



AGENDA

Garden Grove Housing Authority

Tuesday,
May 10, 2016

6:30 PM

Community Meeting Center, 11300
Stanford Avenue, Garden Grove, CA
92840

Bao Nguyen

Chair

Kris Beard

Vice Chair

Phat Bui

Commissioner

Steven R. Jones

Commissioner

Christopher V. Phan

Commissioner

James O'Connor

Commissioner

Carol Beckles

Commissioner

Meeting Assistance: Any person requiring auxiliary aids and services, due to a disability, to address the Housing Authority, should contact the City Clerk's Office 72 hours prior to the meeting to arrange for accommodations. Phone: 714) 741-5040.

Agenda Item Descriptions: Are intended to give a brief, general description of the item. The Housing Authority may take legislative action deemed appropriate with respect to the item and is not limited to the recommended action indicated in staff reports or the agenda.

Documents/Writings: Any revised or additional documents/writings related to an item on the agenda distributed to all or a majority of the Commissioners within 72 hours of a meeting, are made available for public inspection at the same time (1) in the City Clerk's Office at 11222 Acacia Parkway, Garden Grove, CA 92840, during normal business hours; (2) on the City's website as an attachment to the Housing Authority meeting agenda; and (3) at the Council Chamber at the time of the meeting.

Public Comments: Members of the public desiring to address the Housing Authority are requested to complete a **pink speaker card** indicating their name and address, and identifying the subject matter they wish to address. This card should be given to the City Clerk prior to the start of the meeting. General comments are made during "Oral Communications," and should be limited to matters under consideration and/or what the Housing Authority has jurisdiction over. Persons wishing to address the Housing Authority regarding a Public Hearing matter will be called to the podium at the time the matter is being considered.

Manner of Addressing the Housing Authority: After being called by the Chair, you may approach the podium, it is requested that you state your name for the record, and proceed to address the Housing Authority. All remarks and questions should be addressed to the Housing Authority as a whole and not to individual Commissioners or staff members. Any person making impertinent, slanderous, or profane remarks or who

becomes boisterous while addressing the Housing Authority shall be called to order by the Chair. If such conduct continues, the Chair may order the person barred from addressing the Housing Authority any further during that meeting.

Time Limitation: Speakers must limit remarks for a total of (5) five minutes. When any group of persons wishes to address the Housing Authority on the same subject matter, the Chair may request a spokesperson be chosen to represent the group, so as to avoid unnecessary repetition. At the Housing Authority's discretion, a limit on the total amount of time for public comments during Oral Communications and/or a further limit on the time allotted to each speaker during Oral Communications may be set.

PLEASE SILENCE YOUR CELL PHONES DURING THE MEETING.

AGENDA

Open Session

6:30 PM

ROLL CALL: COMMISSIONER BECKLES, COMMISSIONER BUI,
COMMISSIONER JONES, COMMISSIONER O'CONNOR, COMMISSIONER PHAN,
VICE CHAIR BEARD, CHAIR NGUYEN

1. ORAL COMMUNICATIONS

2. CONSENT ITEMS

(Consent Items will be acted on simultaneously with one motion unless separate discussion and/or action is requested by a Housing Authority Member.)

3. ITEMS FOR CONSIDERATION

3.a. Adoption of the Resolutions approving a Purchase and Sale Agreement and a Lease with the City of Garden Grove for the disposition and lease of Civic Center properties. *(Action Item)*

4. MATTERS FROM CHAIR, COMMISSIONERS AND DIRECTOR

5. ADJOURNMENT

human habitation. One of the single-family homes could not be rented at this time because it requires substantial rehabilitation work to make it habitable. Due to the dissolution of the RDA and the reduction in Federal and State funding for low income housing programs, the properties are quickly becoming a liability for the Housing Authority. In addition, the properties are scattered throughout the Civic Center area and the dissolution of the RDA will not make it possible to continue to acquire the additional properties that would be needed for a proper Civic Center project or a viable low income housing project. In early 2015, Mr. Shaheen Sadeghi of the Lab Holding, LLC (the "Developer") submitted a letter of interest to acquire the properties for a reuse commercial project. Discussion with City of Garden Grove staff pertaining to the condition of the properties, their market values, and suitability for rehabilitation and reuse of the structures, culminated in the Disposition and Development Agreement being presented to the City Council concurrently with this Purchase and Sale Agreement. The Developer is proposing to acquire the twelve single-family homes to rehabilitate them and reuse them for low-impact commercial uses consistent with the City's Zoning regulations applicable to the Civic Center area.

