



AGENDA REPORT

Meeting Date: August 16, 2011
Item Number: H-9
To: Honorable Mayor & City Council
From: Brenda Lavender, Real Estate & Property Manager
Subject: FIRST AMENDMENT OF LEASE BETWEEN THE CITY OF BEVERLY HILLS AND PARTICIPANT MEDIA, LLC.
Attachments:

1. First Amendment of Lease
2. Commission Agreement

RECOMMENDATION

It is recommended that City Council approval of the First Amendment of Lease, and Commission Agreement between the City of Beverly Hills and Participant Media, LLC. A copy of the First Amendment and Commission Agreement is on file with the City Clerk. Participant Media is currently located in the City's 331 Foothill Road building on the 2nd and 3rd floors of the building.

INTRODUCTION

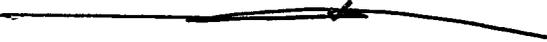
Participant Media is an entertainment company that specializes in socially conscience films and events to improve conditions around the world. Participant's film list includes An Inconvenient Truth, Darfur Now, Charlie Wilson's War, and The Soloist to name a few. Participant Media currently leases the 3rd floor of the building and a portion of the 2nd floor under the original lease.

DISCUSSION

This First Amendment is for the expansion of Participant's leased premises to include the balance of the 2nd floor, which is 11,060 rentable square feet. With this expansion, Participant will occupy both the 2nd and 3rd floors of the building for a total of 35,391 rentable square feet which is slightly more the 50% of the building. The amendment is for a term of ten years, it extends the original lease term by a year for a coterminous expiration. The initial rental rate for the expansion space is \$3.50/square foot monthly. The City will provide a tenant improvement allowance of \$57.00 per square foot and will pay a broker commission equal to 50% of the market commission.

FISCAL IMPACT

There is a negative financial impact of (\$509,364.61) during the first twelve months of the lease term due to the upfront costs and free rent. The first year costs include a broker commission of (\$72,494.61), tenant improvement allowance of (\$630,420), free rent of (\$270,970) less the annual base rent of \$464,520.


Scott G. Miller, Director of
Administrative Services, CFO

Approved By

Attachment 1

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

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

[Space Above For Recorder's Use Only]

The undersigned declare that this First Amendment of Office Lease is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11922.

FIRST AMENDMENT OF OFFICE LEASE

THIS FIRST AMENDMENT OF OFFICE LEASE (the "Amendment") is dated as of August 16, 2011 (the "Effective Date"), and is entered into by and between THE CITY OF BEVERLY HILLS, a California municipal corporation ("Landlord"), and PARTICIPANT MEDIA, LLC, a Delaware limited liability company ("Tenant").

RECITALS

A. Landlord and Tenant entered into an Office Lease dated as of December 1, 2009 (the "Original Lease"). Capitalized terms used in this Amendment but not defined herein shall have the meaning set forth in the Original Lease.

B. Landlord and Tenant executed a Memorandum of Lease dated December 1, 2009 recorded on March 11, 2010 as Document No. 20100337997 in the Official Records of the County of Los Angeles, California (the "Memo").

C. Landlord and Tenant desire to amend the Original Lease and Memo to, among other things, expand the original Premises leased pursuant to the Original Lease containing 24,331 rentable square feet ("Original Premises") to include the remainder of the rentable area of second floor of the Building that was not previously included in the Original Premises as more particularly depicted on Exhibit "B" attached hereto and containing 11,060 rentable square feet (the "Expansion Space").

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

A G R E E M E N T

1. Condition(s) Precedent. The effectiveness of this Amendment is conditioned upon the due execution by Cushman & Wakefield of California, Inc. and delivery to Landlord of a First Amendment to Commission Agreement in the form attached hereto as Exhibit "A" on or before August 1, 2011.

