

RESOLUTION NO. 2015-133

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE
AUTHORIZING THE CITY MANAGER TO ENTER INTO A FOUR-MONTH LEASE
AGREEMENT WITH TEEN CENTER USA FOR USE OF THE CITY FACILITY AT
8978 ELK GROVE BOULEVARD**

WHEREAS, the City of Elk Grove purchased the property and facility at 8978 Elk Grove Boulevard, also known as the Courthouse, in June 2005, and subsequently leased it to Teen Center USA ("Lessee"), a California nonprofit religious corporation, beginning August 1, 2006; and

WHEREAS, Lessee has continued to lease the Courthouse facility under annual lease agreements that were regularly renewed, the most recent of which has a term ending on June 30, 2015; and

WHEREAS, per the terms of both the current and proposed lease, Lessee is responsible for complying with relevant provisions of Title 24 of the Code of Federal Regulations, Part 570, including documenting that activities undertaken in the Courthouse meet the CDBG national objective of primarily benefitting low-income persons; and

WHEREAS, staff has proposed a new lease with Lessee that has an initial four-month term, during which staff can verify that Lessee remains eligible to occupy the facility under the requirements associated with Community Development Block Grant (CDBG) funding; and

WHEREAS, the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301 of Title 14 of the California Code of Regulations. CEQA Guidelines Section 15301 (Public Resources Code §21083.3), is a categorical exemption that applies to projects characterized as the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. The project consists of the lease of an existing City-owned building to Lessee.

NOW, THEREFORE BE IT RESOLVED that the City Council finds the lease of the building to Teen Center USA to be exempt from CEQA pursuant to Section 15303 as set forth herein; and

BE IT FURTHER RESOLVED that the City Council of the City of Elk Grove hereby authorizes the City Manager, to execute a four-month lease agreement between Teen Center USA (Lessee) and the City of Elk Grove for property located at 8978 Elk Grove Boulevard, under the terms and conditions, and in substantially the form, set forth in Exhibit A.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 24th day of June 2015.



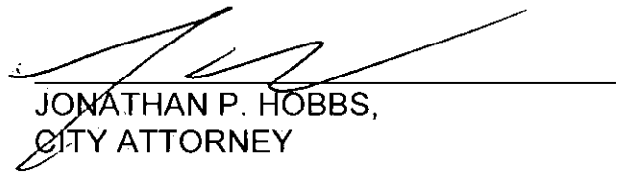
GARY DAVIS, MAYOR of the
CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:



JASON LINDGREN, CITY CLERK



JONATHAN P. HOBBS,
CITY ATTORNEY



**OFFICE SPACE LEASE FOR THE COURT HOUSE BUILDING
8978 Elk Grove Boulevard, Elk Grove, California 95624**

THIS LEASE (this "Lease"), dated _____, 2015, for reference purposes only, is made by and between the **CITY OF ELK GROVE**, a municipal corporation (the "CITY"), and the **TEEN CENTER USA**, a California nonprofit corporation, (the "LESSEE") collectively referred to as the "Parties."

1. DESCRIPTION

CITY does hereby lease, and LESSEE hereby hires from CITY, the land and the building located at 8978 Elk Grove Blvd., Elk Grove, California, hereinafter called the "Premises," as more particularly described in **Exhibit "A."**

The Premises shall be used only for office purposes and for tutoring and mentoring students, and for no other purpose. It is anticipated that LESSEE's use of the premises for tutoring and mentoring purposes will include employment interviewing and readiness training, etiquette and personal development skills and training, relationship building training, time management training, computer use for homework, recreational activities, a Free Breakfast program, and life skills training.

LESSEE shall not use the Premises for any purpose prohibited by law.

This Lease supersedes any and all prior Leases.

2. TERM

The term (the "Term") of this lease shall commence on July 1, 2015, and expire on October 31, 2015 ("Expiration Date"), unless earlier terminated in accordance with this Lease. CITY may, at its sole option, extend this Lease for up to three additional three-month terms. Any extension to the Term of this Lease must be express, in writing, and signed by an authorized CITY representative, otherwise, the provisions of Section 7 of this agreement will apply.

CITY will deliver to LESSEE possession of the Premises "AS-IS" in its present condition on the commencement date. LESSEE acknowledges that neither CITY nor its agents or employees have made any representations or warranties as to the suitability or fitness of the Premises for the conduct of LESSEE'S business or as to the physical condition or actual dimensions of the Premises or the building, nor has CITY or its agents or employees agreed to undertake any alterations or construct any tenant improvements to the Premises.

3. RENT

For the Term of this lease, LESSEE shall pay rent to CITY in the amount of ONE DOLLAR AND NO/100 DOLLARS (\$1.00), in advance, on the first day of the commencement of the Lease ("Base Rent") without written notice or demand, and without deduction or offset. Any amounts that this Lease requires LESSEE to pay in addition to the Base Rent will be Additional Rent, and Base Rent and Additional Rent are hereafter, collectively, called "Rent."

Payments shall be made to CITY at the following address:

CITY OF ELK GROVE – FINANCE DEPARTMENT
8401 Laguna Palms Way
Elk Grove, California 95758

4. UTILITIES

LESSEE shall arrange for and pay all water, sewer, electric, gas, trash removal and other utility charges (collectively, "Utilities") in connection with the Premises during the Term of this Lease.

CITY shall not be in default under this Lease or be liable to LESSEE or any other person for direct or consequential damage, or otherwise, for any failure of any heat, air conditioning, cleaning, lighting, security, and surges or interruptions of electricity at the Premises.