The Developer is not able to purchase the unimproved properties at this time. However, the Developer is willing to lease the unimproved properties to relieve the Authority and the City of the maintenance and repair responsibilities for the unimproved properties, and incorporate them into its larger reuse project. The City will lease the three unimproved properties from the Housing Authority for a term of twenty years for \$1.00 per year, and will sublease them to the Developer for a term of 15 years for the same rental rate. The sublease with the City will contain a Right of First Refusal that will give the Developer the opportunity to purchase the unimproved properties in the future at fair market value at the time of purchase. The unimproved properties expose the Authority to maintenance liability and are not suitable for a long term housing project. The lease with the City and the sublease with the Developer will assign the maintenance responsibilities and liability to the Developer until such time as the Developer is able to acquire the properties at market value.

The Developer has agreed to pay \$3,386,287.50 for the 12 single-family homes subject to a 20% cash down payment of \$677,257.50 and an interest-only short term loan of five years in the amount of \$2,709,030. The loan is subject to interest at 4% per annum. The loan will be secured by a deed of trust and may be prepaid prior to the five-year term without penalty. The City and the Developer have agreed to a six month escrow period to allow the parties to complete their due diligence with respect to the transfer of the properties. Similarly, although the lease of the properties to the City will become effective immediately, the sublease to the Developer won't become effective until the escrow for the twelve single-family homes closes in about six months' time.

FINANCIAL IMPACT

The sale and lease of the properties will reduce the Housing Authority's liabilities for maintenance and repair and will generate funds in the next five years to be deposited in the Housing Authority's low-moderate income fund to assist future housing projects. It is expected that transaction costs, which include escrow charges and title

reports, will be covered by loan interest revenue.

RECOMMENDATION

It is recommended that the Board:

- Adopt the Resolution approving the Purchase and Sale Agreement with the City of Garden Grove for the disposition of twelve single-family Civic Center properties;
- Adopt the Resolution approving the lease of three unimproved Civic Center properties to the City.

ATTACHMENTS:

Description	Upload Date	Type	File Name
Resolution for Sale	5/6/2016	Cover Memo	HA_Res_-_Sale_of_Civic_Center.pdf
Purchase and Sale Agreement	5/3/2016	Backup Material	CIVIC_CENTER_PROPERTIES_HA_PSA_TO_CITY.DOCX
Resolution for Lease	5/6/2016	Cover Memo	HA_Res_-_Lease_of_Civic_Center_Parcels.pdf
Lease Agreement	5/3/2016	Backup Material	CIVIC_CENTER_HA_UNIMPROVED_PARCELS_LEASE_TO_CITY.DOCX

GARDEN GROVE HOUSING AUTHORITY

RESOLUTION NO.

A RESOLUTION OF THE HOUSING AUTHORITY APPROVING
A PURCHASE AND SALE AGREEMENT WITH THE CITY OF
GARDEN GROVE FOR TWELVE CIVIC CENTER PROPERTIES

WHEREAS, the Authority is the owner of land consisting of twelve single-family residential parcels in the City of Garden Grove, County of Orange, State of California, known as Assessor's Parcel Numbers: 090-172-18, 090-172-29, 090-173-04, 090-173-05, 090-173-07, 090-173-09, 090-173-11, 090-173-16, 090-173-22, 090-174-05, 090-174-11, and 090-174-10 (collectively, the "Properties").

WHEREAS, the Properties will require substantial rehabilitation and are not ideal for the maintenance or development of lower income housing.

WHEREAS, the City has negotiated an agreement with the Lab Holdings, LLC (the "Developer") for the disposition and commercial reuse of the properties at fair market value.

WHEREAS, the Authority has agreed to sell the Properties to the City to facilitate disposition of the Properties to the Developer subject to the terms and conditions of the Purchase and Sale Agreement attached hereto, which will further mitigate the maintenance liability to the Authority and provide funding to the Authority to be deposited in the Authority's low and moderate-income housing fund to assist in the development of housing projects funded by the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Authority Board that the Purchase and Sale Agreement attached hereto is hereby approved and the Director is hereby authorized to execute the Agreement and to sign all other documents necessary and appropriate to carry out and implement the Agreement.

Approved and adopted this 10th day of May, 2016.

Chairperson

ATTEST:

Secretary

PURCHASE AND SALE AGREEMENT

This PURCHASE AND SALE AGREEMENT (the "Agreement"), dated as of May 10, 2016, is entered into by and between the CITY OF GARDEN GROVE, a municipal corporation (the "City"), and the GARDEN GROVE HOUSING AUTHORITY, a public body, corporate and politic (the "Authority").