2. Delivery of Expansion Space. Effective as of the Expansion Space Commencement Date (as such term is defined below), the "Premises" (as such term is used in the Original Lease) shall be expanded to include the Original Premises and the Expansion Space, and all references herein and in the Original Lease to the Premises, except as specifically superseded by the terms of this Amendment, shall thereafter mean and refer to, collectively, the Original Premises and the Expansion Space. Subject to delays beyond Landlord's reasonable control, Landlord shall deliver the Expansion Space to Tenant by August 17, 2011, for the purpose of Tenant's preparing for and performing the Tenant Improvements in the Expansion Space. Delivery of the Expansion Space shall be deemed to have occurred when Brenda Lavender delivers (i) a letter to Tenant confirming that the Expansion Space is available and free of any other possessory interest (other than Landlord), and (ii) keys to the Expansion Space to Bob Murphy of the Tenant. The term "Expansion Space Commencement Date" shall be the date that is one hundred and thirty-five (135) days after the date Landlord delivers the Expansion Space to Tenant, as such date is extended by "Commencement Date Delays" which shall have the meaning set forth in Section 3(b) of the Lease except that Commencement Date Delays shall not include item (iii) in the definition of "Landlord Caused Delay" in Section 3(b) of the Original Lease. Where the term "Lease" is used in this Amendment, it shall collectively refer to the Original Lease and this Amendment. Landlord and Tenant hereby irrevocable stipulate and agree that the Expansion Space contains 11,060 rentable square feet, and that there shall be no adjustment of such area, any rent, the Security Deposit or the Tenant's Expansion Space Share based on any measurement or remeasurement of the Expansion Space, or any portion thereof. Notwithstanding anything to the contrary contained herein, in the event Tenant completes the Tenant Improvements in the Expansion Space prior to the Expansion Space Commencement Date and Tenant is not in default under the Lease at the time Tenant desires to open for business and has provided Landlord with insurance certificates for the insurance required of Tenant under the Lease with respect to the Expansion Space and has provided Landlord with a temporary Certificate of Occupancy, then Tenant shall be entitled to use and occupy the Expansion Space for business purposes prior to the Expansion Space Commencement Date without any obligation to pay Rent for the Expansion Space under the Lease. Within six (6) months following the Expansion Space Commencement Date, Landlord shall deliver to Tenant a Notice of Lease Term Dates in the form as set forth in Exhibit "C," attached hereto, as a confirmation only of the information set forth therein, which Tenant shall execute and return to Landlord within fifteen (15) business days of receipt thereof (provided that if said notice is not factually correct, then Tenant shall make such changes as are necessary to make the notice factually correct and shall thereafter execute and return such notice to Landlord within such fifteen (15) business day period). In the event Landlord shall fail to send Tenant the Notice of Lease Term Dates within six (6) months following the Expansion Space Commencement Date, Tenant may send to Landlord notice of the occurrence of the Expansion Space Commencement Date substantially in the form of the Notice of Lease Term Dates, which Notice of Lease Term Dates Landlord shall acknowledge by executing a copy of the Notice of Lease Term Dates and returning it to Tenant (provided that if said Notice of Lease Term Dates is not factually correct, Landlord shall make such reasonable changes to the Notice of Lease Term Dates as are necessary to make such Notice of Lease Term Dates factually correct and shall thereafter execute and return such notice to Tenant). Once the Notice of Lease Term Dates is executed and delivered by Landlord and Tenant, the same shall be binding upon Landlord and Tenant.