5. PARKING

LESSEE shall have non-exclusive use of the parking lot on the Premises (the "Parking Lot").

6. TERMINATION

CITY may terminate this Lease, in whole or in part, at any time during the Term hereof, or any extension to the Term, by giving LESSEE notice in writing at least thirty (30) calendar days prior to the effective date of such termination. In the event of any such termination, in whole or in part, CITY shall return to LESSEE the unearned portion of any prepaid rent attributable to the terminated portion of the Premises.

In the event of a partial termination, the Rent shall be reduced in proportion to the amount of square footage removed from the Premises.

7. HOLDOVER

LESSEE will have no right to remain in possession of all or any part of the Premises after the expiration or earlier termination of the Term. If LESSEE remains in possession of all or any part of the Premises after the expiration or earlier termination of the Term, or any extensions to the Term pursuant to Section 2 of this Lease, without the written consent of CITY: (a) such tenancy will be deemed to be a tenancy at sufferance only; (b) such tenancy will not constitute a renewal or extension of this Lease for any further term; and (c) such tenancy may be terminated by CITY on the earliest date permitted by law. If LESSEE remains in possession of all or any part of the Premises after expiration or earlier termination of the Term, with or without CITY'S consent, Rent will be increased to an amount equal to 150% of the Rent payable during the last month of the Term, and any other sums due under this Lease will be payable in the amount and at the times specified in this Lease. Any holdover tenancy will be subject to every other term, condition, and covenant contained in this Lease, except that any renewal, expansion or purchase options or rights of first refusal contained in this Lease shall be null and void during such holdover tenancy.

8. NOTICES

All notices herein provided to be given or which may be given by either party to the other shall be deemed to have been fully given when received or rejected, if made in writing and personally delivered, deposited in the United States mail, certified, postage prepaid or sent by any nationally recognized overnight carrier that routinely issues receipts, and addressed as follows:

LESSEE:

Teen Center USA
8978 Elk Grove Blvd.
Elk Grove, CA 95624
Phone: (916) 686-6942

CITY:

City of Elk Grove – Finance Department
8401 Laguna Palms Way
Elk Grove, California 95758
Phone: (916) 478-3663
Fax: (916) 691-3173

With a copy to:

City Manager
Elk Grove City Hall
8401 Laguna Palms Way
Elk Grove, California 95758

Each party may change their address for notices by giving ten (10) calendar days prior written notice in accordance with this section.

9. ASSIGNMENT AND SUBLETTING

LESSEE shall not sublet the Premises, in whole or in part, nor assign this Lease or any interest herein. Any attempted assignment or sublease in violation of this section shall be void.

10. RECOVERY OF LEGAL FEES

LESSEE shall pay to CITY all costs, attorneys' fees and amounts paid to any collection agency, incurred by CITY in connection with any breach or default by LESSEE under this Lease or incurred in order to enforce or interpret the terms or provisions of this Lease. Such amounts shall be payable upon demand. In addition, if any action shall be instituted by either CITY or LESSEE for the enforcement or interpretation of any of its rights or remedies in or under this Lease, the prevailing party shall be entitled to recover from the losing party all costs incurred by the prevailing party in said action and any appeal therefrom, including reasonable attorneys' fees and court costs, to be fixed by the court therein. In the event CITY is made a party to any litigation between LESSEE and any third party, then LESSEE shall pay all costs and attorneys' fees incurred by or imposed upon CITY in connection with such litigation; provided, however, if CITY is ultimately held to be liable, then CITY shall reimburse LESSEE for the cost of any attorneys' fees paid by LESSEE on behalf of CITY.

11. PARTNERSHIP DISCLAIMER

Neither the execution hereof nor the performance of any of the terms hereof shall constitute a partnership or joint venture between the parties.

12. HOLD-HARMLESS

LESSEE hereby waives and releases CITY, its officers, employees, agents, and anyone working on its behalf, from all liability and claims for damages by reason of any injury to any person or persons, including LESSEE, or property of any kind whatsoever and to whomsoever belonging, including LESSEE, from any cause or causes whatsoever, including, but not limited to, CITY'S active or passive negligence, while in, upon, or in any way connected with the Premises during the Term of this Lease or any occupancy hereunder. LESSEE agrees to defend, indemnify and save harmless the CITY from all liability, loss, cost or obligation on account of or arising out of any such injury or loss, however occurring.

13. INSURANCE

Prior to commencement of this Contract, LESSEE shall provide and maintain in effect during the term of this Contract evidence of insurance coverage as set forth in **Exhibit C**, attached hereto and incorporated herein by reference.

14. EVIDENCE OF INSURANCE COMPLIANCE

LESSEE or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the

ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City's representative Ebix BPO (Ebix) as set forth below prior to execution of this Contract. Upon City's or Ebix's request, LESSEE shall submit copies of the actual insurance policies or renewals or replacements to Ebix. Unless otherwise required by the terms of this Contract, all certificates, endorsements, coverage verifications and other items required pursuant to this Contract shall be provided to:

By MAIL

Certificate Holder: The City of Elk Grove

c/o Ebix BPO

PO Box 257, Ref. # (377-C-06-197)

Portland, MI 48875-0257

By FAX

(770) 325-3340

By E-MAIL

CertsOnly-Portland@Ebix.com

All certificates and endorsements shall include the EBIX reference number (377-C-06-197).

