

GARDEN GROVE CITY COUNCIL

RESOLUTION NO. 9352-16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE
APPROVING A LEASE AGREEMENT WITH THE GARDEN GROVE HOUSING
AUTHORITY FOR LEASE OF THREE UNIMPROVED PARCELS IN THE CIVIC CENTER

WHEREAS, the Garden Grove Housing Authority owns unimproved real property in the City of Garden Grove, County of Orange, State of California, identified as APNs 090-172-15 (12951 7th St.), 090-174-07 (11421 Garden Grove Blvd.), and 090-174-06 (12942 8th St.) ("the Properties").

WHEREAS, the Properties require ongoing maintenance and are not ideal for the development of lower income housing.

WHEREAS, the City has negotiated an agreement with the Lab Holding, LLC (the "Developer") to lease the properties and transfer the maintenance and repair responsibilities for the Properties.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Garden Grove that the Lease Agreement for the three Housing Authority Properties attached hereto is hereby approved and the City Manager is hereby authorized to execute the Agreement and to sign all other documents necessary and appropriate to carry out and implement the Agreement.

Adopted this 10th day of May 2016.

ATTEST:

/s/ BAO NGUYEN
MAYOR

/s/ KATHLEEN BAILOR, CMC
CITY CLERK

LEASE AGREEMENT BETWEEN
GARDEN GROVE HOUSING AUTHORITY AND
CITY OF GARDEN GROVE

This Lease Agreement (the "Lease") is made and entered into this 10th Day of May, 2016 ("Effective Date") by and between the GARDEN GROVE HOUSING AUTHORITY, a public body, corporate and politic, ("Landlord") and the CITY OF GARDEN GROVE, a municipal corporation of the State of California ("Tenant"). The undersigned parties agree to this Lease based upon the following facts and upon the following terms and conditions.

RECITALS

- A. Landlord owns the unimproved real property in the City of Garden Grove, County of Orange, State of California, identified as APNs 090-172-15 (12951 7th St.), 090-174-07 (11421 Garden Grove Blvd.), and 090-174-06 (12942 8th St.) ("the Property"). Collectively, the Property, including all rights and appurtenances pertaining to such land, including all adjacent streets, parking lots, alleys or rights of way, is referenced throughout this Lease as the "Premises."
- B. Landlord desires to Lease to Tenant and Tenant desires to Lease from Landlord, the Premises pursuant to the terms and conditions set forth herein.

NOW THEREFORE, the Undersigned parties hereto agree as follows:

AGREEMENT

1. Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises for the Term (as hereinafter defined) and upon the terms and conditions as set forth herein. Tenant accepts the Premises in an "As Is" condition without any representation or warranties being made by Landlord. Landlord expressly disclaims any warranty or representation with regard to the condition, safety or security of the Premises or suitability of the Premises for the Tenant's intended use.
2. Term. The term of this Lease shall be twenty (20) years, commencing on the Effective Date (the "Term"), unless terminated earlier as provided in this Lease.
3. Payment of Taxes and Assessments. To the extent that any taxes or assessments are separately assessed to Tenant, Tenant shall pay the same before delinquency. All taxes and assessments not separately assessed to Tenant shall be paid by Landlord to the taxing authority, but the amount thereof shall be payable by Tenant to Landlord within 30 days of Landlord's invoice therefor.
4. Utilities. Tenant shall pay, directly to the appropriate supplier, the cost of all natural gas, heat, light, power, sewer service, telephone, water, refuse disposal

and all other utilities and services used at the Premises or supplied to the Premises at Tenant's request.

5. Rent. Commencing on the Effective Date, Tenant agrees to pay Landlord, without notice or demand, annual rent of one dollar (\$1.00) in advance, on or before the first business day of each and every successive year during the Term. Tenant may pay, in advance, the full amount of the rent for the entire Term. Rent shall be paid to Landlord without deduction or offset, in lawful money of the United States of America and at such place as Landlord may from time to time designate in writing.
6. Assignment and Subletting. Tenant may sublet this Lease and may assign its rights and obligations to a third party without Landlord's prior written consent. Tenant is further granted the authority to provide a right of first refusal for acquisition of the Properties and Premises to a third party subject to an acquisition price at fair market value pursuant to appraisal by a MAI appraiser.
7. Maintenance and Repair. Tenant shall be responsible to perform maintenance and repair of the Premises, and keep all portions of the Premises in a clean and orderly condition. Tenant shall be responsible for any damage done in or to the Premises caused by Tenant, sub-tenants or its employees, agents, contractors and invitees. Upon termination of this Lease, Tenant shall peaceably surrender and quit the Premises in good order, condition and repair, reasonable wear and tear excepted.
8. Indemnity. Tenant shall indemnify, defend and hold Landlord, together with Landlord's agents, employees, officers, officials, and volunteers, harmless from and against any loss, damage, injury, accident, casualty, liability, claim, cost or expense of any kind or character to any person, including wrongful death, or property (collectively, "Claims") arising from or related to: (i) Tenant's occupation and/or use of the Premises, before, during, and after the Term and/or (ii) any act or omission of Tenant, its employees, agents, contractors or invitees. Tenant shall not be liable for such Claims to the extent and in the proportion that the same is ultimately determined to be attributable to the sole gross negligence or intentional misconduct of Landlord. All indemnity obligations under this Section shall survive the expiration or termination of this Lease.
9. Severability. If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Lease shall be construed as if such invalid, illegal, or unenforceable term or provision had never been contained herein.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, Landlord and Tenant have executed this instrument of the Effective Date.

LANDLORD
GARDEN GROVE HOUSING
AUTHORITY, a public agency

TENANT
CITY OF GARDEN GROVE, a California
municipal corporation

Executive Director

City Manager

Attest:

Attest:

Secretary

City Clerk