3. Condition of Expansion Space. Except as provided in this Amendment, including the terms of Exhibit B-1 attached hereto and Exhibit B-2 of the Original Lease as incorporated herein, for any express representations or warranties included elsewhere in the Original Lease or the Exhibits to the Original Lease (but specifically excluding any representations and warranties with respect to Delivery Condition which only applied to the Original Premises) and for Landlord's express maintenance and repair obligations set forth in the Lease, Tenant shall accept the Expansion Space in its current condition, without representation or warranty, express or implied, except that Landlord, at its sole cost and expense and not as an Operating Expense, shall within a reasonable time after written notice from Tenant, correct latent defects in the Expansion Space or in the Building systems and/or equipment that service the Expansion Space and any failure of the Building systems and/or equipment that service the Expansion Space and/or other areas of the Building outside of the Expansion Space and Original Premises to comply with all applicable building, use, and occupancy codes, regulations and laws applicable to the City of Beverly Hills enacted as of the Expansion Space Commencement Date and applicable to new construction, whether or not then being enforced, and disregarding variances and grandfathered rights which will be addressed by Landlord in the same manner required under the Original Lease for latent defects and failures to comply with law with respect to the Original Premises provided that such latent defect or failure to comply with law adversely affects Tenant's use of the Original Premises or Expansion Space or Tenant's ability to obtain a Certificate of Occupancy. Subject to the foregoing, Tenant acknowledges that Landlord is not obligated to make any improvements or alterations to the Expansion Space. Landlord shall promptly repair Item 1 – Leaking Sprinkler Piping described in the Gardiner Theobald Inspection Report issued to Tenant on June 11, 2011 but not any other items in such report.

4. Minimum Monthly Rent for Expansion Space and for Original Premises During Extension of Term. As used herein, the term "Expansion Space Rent Commencement Date" shall mean the date that is seven (7) full calendar months after the Expansion Space Commencement Date. Commencing on the Expansion Space Rent Commencement Date, and continuing until the end of the Term (as extended under Section 8 below), Tenant shall pay to Landlord Monthly Rent for the Expansion Space as set forth below ("Expansion Space Monthly Rent").

<u>Months (after Expansion Space Commencement Date)</u>	<u>Expansion Space Monthly Rent</u>
8-12	\$38,710.00
13-24	\$39,871.30
25-36	\$41,067.44
37-48	\$42,299.46
49-60	\$43,568.45
61-72	\$44,875.50
73-84	\$46,221.76
85-96	\$47,608.41
97-108	\$49,036.67
109-120	\$50,507.77

The Monthly Rent for the Original Premises for the period from August 31, 2020 through the end of the Term of the Lease, as extended under Section 8 below, shall be as follows.

<u>Months</u>	<u>Initial Space Monthly Rent</u>
121 – 132	\$128,910.67
Thereafter until the expiration of the initial Term, as extended under Section 8	\$132,768.70

5. Common Area Expense/Operating Expense Charges for Expansion Space.

(a) As used herein: (i) the term “Base Expansion Space Operating Expenses” means the Operating Expenses (as defined in the Lease) for the calendar year 2011; (ii) the term “Initial Expansion Space Operating Expense Payment Date” shall mean January 1, 2012; and (iii) the term “Tenant’s Expansion Space Share” shall mean sixteen percent (16.00%).

(b) Commencing on the Initial Expansion Space Operating Expense Payment Date, Tenant shall pay to Landlord as additional rent, in equal monthly installments, in advance, on or before the first (1st) day of each month, without prior demand and without offset, abatement or deduction, except as otherwise specifically set forth in the Lease, an amount per month estimated by Landlord in good faith on a category by category basis (the “Monthly Expansion Space Operating Expense Payment”) for Tenant’s Expansion Space Share of Operating Expenses that exceed the Base Expansion Space Operating Expenses (and if applicable under Section 8(e) of the Original Lease, also Tenant’s Expansion Space Share of estimated Tax Expenses). Landlord shall use good faith efforts to notify Tenant in writing by December 1, 2011 of Landlord’s estimate of Tenant’s Expansion Space Share of Operating Expenses for 2012 in excess of the Base Expansion Space Operating Expenses. On the first anniversary of the Initial Expansion Space Operating Expense Payment Date, and on each subsequent anniversary of the Initial Expansion Space Operating Expense Payment Date during the Term (each such anniversary shall be referred to herein as an “Expansion Space Adjustment Date”), the Monthly Expansion Space Operating Expense Payment (and Tax Expense payment for the Expansion Space, if applicable) payable during the twelve (12) months commencing upon and following such Expansion Space Adjustment Date shall be increased to reflect Landlord’s estimate of Tenant’s Expansion Space Share of Operating Expenses for that twelve (12) month period that exceed the Base Expansion Space Operating Expenses (and if applicable under Section 8(e) of the Original Lease, also Tenant’s Share of estimated Tax Expenses for the Expansion Space). Landlord will use good faith efforts to notify Tenant of the revised estimate on or before the date that is thirty (30) days prior to the applicable Expansion Space Adjustment Date, but if such notice is not given, Tenant shall continue to make payments in the amounts previously estimated until Landlord gives Tenant such notice.