WHEREAS, the Authority is the owner of land consisting of twelve single-family residential parcels in the City of Garden Grove, County of Orange, State of California, known as Assessor's Parcel Numbers: 090-172-18, 090-172-29, 090-173-04, 090-173-05, 090-173-07, 090-173-09, 090-173-11, 090-173-16, 090-173-22, 090-174-05, 090-174-11, and 090-174-10, as listed in Exhibit "A" and more particularly described on Exhibits "A1" through "A12" attached hereto and made a part hereof, together with any improvements thereon, and all rights and appurtenances, if any, pertaining to such land including all adjacent streets, alleys or rights-of-way (collectively, the "Properties").

WHEREAS, the Properties will require substantial rehabilitation and are not ideal for the maintenance or development of lower income housing.

WHEREAS, the City has negotiated an agreement with the Lab Holdings, LLC (the "Developer") for the disposition and development of the properties at fair market value.

WHEREAS, the Authority has agreed to sell the Properties to the City to facilitate such disposition of the Properties subject to the terms and conditions of this Agreement, which will further mitigate the maintenance liability to the Authority and provide funding to the Authority to be deposited in the Authority's low and moderate-income housing fund to assist in the development of housing projects funded by the Authority.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES, COVENANTS AND CONDITIONS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

SECTION 1. CONVEYANCE OF PROPERTIES AND PURCHASE PRICE. Authority agrees to convey the Properties to City. City agrees to bear all costs associated with the conveyance of the Properties to City. Conveyance is to be completed by use of a grant deed substantially in the form of Exhibit "B" hereto ("Grant Deed") for each parcel. City shall pay to Authority the sum of Three Million, Three Hundred Eighty-Six Thousand Four Hundred Thirty-Seven Dollars and Fifty Cents (\$3,386,437.50) to the Authority (the "Purchase Price"), a portion of which will be in cash and the remainder in the form of an assignment of that certain Promissory Note to be delivered by Developer as maker under the Disposition and Development Agreement dated as of the date of this Agreement (the "Promissory Note"). The Promissory Note is to be secured by a deed of trust (the "Deed of Trust"). The City shall, through the City Manager or his designee, execute an instrument assigning to Authority the interests of the payee under the Promissory Note and the interests of the beneficiary under the Deed of Trust. To the extent required by law, Authority agrees that it will deposit the Purchase Price in its low-moderate income housing fund

to be applied directly to assist one or more housing projects for persons of low income or very low income.

SECTION 2. LIABILITY AND INDEMNIFICATION. In contemplation of the provision of Section 895.2 of the California Government Code imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement as defined by Section 895.4 and 895.6 of such Code, each of the Parties, as between themselves, pursuant to the authorization contained in Section 895.4 and 895.6 of such Code, will each assume the full liability imposed on it, or any of its officers, agents, or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this Agreement to the same extent that such liability would be imposed in the absence of Section 895.2 of such Code. To achieve the above-stated purposes, each Party indemnifies and holds harmless the other Party for any loss, costs or expense that may be imposed upon such other Party solely by virtue of such Section 895.2. The provisions of Section 2778 of the California Civil Code are made part hereof as if fully set forth herein.

SECTION 3. EFFECTIVE DATE; PAYMENT OBLIGATIONS. This Agreement shall take effect on the date of approval by the Authority's Board and the City Council. The City's payment obligations under this Agreement shall take effect from and after the later to occur of (1) the effective date of the Disposition and Development Agreement between the Developer and the City and (2) the close of escrow under said Disposition and Development Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE PARTIES HAVE EXECUTED THIS AGREEMENT AS OF THE RESPECTIVE DATES SET FORTH BELOW.

AUTHORITY:

GARDEN GROVE HOUSING
AUTHORITY, a public body

CITY:

CITY OF GARDEN GROVE, a California
municipal corporation

Executive Director

Attest:

Secretary

City Manager

Attest:

City Clerk

EXHIBIT "A"

GENERAL DESCRIPTION OF THE PROPERTIES

	Address	APN
1	12911 7TH ST	090-172-18
2	11352 ACACIA PKWY	090-172-29
3	12902 7TH ST	090-173-04
4	12912 7TH ST	090-173-05
5	12932 7TH ST	090-173-07
6	11361 GARDEN GROVE BLVD	090-173-09
7	11391 GARDEN GROVE BLVD	090-173-11
8	12911 8TH ST	090-173-16
9	11412 ACACIA PKWY	090-173-22
10	12932 8TH ST	090-174-05
11	12931 9TH ST	090-174-11
12	12941 9TH ST	090-174-10

Each parcel described above will be transferred by its own grant deed in the form provided in Exhibit "B."