15. NON-DISCRIMINATION

LESSEE agrees that it shall not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, national origin, sex, age, physical handicap, and any other protected class. LESSEE agrees to take action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, ancestry, national origin, sex, age, physical handicap and any other protected class. (See, e.g., California *Government Codes* Sections 12920 – 12994)

16. TAXES/POSSESSORY INTEREST

LESSEE agrees to pay all lawful taxes, assessments, or charges which at any time may be levied upon the Premises and LESSEE'S property. It is understood that this Lease may create a possessory interest subject to property taxation and LESSEE may be subject to the payment of taxes levied on such possessory interest.

17. CONDITION OF PREMISES

LESSEE accepts the Premises in "AS-IS" condition existing on the commencement of the Term, and agrees that on the last day of the Term, or earlier termination of this Lease, to surrender up to CITY the Premises with any appurtenances or improvements therein, in the same condition as when received, ordinary use and wear thereof excepted.

18. ALTERATIONS

LESSEE shall make no alteration to the Premises.

19. MAINTENANCE OF PREMISES

LESSEE shall at its sole cost and expense, maintain the Premises, including, but not limited to, the building, infrastructure and structure and the landscaping in good working order and condition and in compliance with all laws. LESSEE shall, at its sole cost and expense, keep the parking lot clean and free of weeds, rubbish, refuse, dirt, graffiti and any other activity which would constitute a nuisance.

CITY shall maintain, at its expense, the HVAC system for the Premises unless any damage is a result of LESSEE's negligence or improper use of the Premises.

LESSEE shall immediately advise CITY of any damage to the structure or systems of the building or Premises. Except as otherwise stated herein, all damage or injury to the Premises shall be repaired, restored, or replaced by CITY at LESSEE'S sole cost and expense. LESSEE shall reimburse CITY for the cost of any such repair, restoration or replacement, including CITY'S reasonable cost of making such repair, restoration or replacement, within ten (10) business days after receipt of an invoice.

20. HAZARDOUS SUBSTANCES

LESSEE agrees that it will comply with all Federal, State, and local laws, pertaining to the use, storage, transportation, and disposal of any hazardous substance as that term is defined in such applicable law. In the event CITY or any of its affiliates, successors, principals, employees, or agents should incur any liability, cost, expense, including attorney's fees and costs, as a result of the LESSEE'S illegal or alleged illegal use, storage, transportation, or disposal of any hazardous substance, including any petroleum derivative, the LESSEE shall indemnify, defend, and hold harmless CITY or any of its affiliates, successors, principals, employees, or agents against such liability. Where the LESSEE is found to be in breach of this provision due to the issuance of a government order directing the LESSEE to cease and desist any illegal action in connection with a hazardous substance, or to remediate a contaminated condition caused by the LESSEE or any person acting under LESSEE'S direct control and authority, LESSEE shall be responsible for all costs and expenses complying with such order, including any and all expenses imposed on or incurred by CITY in connection with or in response to such government order. LESSEE'S indemnification obligations shall survive the expiration or earlier termination of this Lease. CITY shall be solely responsible as between LESSEE and CITY for all liability and expense solely arising from contamination that existed on the Premises prior to the commencement of the Term.

21. SIGNS

LESSEE shall not install any sign in, on or around the Premises without CITY'S prior written consent which may be withheld in CITY'S sole discretion. LESSEE shall bear all costs

associated with the installation, removal, maintenance and repair of any signs on the Premises, including LESSEE'S Sign. All signage shall comply with Section IV subsection E (Signs) of the Old Town SPA adopted August 10, 2005, as last amended.

LESSEE shall remove any sign(s) upon request of CITY. Upon removal of sign(s) LESSEE shall be responsible for returning the Premises to their prior condition to CITY'S satisfaction.

LESSEE is required to clearly post signage at all entrances, exits, and other conspicuous locations notifying occupants that smoking is prohibited inside the building and within twenty (20) feet of any entrance. The signs shall be in bold print and legible from a distance of minimum of twenty-five (25) feet.

LESSEE shall further be responsible for posting and maintaining signs that may be required by law and any government official.

22. CITY'S RIGHT TO ENTER

During the Term of this Lease, CITY, its agents, contractors, employees, representatives, or licensees, may enter the Premises. CITY, its agent, employees, and contractors may enter the Premises at any reasonable hour. LESSEE hereby waives any claim against CITY, its agents, employees or contractors for damages for any injury or inconvenience to or interference with LESSEE's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned by any entry in accordance with this section. CITY will at all times have and retain a key with which to unlock all of the doors in, on or about the Premises (excluding LESSEE's vaults, safes and similar areas designated in writing by LESSEE in advance). Any entry to the Premises by CITY in accordance with this section will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of LESSEE from the Premises, or any portion of the Premises, nor will any such entry entitle LESSEE to damages or an abatement of Base Rent, Additional Rent, or other charges which this Lease requires LESSEE to pay.

23. RELOCATION

The tenancy by LESSEE is of a temporary nature, and LESSEE agrees that no Relocation Payment, or Relocation Advisory Assistance or costs pursuant to California *Government Code* sections 7260 et seq., or any regulations implementing or interpreting such sections is payable to LESSEE as a consequence of the termination or expiration hereof.

24. SURRENDER OF PREMISES

LESSEE shall peaceably surrender the Premises to CITY on the expiration or earlier termination hereof, in broom-clean condition and in as good condition as when LESSEE took possession, reasonable wear and tear excluded, and shall surrender to CITY all keys to the Premises.