(c) As soon as reasonably practicable after the anniversary of the Initial Expansion Space Operating Expense Payment Date, and each subsequent anniversary of the Initial Expansion Space Operating Expense Payment Date, which Landlord shall endeavor to perform by April 1 of each year, Landlord shall furnish Tenant a statement on a category-by-

category basis with respect to the preceding year, showing actual Operating Expenses (and if applicable under Section 8(e) of the Original Lease, actual Tax Expenses) owed by Tenant for that year in excess of the Base Expansion Space Operating Expenses, and the total payments made by Tenant with respect thereto. Notwithstanding anything to the contrary contained herein, Tenant shall not be responsible for Tenant's Expansion Space Share of any Operating Expenses or Tax Expenses attributable to any year which are first billed to Tenant more than two (2) calendar years after the earlier of the expiration of the applicable year or the expiration or earlier termination of the Term, provided that in any event Tenant shall be responsible for Tenant's Expansion Space Share of Operating Expenses or Tax Expenses levied by any governmental authority or by any public utility companies at any time following the expiration or earlier termination of the Term which are attributable to any year (provided that Landlord delivers Tenant a bill for such amounts within two (2) years following Landlord's receipt of the bill therefor). Unless Tenant raises any objections to Landlord's statement within two (2) years after it is given to Tenant, such statement shall conclusively be deemed correct and Tenant shall have no right thereafter to dispute such statement or any item therein or the computation of Tenant's share thereof. Additionally, if following Tenant's delivery to Landlord of a written request for a Tenant review, Landlord fails to make its accounting records for the applicable year reasonably available for such purpose, then the review period shall be extended one (1) day for each day that Tenant and/or Tenant's auditor, as the case may be, is so prevented from accessing such accounting records. In no event shall the payment by Tenant of any Operating Expenses or Tax Expenses, or any amount on account thereof, preclude Tenant from exercising its rights under this Section. If Tenant does object to such statement, Landlord shall provide Tenant and any accountant selected by Tenant with back-up books and records for the figures shown on the statement for Tenant to audit. In connection with the foregoing review, Landlord shall furnish Tenant with such reasonable supporting documentation relating to the subject statement as Tenant may reasonably request and Landlord will provide Tenant with reasonable space for such Tenant review and reasonable use of such available office equipment, but may charge Tenant for telephone calls and photocopies at Landlord's actual cost. If after such audit, Tenant still objects to Landlord's statement, the parties shall negotiate in good faith to resolve any disputes. In the event that following Tenant's review, Tenant and Landlord continue to dispute the amounts shown on Landlord's statement and Landlord and Tenant are unable to resolve such dispute, then either Landlord or Tenant may submit the matter to judicial resolution and the proper amount of the disputed items shown on such statement shall be determined by such judicial resolution. If the resolution of the parties' dispute with regard to the Additional Rent shown on the statement reveals an error in the calculation of Tenant's Expansion Space Share of Operating Expenses or Tax Expenses to be paid for such year, the parties' sole remedy shall be for the parties to make appropriate payments or reimbursements, as the case may be, to each other as are determined to be owing, plus interest at the Interest Rate from the date originally paid or owed. Any such payments shall be made within thirty (30) days following the resolution of such dispute. At Tenant's election, Tenant may treat any overpayments resulting from the foregoing resolution of such parties' dispute as a credit against Rent until such amounts are otherwise paid by Landlord. Tenant shall be responsible for all costs and expenses associated with Tenant's review, and Tenant shall be responsible for all reasonable audit fees of Tenant, as well as attorney's fees and related costs of Tenant (collectively, the "Costs"), provided that if the parties' final resolution of the dispute involves the overstatement by Landlord of Operating Expenses or Tax Expenses for such year in excess of four percent (4%), then Landlord shall be responsible for all Costs. This

