AGENDA REPORT

Meeting Date: March 2, 2010

Item Number: G-11

To: Honorable Mayor & City Council

From: Brenda A. Lavender, Real Estate & Property Manager

Subject: Second Amendment of Lease for Shahram Saeedian and Bijan Dadfarin dba Beverly Hills Market

Attachments: 1. Second Amendment to Lease

RECOMMENDATION

Staff recommends approval of the Second Amendment of Lease by and between the City of Beverly Hills and Shahram Saeedian and Bijan Dadfarin dba Beverly Hills Market. Beverly Hills Market has been a long-standing tenant of the City at the 333 N. Crescent Drive.

INTRODUCTION

A Second Amendment of Lease with Beverly Hills Market has been prepared for City Council approval. The amendment reduces the monthly base rent by 25% for a period of 12 months. The current rent is $9,731.71 monthly and this 25% adjustment reduces it to $7,298.78. Effective January 1, 2011 the monthly base rent will adjust to $9,731.71 and all future CPI adjustments will resume.

DISCUSSION

BH Market is one of the City's Crescent Drive Tenants with rental rates well below market. City has continued its commitment to the community by providing below market rental rates to businesses such as BH Market so that these businesses are able to stay in the City and provide quality community services.

The changes in the economy has affected the market's sells by 25% and although the market has taken measure to cut costs such as cutting employee hours and changing their ordering systems, they are still not able to compete with larger markets who have

FISCAL IMPACT

The fiscal impact of this request is a ($29,195.13) reduction in revenue. Following the 12 month rent reduction the rental rate would return to the current lease rate.

Scott G. Miller, Director of
Administrative Services, CFO
Approved By

RECORDING REQUESTED BY, AND
WHEN RECORDED MAIL TO:

City of Beverly Hills
455 North Rexford Drive
Beverly Hills, California 90210
Attn: City Clerk

[Space Above For Recorder's Use Only]

The undersigned Lessor declares that this Second Amendment of Lease is exempt from Recording Fees pursuant to California Government Code Section 27383 and is exempt from documentary transfer taxes pursuant to California Revenue and Taxation Code Section 11922.

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE (this "**Second Amendment**") is dated as of _____, 2010, and is entered into by and between the CITY OF BEVERLY HILLS, a municipal corporation ("**Lessor**") and SHAHRAM SAEEDIAN and BIJAN DADFARIN (dba Beverly Hills Market) (collectively "**Lessee**").

RECITALS

A. Lessor and Lessee entered into that certain "City of Beverly Hills Lease – Site "A" North 333 North Crescent Drive" dated as of September 22, 1998 and amended said lease by an Amendment of Lease dated November 18, 2008 (the "**Lease**"). Capitalized terms used herein but not defined shall have the meanings set forth in the Lease.

B. A Memorandum of Lease dated November 18, 2008 was recorded on January 12, 2009 as Document No. 20090038985 in the Official Records of Los Angeles County, California.

C. The Lease affects a portion (the "**Premises**") of the building located at 333 North Crescent Drive, Beverly Hills, California, consisting of: (i) retail shop space containing approximately 3,738 square feet of rentable area; (ii) storage space; (iii) a license to use Patio space; and (iv) a license to use an area for a vending cart.

D. Lessor and Lessee desire to amend the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree as follows:

1. Temporary Rent Reduction. As of January 1, 2010, Base Monthly Rent under Section 4 of the Lease shall be reduced to $7,298.78, and such reduction shall continue until

December 31, 2010, at which time the Base Monthly Rent shall increase to $9,731.71 (as provided in the Lease) and shall thereafter be adjusted in accordance with the terms of the Lease.

2. Continuing Effect. Except as specifically modified hereby, the Lease shall remain unaffected and unchanged. The Lease is hereby ratified and affirmed by Lessor and Lessee and remains in full force and effect as modified hereby.

3. Counterparts. This Second Amendment may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, Lessor and Lessee have executed this Second Amendment as of the date and year first above written.

LESSOR:

CITY OF BEVERLY HILLS,
a municipal corporation

By:_____
Nancy Krasne, Mayor

ATTEST:

_____
Byron Pope, City Clerk

APPROVED AS TO FORM:

_____
Laurence S. Wiener, City Attorney

APPROVED AS TO CONTENT:

_____
Jeff Kolin, City Manager

_____
Scott G. Miller, CFO/Director of Administrative Services

LESSEE:

_____
Shahram Saeedian

_____
Bijan Dadfarin

ACKNOWLEDGMENT

State of California)
County of Los Angeles)

On February 9, 2010 before me, Bryan Binns, notary public
(insert name and title of the officer)

personally appeared BIJAN DADFAR,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

(Seal)

BRYAN BINNS
Commission # 1836458
Notary Public - California
Los Angeles County
My Comm. Expires Mar 10, 2013

ACKNOWLEDGMENT

State of California)
County of Los Angeles)

On February 9, 2010 before me, Bryan Binns, notary public
(insert name and title of the officer)

personally appeared SHAHRAM SAEEDIAN,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Signature of Notary Public

(Seal)

BRYAN BINNS
Commission # 1836458
Notary Public - California
Los Angeles County
My Comm. Expires Mar 10, 2013

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)
Signature of Notary Public

ACKNOWLEDGMENT

State of California)
)
County of _____)

On _____ before me, _____
(insert name and title of the officer)

personally appeared _____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature_____ (Seal)
Signature of Notary Public