EXHIBIT "A1"

LEGAL DESCRIPTION

12911 7TH ST

A.P.N.: 090-172-18

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 15, TRACT 431, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 49, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A2"

LEGAL DESCRIPTION
11352 ACACIA PKWY
A.P.N.: 090-172-29

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 6 OF TRACT NO. 431 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 16, PAGE 49 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE SOUTH 10.00 FEET THEREOF.

End of Legal Description

EXHIBIT "A3"

LEGAL DESCRIPTION

12902 7TH ST

A.P.N.: 090-173-04

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

PARCEL 1:

THE NORTH 50.00 FEET OF THE SOUTH 410.00 FEET OF THE WEST ONE-HALF OF BLOCK 5 OF GARDEN GROVE HOME TRACT, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

PARCEL 2:

THE NORTH 4.00 FEET OF LOT 1 OF TRACT 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID ORANGE COUNTY.

End of Legal Description

EXHIBIT "A4"

LEGAL DESCRIPTION

12912 7TH ST

A.P.N.: 090-173-05

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 2 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20 PAGE 6 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE NORTH 4.00 FEET THEREOF.

End of Legal Description

EXHIBIT "A5"

LEGAL DESCRIPTION

12932 7TH ST

A.P.N.: 090-173-07

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 3 AND THE NORTH 4.0 FEET OF LOT 4 OF TRACT NO. 644, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 8.5 FEET OF SAID LOT 3.

End of Legal Description

EXHIBIT "A6"

LEGAL DESCRIPTION
11361 GARDEN GROVE BLVD
A.P.N.: 090-173-09

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 5 AND THE WEST 26.33 FEET OF LOT 6 OF TRACT 664, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP THEREOF RECORDED IN BOOK 20, PAGE 6 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

End of Legal Description

EXHIBIT "A7"

LEGAL DESCRIPTION
11391 GARDEN GROVE BLVD
A.P.N.: 090-173-11

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 8 AND THE EASTERLY 30.00 FEET OF LOT 7 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A8"

LEGAL DESCRIPTION

12911 8TH ST

A.P.N.: 090-173-16

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

LOT 13 OF TRACT NO. 644 IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 20, PAGE 6, OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

End of Legal Description

EXHIBIT "A9"

LEGAL DESCRIPTION
11412 ACACIA PKWY
A.P.N.: 090-173-22

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

THE EAST ONE-HALF OF BLOCK 5 OF GARDEN GROVE HOME TRACT, IN THE CITY OF GARDEN GROVE, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF SAID COUNTY.

EXCEPTING THEREFROM THE SOUTH 460.00 FEET;

ALSO EXCEPTING THEREFORE THE WEST 50.00 FEET.

End of Legal Description

EXHIBIT "A10"

LEGAL DESCRIPTION
12932 8TH ST
A.P.N.: 090-174-05

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

THAT PORTION OF BLOCK 6 OF THE GARDEN GROVE HOME TRACT, AS SHOWN ON A MAP RECORDED IN BOOK 4 PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID BLOCK 6, WHICH POINT IS 132.36 FEET SOUTHERLY FROM THE INTERSECTION OF SAID WEST LINE WITH THE WESTERLY EXTENTION OF THS SOUTH LINE OF LOT 8 OF TRACT NO. 631 AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 26 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, THENCE EAST 10.00 FEET TO THE SOUTHWEST CORNER OF THE LAND CONVEYED TO RAYMOND F. HEPP AND WIFE BY DEED RECORDED JUNE 30, 1948, IN BOOK 1661, PAGE 385 OF OFFICIAL RECORDS; THENCE EAST ALONG THE SOUTHERLY LINE OF SAID LAND CONVEYED TO HEPP 135.66 FEET TO THE SOUTHEAST CORNER THEREOF; THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE EASTERLY LINE OF SAID LOT 8, 53.00 FEET; THENCE WEST PARALLEL WITH THE SOUTH LINE OF SAID LOT 8, 145.66 FEET TO A POINT IN THE WEST LINE OF SAID BLOCK6; THENCE NORTH 53.00 FEET TO THE POINT OF BEGINNING.