If LESSEE abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, LESSEE shall remove from the Premises all LESSEE'S Property, and repair any

damage caused by such removal. If such removal is not completed before the expiration or termination of the Term, CITY shall have the right (but no obligation) to remove same, and the LESSEE shall pay CITY, on demand, all reasonable costs of removal and storage thereof. CITY shall also have the right to retain or dispose of all or any portion of such property in accordance with law. LESSEE waives all claims against the CITY for any damage or loss resulting from CITY'S removal, storage, retention or disposition of any such property.

25. EASEMENTS AND RIGHTS OF WAY

This Lease is subject to all existing easements and rights of way affecting the Premises. CITY reserves the right to grant additional public utility easements and rights of way as may be necessary, whether recorded or unrecorded.

26. SMOKING RESTRICTIONS

Smoking is not allowed in or upon the Premises.

27. DEFAULT

A. The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default":

- (1) LESSEE defaults in the due and punctual payment of Rent, and such default continues for five calendar days after written notice from CITY; however, LESSEE will not be entitled to more than one written notice for monetary defaults during any 12-month period, and if after such written notice any Rent is not paid when due, an Event of Default will be considered to have occurred without further notice;
- (2) LESSEE vacates or abandons the Premises;
- (3) This Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against LESSEE, or are taken upon or subject to any attachment by any creditor of LESSEE or claimant against LESSEE, and said attachment is not discharged or disposed of within 15 calendar days after its levy;
- (4) Voluntary or involuntary proceedings under any bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or insolvency act of any state or for the dissolution of LESSEE are instituted against LESSEE, or a receiver or trustee is appointed for all or substantially all of the property of LESSEE, and such proceeding is not dismissed or such receivership or trusteeship vacated within 60 calendar days after such institution or appointment;

- (5) LESSEE purports to assign this Lease, or sublet all or a portion of the Premises, in violation of the terms hereof; or
- (6) LESSEE breaches any of the agreements, terms, covenants, or conditions which this Lease requires LESSEE to perform, and such breach continues for a period of 10 calendar days after written notice from CITY to LESSEE or, if such breach cannot be cured reasonably within such 10-day period, if LESSEE fails to diligently commence to cure such breach within 10 calendar days after written notice from CITY and to complete such cure within a reasonable time thereafter.
- (7) LESSEE uses the Premises in an unlawful manner in violation of State or Federal law.
- (8) LESSEE fails to meet any of the requirements in **Exhibit B**.

When this Lease requires service of a notice, that notice shall replace rather than supplement any equivalent or similar statutory notice, including any notices required by California *Code of Civil Procedure* section 1161 or any similar or successor statute. When a statute requires service of notice in a particular manner, service of that notice (or a similar notice required by this Lease) in the manner required by Section 8 shall replace and satisfy the statutory service of notice procedures, including those required by California *Code of Civil Procedure* section 1162 or any similar or successor statute.

(B) If any one or more Events of Default set forth in this section occurs, then CITY has the right, at its election:

- (1) To terminate this Lease, in which case LESSEE'S right to possession of the Premises will cease and this Lease will be terminated as if the expiration of the Term fixed in such notice were the end of the Term. If this Lease is terminated, CITY will be entitled to recover from LESSEE: (i) the unpaid rent that had been earned at the time of termination; (ii) the unpaid rent that had been earned at the date of the judgment awarding damages to CITY (the "Date of Judgment"); (iii) the unpaid rent for the balance of the Term of this Lease after the Date of Judgment; and (iv) any other amount necessary to compensate CITY for all the detriment proximately caused by LESSEE'S failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result from that failure. The amount referred to in clauses (i) and (ii) is computed by allowing interest at the highest rate permitted by law. The amount referred to in clause (iii) is computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent.
- (2) To reenter and take possession of the Premises, expel LESSEE and remove the effects of LESSEE, using such force for such purposes as may

be necessary, without being liable for prosecution, and without prejudice to any remedies for arrears of Base Rent or other amounts payable under this Lease. Accordingly, if CITY does not elect to terminate this Lease on account of any default by LESSEE, CITY may enforce all of CITY'S rights and remedies under this Lease, including the right to recover all rent as it becomes due.

- (3) To cure any event of default and to charge LESSEE for the cost of effecting such cure, including without limitation reasonable attorneys' fees and interest provided that will have no obligation to cure any such event of default of LESSEE.

Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease or at law or in equity.

LESSEE waives any right of redemption, reentry, or repossession arising as a result of CITY'S exercise of its remedies under this section.

28. CONDEMNATION AND CASUALTY

In the event of a condemnation or other taking by any governmental agency of all or any portion of the Premises, the award for the Premises shall be paid to CITY, except that LESSEE will have the right to assert a claim for moving expenses and leasehold improvements paid for by LESSEE. This Lease will terminate on the date the condemning authority takes possession of the Premises.

In the event the Premises, or any portion thereof, are damaged by fire or other casualty LESSEE shall promptly rebuild the Premises to their condition existing prior to the date of the damage and Annual Rent will not abate.

29. PROPERTY INSPECTION

LESSEE currently occupies, and has inspected, the Premises and it is agreed that the area described herein is only approximate and the CITY does not hereby warrant or guarantee the actual area included hereunder.

