items and provide tennis instruction for Balboa Tennis Club.
2. TERM AND POSSESSION. The term of this Sublicense will begin on the Effective Date and will continue for the remainder of the term provided in the Permit, which terminates on 4/30/28, unless terminated sooner pursuant to the terms of the Permit or this Sublicense.
3. SUBLICENSE FEES. SUBLICENSEE must pay to the CITY a one-time Sublicense fee of One thousand and fifty dollars \$1,050.00 per term, not subject to proration, and payable at least 30 days in advance of when it is due. Sublicense Fee payments must be made to City of San Diego at _____, which may be changed from time to time by CITY. Failure of SUBLICENSEE to pay the required License Fee(s) will be considered a default of the Permit and this Sublicense. CITY may also charge interest or penalties for failure to pay the required License Fee(s) when due.
4. BUDGET, RECORDS, AND INSPECTION. SUBLICENSEE must keep accurate and complete books of its accounts and records indicating its financial transactions made in connection with the Premises. All of its records and accounts will be subject to inspection by an authorized representative of CITY at all reasonable times. Records must be maintained for a minimum period of five years starting from the end of the Permit Term.
5. SUBLICENSEE agrees to the following terms and conditions:
 - a. SUBLICENSEE is not authorized to allow any additional uses on the Premises or any additional persons or groups to use the Premises. This Sublicense will not be construed as a waiver of the requirement to obtain CITY's written consent to any other proposed sublicense, assignment, or transfer of any right to use or occupy the Premises by PERMITTEE or SUBLICENSEE. Any transfer of the right to use or occupy the Premises by another person or

entity without the written approval of the Director or designee (**Director**) will, by operation of law, automatically terminate the Sublicense Agreement and the underlying Permit.

b. SUBLICENSEE must abide by all local, state, and federal laws including continually having the proper licenses, permits, and insurance certificates (for example, having a CITY Business License and the insurance coverage required in section ____ of the Permit).

c. This Sublicense will not increase CITY's obligations or duties under the Permit or to SUBLICENSEE.

e. This Sublicense does not grant any rights to the SUBLICENSEE greater than those rights granted to PERMITTEE under the Permit.

f. This Sublicense does not create obligations or costs to CITY related to the Sublicense.

g. This Sublicense does not modify, waive, amend, or otherwise affect any provision of the Permit.

h. This Sublicense does not create any type of obligation by CITY to PERMITTEE, SUBLICENSEE, or to any governmental agent, board, commission, or agency with regard to any other action relating to Sublicensee's use, occupancy, or maintenance of any portion of the Premises or improvements thereon.

i. Prior to SUBLICENSEE's use or occupancy of the Premises, SUBLICENSEE must provide a certificate of insurance demonstrating that the SUBLICENSEE is in compliance with the insurance requirements in Section ____ of the Permit, which must name PERMITTEE and the "City of San Diego, its elected officials, officers, representative, agents, and employees," as additional insureds for the entire term of the Sublicense.

j. SUBLICENSEE will defend, indemnify, and hold harmless CITY from all claims, expenses and liability of every nature, directly or indirectly arising from, or alleged to have arisen from, the operations conducted on the Premises, the condition of the Premises, or from any act or omission of SUBLICENSEE, its agents, invitees, contractors, and guests; provided however, SUBLICENSEE's duty to indemnify and hold harmless will not include any claims or liability arising from the established sole negligence or willful misconduct of CITY, its agents, officers, or employees.

k. SUBLICENSEE must not sublicense, or attempt to transfer any other interest or right to use the Premises, in whole or in part, any facility on the Premises, or any right or appurtenant privilege to the Premises, without CITY's prior written consent, which consent must be in CITY's sole and absolute discretion.

l. Any default of SUBLICENSEE or of this Sublicense will be considered a default by PERMITTEE or of the terms and conditions of the Permit.

m. This Sublicense may be terminated by CITY, PERMITTEE, or the SUBLICENSEE for convenience upon 30 days prior written notice to the non-terminating party.

n. SUBLICENSEE agrees to surrender and deliver to CITY the Premises and all furniture, appurtenances, and decorations within the Premises in as good a condition as they were at the beginning of the term, reasonable wear and tear excepted. SUBLICENSEE will be liable to CITY for any damages occurring to the Premises or the contents thereof or to the building which are used or occupied by SUBLICENSEE or their guests.

6. NOTICE. Notices under this Sublicense Agreement shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows to every interested party:

PERMITTEE:

Balboa Tennis Club

(Include name, mailing address, phone number, email address)

SUBLICENSEE:

Route 6 Coffee & Smoothies LLC

(Include name, mailing address, phone number, email address)

CITY: San Diego, CA, 2221 Moley Field Drive, 92104

(Include name, mailing address, phone number, email address) Route 6 Coffee@gmail.com

Such addresses may be changed from time to time by any party by providing notice to the other interested parties as described above.

7. GOVERNING LAW. This Sublicense will be construed in accordance with the laws of the State of California.

8. CITY'S CONSENT. The Permit requires the prior written consent of CITY prior to any SUBLICENSEE using or occupying the Premises. Such consent has been obtained and a copy is attached as **Exhibit B**.

9. INCORPORATION OF THE PERMIT. This Sublicense incorporates and is subject to the original Permit between PERMITTEE and CITY, a copy of which is attached as Exhibit A, and which is referred to and incorporated as if it were fully set out here. SUBLICENSEE agrees to assume all the obligations and responsibilities of the PERMITTEE under the original Permit for the duration of this Sublicense.

Date:

4/25/25

SUBLICENSEE:

Print name:

Guillermo Sanchez

Date: 4/29/25

PERMITTEE: Gary L. Smith

Print name/title: PRESIDENT / BOARD

Date: _____

CITY:

THE CITY OF SAN DIEGO, a California Municipal Corporation

BY: [Signature]

Date: 6/13/25

Andrew Field, Director
Parks and Recreation Department

Approved by CITY:

Date: 6/18/2025

Name and title: Catherine Morrison (sign and print name)

Catherine Morrison
Deputy City Attorney