End of Legal Description

EXHIBIT "A11"

LEGAL DESCRIPTION

12931 9TH ST

A.P.N.: 090-174-11

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

That portion of Block Six of the "Garden Grove Home Tract", as shown on a Map recorded in Book 4, page 57 of Miscellaneous Maps, records of Orange County, California, described as follows:

Beginning at a point in the East line of said Block Six, which point is 113 feet Southerly from the intersection of the East line with the Easterly extension of the South line of Lot Seven of Tract No. 631, as shown on a Map recorded in Book 20, page 26 of Miscellaneous Maps, records of Orange County, California, said point being also the Southeast corner of the land conveyed to Russell A. Weir and wife by deed recorded September 24th, 1948 in Book 1705, page 416 of Official Records; thence West parallel to the south line of said Lot Seven and the Easterly prolongation thereof 145.67 feet, more or less, to the Southwest corner of said land conveyed to Weir; thence South along the Southerly extension of the Westerly line of said Lot Seven, 53 feet; thence East parallel to the South line of said Lot Seven and the Easterly extension thereof 145.67 feet, more or less, to the East line of said Block Six; thence North 53 feet to the point of beginning.

End of Legal Description

EXHIBIT "A12"

LEGAL DESCRIPTION
12941 9TH ST
A.P.N.: 090-174-10

All that real property located in the State of California, County of Orange, City of Garden Grove, described as follows:

THAT PORTION OF BLOCK 6 OF THE GARDEN GROVE HOME TRACT, AS SHOWN ON A MAP RECORDED IN BOOK 4, PAGE 57 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF SAID BLOCK 6, WHICH POINT IS 166 FEET SOUTHERLY FROM THE INTERSECTION OF THE EAST LINE WITH THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 7 OF TRACT NO. 631, AS SHOWN ON A MAP RECORDED IN BOOK 20, PAGE 26 OF MISCELLANEOUS MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA, SAID POINT BEING ALSO THE SOUTHEAST CORNER OF THE LAND CONVEYED TO ROBERT E. SCHRANDT AND WIFE BY DEED RECORDED MARCH 25, 1949 IN BOOK 1820, PAGE 207, OF OFFICIAL RECORDS;

THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID LOT 7 AND THE EASTERLY PROLONGATION THEREOF 145.67 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LAND CONVEYED TO SCHRANDT; THENCE SOUTH ALONG THE SOUTHERLY EXTENSION OF THE WESTERLY LINE OF SAID LOT 7, 75.03 FEET TO A POINT IN A LINE WHICH IS PARALLEL TO AND DISTANT 125.00 FEET NORTHERLY OF THE SOUTH LINE OF SAID BLOCK 6, THENCE EASTERLY ALONG SAID PARALLEL LINE 145.67 FEET TO THE EAST LINE OF SAID BLOCK 6; THENCE NORTH 75.03 FEET TO THE POINT OF BEGINNING.

End of Legal Description

EXHIBIT B
FORM OF GRANT DEED

**RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:**

City Clerk
City of Garden Grove
11222 Acacia Parkway
Garden Grove, CA 92840

APN:

[SPACE ABOVE FOR RECORDER'S USE ONLY]

GRANT DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the GARDEN GROVE HOUSING AUTHORITY, a public body ("Grantor") hereby grants to THE CITY OF GARDEN GROVE, a California municipal corporation, the real property located in the City of Garden Grove, County of Orange, State of California that is described on "Exhibit A" attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: _____

Executive Director

Attest:

Secretary

EXHIBIT "A" to GRANT DEED

LEGAL DESCRIPTION OF THE PROPERTY

(APN _____)

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the deed or grant dated _____, 2016, from the Garden Grove Housing Authority, a public agency, to the City of Garden Grove, a California municipal corporation, is hereby accepted by order of the City Council of the City of Garden Grove, pursuant to the authority conferred by resolution of the City Council of the City of Garden Grove adopted on _____, 2016, and the grantee consents to recordation thereof by its duly authorized officer.

CITY OF GARDEN GROVE

BY: _____

Name: Scott C. Stiles

Title: City Manager

DATED: _____, 2016

GARDEN GROVE HOUSING AUTHORITY

RESOLUTION NO.

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

WHEREAS, the 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 Holdings, LLC (the "Developer") to lease the properties and transfer the maintenance and repair responsibilities for the Properties.

NOW, THEREFORE, BE IT RESOLVED by the Authority Board that the Lease Agreement attached hereto is hereby approved and the Director is hereby authorized to execute the Agreement and to sign all other documents necessary and appropriate to carry out and implement the Agreement.

Approved and adopted this 10th day of May, 2016.

Chairperson

ATTEST:

Secretary

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