30. CLEAR TITLE

Within thirty (30) calendar days after receipt of CITY'S request, LESSEE shall execute and deliver to CITY a quitclaim deed conveying to CITY all of LESSEE'S rights arising hereunder. CITY shall not record the quitclaim deed prior to the expiration or termination of this Lease.

31. WAIVER

The waiver by CITY of the timely performance of any term, covenant or condition, contained in this Lease, shall not be deemed to be a waiver of any subsequent breach of such term, covenant

or condition, or of any other term, covenant or condition contained in this Lease. Any waiver by CITY of the terms, covenants or conditions hereof may only be made in writing, signed by an authorized CITY representative.

32. BINDING EFFECT

The terms of this Lease and covenants and agreements herein contained shall apply to and shall bind and inure to the benefit of the heirs, representatives, assigns, and successors in interest of the parties hereto.

33. ESTOPPEL CERTIFICATES

From time to time, and within ten (10) calendar days after receipt of a written request from CITY, LESSEE will execute, acknowledge and deliver to CITY, a certificate certifying (a) that this Lease is unmodified and in full force and effect or, if there have been modifications, that this Lease is in full force and effect, as modified, and stating the date and nature of each modification; (b) the date, if any, to which Rent and other sums payable under this Lease have been paid; (c) that no written notice of any default has been delivered to CITY which default has not been cured, except as to defaults specified in said certificate; (d) there is no Event of Default or CITY Default under this Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by CITY. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgagee or beneficiary under any deed of trust of the Project. LESSEE'S failure to deliver such a certificate within such time will be conclusive evidence of the matters set forth in it.

34. LATE PAYMENT INTEREST

If any payment required by this Lease is not made when due, interest in the amount of eighteen percent (18%) per annum or the maximum rate allowed by applicable law, whichever is less, shall accrue on the payment owed from the date on which it was due until the date on which it is paid in full with accrued interest.

35. SEVERABILITY

If any provision of this Lease is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, the remainder of this Lease will not be affected. In lieu of such provision, a provision will be added as a part of this Lease that is similar to the illegal, invalid or unenforceable provision, which is legal, valid and enforceable.

36. BROKERS

LESSEE and CITY respectively represent and warrant to each other that neither of them has consulted or negotiated with any broker or finder with regard to this Lease of the Premises.

37. SECTION HEADINGS

All section headings contained herein are for convenience and reference only, and shall not limit the scope of any provisions of this Lease.

38. ENTIRE AGREEMENT/AMENDMENT

This Lease and all exhibits constitute the entire agreement between the CITY and LESSEE with respect to the Premises. No prior or contemporaneous, oral or written promises or representations shall be binding upon CITY. This Lease shall not be amended or changed except by express written instrument signed by authorized representatives of the parties hereto. The provisions of this Lease shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties. Except for those that are set forth in this Lease, no representations, warranties or agreements have been made by CITY or LESSEE with respect to this Lease or the Premises.

39. TIME OF ESSENCE

Time is of the essence for the performance of each and every provision of this Lease.

40. GOVERNING LAW

This Lease and all provisions herein shall be governed by the laws of the State of California and venue shall be proper in the County of Sacramento, State of California.

41. AUTHORITY OF SIGNATORIES

CITY and LESSEE represent and warrant that the person executing the lease is duly authorized to execute and deliver the same on behalf of the entity for which he or she is signing (whether it be a corporation, limited liability company, general or limited partnership, or otherwise), and that this Lease is binding upon said entity in accordance with its terms.

If LESSEE is a corporation, LESSEE shall deliver, concurrently with an executed copy hereof, (1) a certified copy of the resolution of the board of directors of said corporation, ratifying the execution of this lease, and (2) a certificate of good standing from the California Secretary of State.

42. FEDERAL COMMUNITY DEVELOPMENT BLOCK GRANT FUNDING

The building was purchased and rehabilitated using funding from the federal Community Development Block Grant (CDBG) program. LESSEE shall comply with federal regulations and local policies, as amended from time to time, relating to the CDBG Program, including, without limitation, the regulations and local policies set forth in Exhibit "B", attached hereto.

43. SURVIVORSHIP

Any responsibility of LESSEE for warranties, insurance, indemnity, record-keeping, attorneys' fees and costs, CDBG compliance, or compliance with laws with respect to this Lease shall not be invalidated due to the expiration, termination or cancellation of this Lease.

44. CONSTRUCTION AND INTERPRETATION

LESSEE and CITY agree and acknowledge that the provisions of this Lease have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this Lease and to have such provisions reviewed by legal counsel. Therefore, any ambiguities in construing or interpreting this Lease shall not be resolved against the drafting party.

45. NO THIRD PARTY BENEFICIARY

It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to the CITY and LESSEE. Nothing contained in the agreement shall give or allow any claim or right of action whatsoever by any third party. It is the express intent of the CITY and the LESSEE that any such person or entity, other than the CITY or LESSEE, receiving benefits or services under this agreement shall be deemed as incidental beneficiary.

[Signatures to follow on Next Page]

IN WITNESS WHEREOF, this Lease has been executed by the Parties hereto as of the dates listed below.