provision shall survive the termination of the Lease to allow the parties to enforce their respective rights hereunder. Any amounts due Landlord or Tenant shall be paid at the time and in the manner set forth below. Any objection of Tenant to Landlord's statement and resolution of any dispute shall not postpone the time for the payment of any amounts due Tenant or Landlord based on Landlord's statement, nor shall any failure of Landlord to deliver Landlord's statement in a timely manner relieve Tenant of Tenant's obligation to pay any amounts due Landlord based on Landlord's statement except as specifically provided above (provided that in the event that such failure continues for a period of six (6) months following receipt of notice from Tenant, Tenant may elect to seek specific performance). If Tenant's Expansion Space Share of increases in Operating Expenses and Tax Expenses, as finally determined for the Expansion Space for a calendar year, exceeds the total payments made by Tenant on account thereof, Tenant shall pay Landlord the deficiency within thirty (30) days after Landlord's delivery to Tenant of Landlord's statement. If Tenant shall have overpaid, then Tenant's excess payments shall be credited toward the Rent next due from Tenant under the Lease. For any partial calendar year at the end of the Term, Additional Rent shall be prorated on the basis of a 365-day year by computing Tenant's Expansion Space Share for the entire year and then prorating such amount for the number of days during such year included in the Term. Notwithstanding the termination of the Lease, Landlord shall pay to Tenant or Tenant shall pay to Landlord, as the case may be, within thirty (30) days after Landlord delivers to Tenant a final statement for the calendar year in which the Lease terminates, the difference between Tenant's Expansion Space Share for that year, as finally determined by Landlord, and the total amount previously paid by Tenant on account thereof.

(d) Notwithstanding anything contained in the Lease to the contrary, Tenant acknowledges and agrees that for so long as Landlord's interest in the Building is owned by the City or by any other Governmental Entity, the Lease and Tenant's interest hereunder with respect to the Expansion Space may constitute a possessory interest subject to property taxation and as a result Tenant may be subject to the payment of real estate taxes levied on that interest (in which event, Tenant shall pay such taxes prior to the date due, or, if such taxes are not separately assessed, then in accordance with the further provisions of Article 8 of the Original Lease as modified by this Section 5). Tenant shall pay such taxes to the levying authority.

(e) In the event the current Landlord sells the Building (or there is otherwise a change in ownership) to a non-governmental entity, then for so long as the Building is owned by a non-governmental entity, then in addition to other sums payable under the Lease, Tenant shall pay to the non-governmental Landlord Tenant's Expansion Space Share of the amount by which Tax Expenses in any property tax year exceed the Tax Expenses for the property tax year in which the sale occurs (annualized to reflect a full property tax year of Tax Expenses at the tax rate in effect after the reassessment following the sale or change of ownership to the non-governmental entity). Tenant's payment of such increases in Tax Expenses shall exclude increases that result from any further "change in ownership" (as defined by applicable property tax law) by the non-governmental Landlord.

6. Additional Security Deposit. Concurrently with its execution and delivery of this Amendment, Tenant shall deliver to Landlord the sum of Thirty-Eight Thousand Seven Hundred Ten and No/100 Dollars (\$38,710.00) as an additional Security Deposit which will be added to

and become part of the Security Deposit under the Lease and which shall be subject to all of the terms and waivers in Section 6 of the Original Lease.