CITY:

CITY OF ELK GROVE,
a municipal corporation

By: _____
Laura Gill, City Manager

Date: _____

APPROVED AS TO FORM:

By: _____
Jonathan P. Hobbs, City Attorney

Date: _____

ATTEST:

By: _____
Jason Lindgren, City Clerk

Date: _____

LESSEE:

TEEN CENTER USA,
a California nonprofit corporation

By: _____

Name: _____

Title: _____

Date: _____

APPROVED AS TO FORM:

By: _____
Attorney for Lessee

Name: _____

Date: _____

**EXHIBIT A
LEGAL DESCRIPTION**

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF ELK GROVE, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that portion of the Northwest 1/4 of Section 6 in Township 6 North, Range 6 East, M.D.B. & M., in the incorporated City of Elk Grove, County of Sacramento, more particularly described as follows:

Beginning at a point in the North line of said Section 6 distant thereon 907.13 feet East of Northwest corner of said Section 6, said Section line being the center line of Main Street of said City of Elk Grove; running thence from said point of beginning East along the North line of said Section 6, a distance of 120 feet to the West line of Gage Street; thence South 0° 06' West 191.23 feet along West line of Gage Street; thence West 120 feet on a line parallel to the North line of said Section 6; then North 0° 06' East 191.23 feet to the point of beginning.

Assessor's Parcel Number: 125-0142-005

EXHIBIT B
CDBG-SPECIFIC REQUIREMENTS

1. **COMPLIANCE WITH APPROVED PROGRAM.** All activities authorized by this Lease shall be performed in accordance with the relevant Department of Housing and Urban Development (“HUD”) regulations, Title 24 of the Code of Federal Regulations part 570 (“24 CFR 570”), as set forth below. The LESSEE shall not use the Premises in any manner that does not meet the intent and requirements of 24 CFR 570. The Premises must be used to meet the prescribed Community Development Block Grant (“CDBG”) national objective under which HUD awarded said CDBG grant to the CITY for the funding of the Premises.

2. **DEFINITIONS.**
 - a. “Clients” means all users of the Premises. Beneficiaries of LESSEE’S services in other locations shall not be included as Clients. Each Client may be counted only once per fiscal year for reporting and eligibility purposes, regardless of the number of times he/she receives services at Premises.

 - b. “Low-Income Persons” means persons residing in households earning equal to or less than eighty percent (80%) of the area median income, adjusted for household size, as determined annually by HUD.

3. **RECORDS AND REPORTS.**
 - a. **Establishment and Maintenance of Records.** LESSEE shall maintain records in accordance with requirements prescribed by HUD and the CITY with respect to all matters covered by this Lease (“Records”). Except as otherwise authorized by CITY, LESSEE shall maintain such Records for a period of five (5) years, or longer if there is ongoing action that concerns the records. Records shall include:
 - (1) Records demonstrating that each activity undertaken in the Premises meets one of the National Objectives of the CDBG program, specifically, activities that benefit primarily Low-Income Persons as further defined below;

 - (2) Records required to determine the eligibility of activities;

 - (3) Records required to document the acquisition, improvement, use or disposition of real property acquired or improved with CDBG assistance;

 - (4) Records documenting compliance with the fair housing and equal opportunity components of the CDBG program;

 - (5) Financial records as required by 24 CFR 570.502, and 24 CFR 84.21-28; and

- (6) Other records necessary to document compliance with Subpart K of 24 CFR Part 570.

b. Client Data.

- (1) The LESSEE shall maintain Client data demonstrating client eligibility for services provided. Such data shall include, but not be limited to, Client name, address, race, ethnicity, household characteristics, income level or other basis for determining eligibility, and description of service provided. Such information shall be made available to CITY for review upon request.

At the CITY's sole discretion, in lieu of collecting income level information from Clients, LESSEE may work with the CITY and the Elk Grove Unified School District to determine the income levels of Clients based on qualification for free or reduced-price meals. If approved by the CITY, LESSEE shall provide all Client data referenced above, with the exception of income level, in a format prescribed by the CITY on a timeframe not less frequently than quarterly. CITY shall then request that the Elk Grove Unified School District determine the percentage of students qualify for free or reduced-price meals, when the income limit to qualify for free or reduced-price meals does not exceed the low-income limit established by HUD. LESSEE shall bear full responsibility for documenting Client income levels in the event that the Elk Grove Unified School District fails to provide the data required to verify eligibility.

- (2) Unless otherwise required under the law, individual-level Client information collected under this Lease is private and use or disclosure to the public is prohibited, unless written consent is obtained from the beneficiary, or in the case of a minor, of a responsible parent/guardian.

c. Reports.

- (1) At such times and in such forms as HUD or the CITY may require, LESSEE shall furnish to HUD or the CITY such statements, records, data, and information as HUD or the CITY may request pertaining to matters covered by this Lease.
- (2) The LESSEE shall, at a minimum, submit the following reports to the CITY;
 - i. Progress reports in the form, content, and frequency required by the CITY;

- ii. A report due 15 days following the conclusion of the fiscal year (June 30th), which summarizes the level of attainment respective to the CDBG national objective of benefit primarily to Low-Income Persons.

4. **ACCESS TO RECORDS AND AUDIT REQUIREMENTS OF THE SUBRECIPIENT.** All of the LESSEE's records with respect to any matters covered by this Lease shall be made available to the CITY, HUD, their designees or the Government of the United States, at any time during normal business hours, as often as the CITY or HUD deems necessary, to audit, examine, copy and make excerpts or transcripts of all relevant data. Any deficiencies noted in audit reports must be fully cleared by the LESSEE within 30 calendar days after receipt by the LESSEE. Failure of the LESSEE to comply with the above audit requirements will constitute a violation of this Lease and may result in termination of the Lease.

5. **EQUAL OPPORTUNITY AND NONDISCRIMINATION.** The LESSEE agrees to comply with equal opportunity requirements applicable to CDBG activities. Specifically, when applicable to the activities undertaken on the Premises, the LESSEE shall comply with:

- a. TITLE VI, CIVIL RIGHTS ACT OF 1964: which provides, in part, that no person in the United States shall on the grounds of race, color, or national origin be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
- b. TITLE VIII, CIVIL RIGHTS ACT OF 1968: which provides, in part, for fair housing throughout the United States. Kinds of discrimination prohibited include refusal to sell, rent, or negotiate, or otherwise to make unavailable; discrimination in terms, conditions and privileges; discriminatory advertising; false representation; blockbusting; discrimination in financing; and discrimination in membership in multi-listing services and real estate broker organizations. Discrimination is prohibited on the grounds of race, color, religion, sex and national origin. The CITY (and Subrecipients) shall administer programs and activities relating to housing and urban development in a manner affirmatively to further the policies of this Title.
- c. SECTION 104(b), HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974: which provides, in part, that CDBG funds shall be used to affirmatively further fair housing.
- d. SECTION 109, HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1977: which provides, in part, that no person in the United States shall on the grounds of race, color, national origin or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Title.
- e. AGE DISCRIMINATION ACT OF 1975: which provides that no person shall on the basis of age, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance.

- f. SECTION 504 OF THE REHABILITATION ACT OF 1973: which provides that handicapped individuals may not be excluded from participation in, be denied benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance.
- g. EXECUTIVE ORDER 11063: as amended by Executive Order 12259, which requires equal opportunity in housing and related facilities provided by federal financial assistance.
- h. EXECUTIVE ORDER 11246: as amended by Executive Orders 11375 and 12086, which prohibit discrimination on the grounds of race, creed, color, sex or national origin in employment under federally assisted construction contracts. Furthermore, in accordance with Section 202, LESSEE shall:
 - (1) Send to each labor union or representative of workers with whom the LESSEE has a collective bargaining agreement or other contract or understanding, a notice to be provided by the CITY, advising the labor union or workers representative of the Subrecipient's commitments under Section 202 of Executive Order 11246, and shall post copies of the notice in conspicuous places available to employees and applicants for employment;
 - (2) Comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations and relevant orders of the Secretary of Labor; and
 - (3) Furnish all information and reports required by Executive Order 11246, and by the rules, regulations and orders of the Secretary of Labor, or pursuant thereto, and will permit access to books, records and accounts by the CITY and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations and orders.
 - (4) State it is an Equal Opportunity or Affirmative Action Employer in all its solicitations for employment.
- i. SECTION 3 OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968, which requires that to the greatest extent feasible, opportunities for training and employment be given to lower-income persons within the unit of local government or the metropolitan area in which the project is located, and that contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the same metropolitan area as the project. LESSEE shall comply with the CITY'S procedures for implementation of Section 3.
- j. ARCHITECTURAL BARRIERS ACT OF 1968: which requires access to facilities designed, built, altered, or leased with federal funds.

k. AMERICANS WITH DISABILITIES ACT OF 1990: which provides that no person shall on the basis of handicap, be excluded from participation in, be denied the benefits of or be subjected to discrimination under any program or activity receiving federal financial assistance.

6. **NATIONAL OBJECTIVES.** All activities conducted on Premises must meet the CDBG program's National Objective of benefit to Low-Income Persons.

LESSEE certifies that all activities carried out under this Lease will primarily benefit Low-Income Persons. **In effect, this means that a minimum of 51 percent of Clients must qualify as Low-Income Persons.**

Failure to meet the National Objective of benefit to Low-Income Persons constitutes a Event of Default and is cause for termination.

7. **NON-DISCRIMINATION/NON-PREFERENTIAL TREATMENT STATEMENT.** In performing this Lease and eligible activities thereunder, the Parties shall not discriminate or grant preferential treatment on the basis of race, sex, color, age, religion, sexual orientation, disability, ethnicity, or national origin, and shall comply to the fullest extent allowed by law, with all applicable local, state, and federal laws relating to nondiscrimination.

8. **COMMUNICATIONS.** Where LESSEE'S activities involve the use of the Department of Housing and Urban Development's ("HUD") Community Development Block Grant ("CDBG") Program funding, LESSEE shall ensure recognition of the CDBG Program. For example, when LESSEE'S activity is publicized, the CDBG Program as a funding source must be recognized in the publication, including any real property and equipment utilized pursuant to this Lease that are funded in whole or in part by CDBG funds.

9. **ARCHITECTURAL BARRIERS. LESSEE AGREES TO COMPLY WITH THE ARCHITECTURAL** Barriers Act of 1968 (42 USC 4151) when applicable and with handicapped access requirements of the Americans with Disabilities Act of 1990 and State of California.

10. **DRUG-FREE WORKPLACE.** LESSEE shall comply with the Drug-Free Workplace Act of 1988 (final rule published on May 25, 1990) and CITY's policies and rules developed under the Act.

11. **CONFLICT OF INTEREST.**

a. No member, officer, or employee of the CITY, or its designees or agents or the LESSEE (and no one with whom they have family or business ties) who exercises any functions or responsibilities with respect to the Lease during his or her tenure or for one year thereafter, shall have any personal or financial benefit, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the program assisted under the Lease.

- b. LESSEE agrees that it shall incorporate the following provision into every written contract entered into by LESSEE:

“Interest of Contractor and Employees. The Contractor covenants that no person who presently exercises any functions or responsibilities in connection with the Community Development Block Grant Program, and no one with whom they have family or business ties, has any personal financial benefit, direct or indirect in this Lease.”

12. **POLITICAL ACTIVITY.** None of the Premises provided directly or indirectly under this Lease shall be used for any candidate for public office or for political activities.
13. **RELIGIOUS ACTIVITIES.** LESSEE agrees that the Premises provided under this Lease will not be utilized for religious activities or to promote religious interests. In accordance with the federal regulations specified in Title 24, Chapter V, Part 570.200 of the Code of Federal Regulations (24 CFR 570.200(j)):
- a. Organizations that are directly funded under the CDBG program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the activity. If an organization conducts such activities, the activities must be offered separately, in time or location, from the programs or services funded under this part, and participation must be voluntary for the beneficiaries of the HUD-funded programs or services.
 - b. An organization that participates in the CDBG program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
 - c. CDBG funds may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. CDBG funds may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, CDBG funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to CDBG funds in this part.

EXHIBIT C
Insurance Requirements

LESSEE shall provide to the CITY proof of, and maintain in full force and effect at all times during the TERM, at its sole cost and expense, policies of insurance as set forth herein:

1. General Liability:

Comprehensive general liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence). Claims-made coverage is not acceptable.

The limits of liability shall not be less than:

Each occurrence:	One Million Dollars (\$1,000,000)
Products & Completed Operations:	One Million Dollars (\$1,000,000)
Personal & Advertising Injury:	One Million Dollars (\$1,000,000)

The CITY, its officials, employees, agents and volunteers shall be covered and specifically named as additional insured as respects liability arising out of activities performed by or on behalf of LESSEE and premises owned, occupied, or used by LESSEE on a separate endorsement acceptable to the CITY.

The policy shall contain no special limitations on the scope of coverage afforded to the CITY, its officials, employees, agents or volunteers.

Provision or endorsement stating LESSEE's insurance coverage shall be primary insurance as respects the CITY, its officers, officials, employees and volunteers to the extent the CITY is an additional insured. Any insurance or self-insurance maintained by the CITY, its officers, officials, employees or volunteers shall be in excess of LESSEE's insurance and shall not contribute with it, to the payment or satisfaction of any defense expenses, loss or judgment.

Any failure to comply with reporting or other provisions of the policies on the part of LESSEE, including breaches of warranties, shall not affect LESSEE's requirement to provide coverage to the CITY, its officers, officials, employees, agents or volunteers.

2. Worker's Compensation

Worker's Compensation Insurance, with coverage as required by the State of California (unless LESSEE is a qualified self-insurer with the State of California), and Employers Liability coverage. Employer's Liability Coverage shall not be less than the statutory requirements.

The insurer shall agree to waive all rights of subrogation against the CITY, its officers, officials, and employees for losses arising from work performed by the Consultant.

3. Other Insurance Provisions:

Acceptability of Insurers: Insurance is to be placed with insurers with a Bests' rating of no less than A:VII.

Any deductibles, aggregate limits, pending claims or lawsuits that may diminish the aggregate limits, or self-insured retention(s), must be declared to, and approved by, the CITY.

LESSEE shall furnish the CITY with certificates of insurance and original endorsements or insurance binders, signed by a person authorized by the insurer to bind coverage on its behalf, evidencing the coverage required by this Lease. At any time at the written request of the CITY, LESSEE agrees to furnish a duplicate original or certified copy of each required policy including the declaration pages, conditions, provisions, endorsements, and exclusions.

The CITY, at its discretion, may increase the amounts and types of insurance coverage required hereunder at any time during the term of this Lease by giving 30 days written notice.

LESSEE shall serve the CITY notice, in writing by certified mail, within 2 days of any notices received from any insurance carriers providing insurance coverage under this Lease that concern the suspension, voidance, cancellation, termination, reduction in coverage or limits, non-renewal, or material changes of coverage proposed or otherwise.

If LESSEE fails to procure or maintain insurance as required by this section, and any Supplementary Conditions, or fails to furnish the CITY with proof of such insurance, the CITY, at its discretion, may procure any or all such insurance.

Failure of the CITY to obtain such insurance shall in no way relieve the LESSEE from any of its responsibilities under this Lease.

The failure of the CITY to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of this Lease.

The requirement as to types, limits, and the CITY's approval of insurance coverage to be maintained by Consultant are not intended to, and shall not in any manner, limit or qualify the liabilities and obligations assumed by Consultant under this Lease.

CERTIFICATION
ELK GROVE CITY COUNCIL RESOLUTION NO. 2015-133

STATE OF CALIFORNIA)
COUNTY OF SACRAMENTO) ss
CITY OF ELK GROVE)

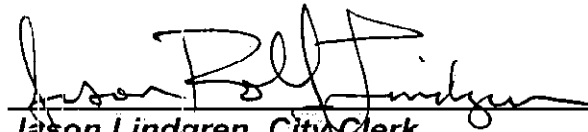
I, Jason Lindgren, City Clerk of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the City Council of the City of Elk Grove at a regular meeting of said Council held on June 24, 2015 by the following vote:

AYES : **COUNCILMEMBERS:** *Davis, Hume, Detrick, Ly, Suen*

NOES: **COUNCILMEMBERS:** *None*

ABSTAIN : **COUNCILMEMBERS:** *None*

ABSENT: **COUNCILMEMBERS:** *None*



Jason Lindgren, City Clerk
City of Elk Grove, California