7. Tenant Termination Right. Tenant's option to terminate the Lease under Section 3(d) of the Original Lease shall apply to the entire Premises, including the Expansion Space, except that, in addition to the payments described in Section 3(d) of the Lease, in order for Tenant to terminate the Lease under Section 3(d) of the Lease, Tenant must also pay on or prior to the last day of the fourth year of the Term, a sum equal to One Hundred Twenty-six Thousand Eight Hundred Ninety-eight and 38/100 Dollars (\$126,898.38) plus the portions of the Tenant Improvement Allowance for the Expansion Space described in Section 12 below and the leasing commissions paid by Landlord in connection with this Amendment that remain unamortized as of the termination date, which shall be determined by amortizing such Tenant Improvement Allowance for the Expansion Space and such leasing commissions for the Expansion Space on a straight line basis over the period from the Expansion Space Commencement Date to the end of the Term, without interest. Landlord agrees to deliver to Tenant Landlord's calculation of the termination fee with respect to the entire Premises, including the Expansion Space, within thirty (30) days after Tenant's written request.

8. Extension of Initial Term. The Term of the Lease is hereby extended to the date that is ten (10) full calendar years following the Expansion Space Commencement Date, subject to earlier termination in accordance with the terms of the Lease.

9. Internal Stairwell. Subject to Landlord's reasonable approval of the plans for an internal stairwell (including the location of the stairwell) in accordance with Exhibit B-2 of the Original Lease as incorporated herein and Tenant's depositing with Landlord as an increase in the Security Deposit an amount equal to One Hundred Seven Thousand Sixty-one and 90/100 Dollars (\$107,061.90) (which represents Landlord's and Tenant's estimate of the cost of removing the internal stairwell and restoring the Building to its current condition), Tenant may, as part of its Tenant Improvements for the Expansion Space, install an internal stairwell in the Premises. Unless Landlord notifies Tenant in writing at least six (6) months prior to the expiration of the Lease, or concurrently with any earlier termination of the Lease by Landlord or Tenant, as applicable, that such stairwell may remain in place after such expiration or earlier termination of the Lease, then prior to the expiration and promptly after any earlier termination of the Lease, as applicable, Tenant shall, at Tenant's cost and expense, remove the stairwell and restore the Premises to its condition prior to the installation of the stairwell. Tenant may replace such deposit with a letter of credit in form and substance (and from an issuer) acceptable to the City Manager in good faith.

10. Shell and Core Finishes. With respect to the Expansion Space only, Exhibit B-1 of the Original Lease is hereby deleted and is hereby replaced with the attached Exhibit B-1.

11. Parking. In addition to the parking described in the Original Lease, upon the Expansion Space Commencement Date, Tenant shall have the right, but not the obligation, to rent from time to time up to an additional thirty-five (35) parking passes for unreserved parking spaces in the Parking Structure that are not marked "visitor". Tenant shall pay the prevailing rate charged by Landlord for parking passes for such additional unreserved parking spaces which shall be subject to increase annually as described in Section 29 of the Original Lease. Landlord

and Tenant acknowledge that Tenant has currently elected to exchange three (3) of its existing unreserved parking passes to "reserved" parking passes, as permitted under Section 29(c) of the Original Lease, and Landlord agrees that Landlord no longer has the right to require Tenant to exchange such three (3) reserved passes for unreserved passes after ninety-five percent (95%) of the rentable area in the Building is leased. Tenant may maintain such reserved parking spaces in the current locations being used for such spaces. Tenant shall pay the prevailing rate charged by Landlord for parking passes for unreserved and reserved parking spaces, as applicable, which shall be subject to increase annually as described in Section 29 of the Original Lease. Tenant understands and acknowledges that the Parking Structure shall, at Landlord's sole and absolute option, be available and open to the general public for parking subject to Landlord's obligations under Section 29 of the Original Lease. Additional terms relating to parking are described in Section 29 of the Original Lease.

12. Tenant Improvement Allowance and Tenant Improvements for Expansion Space.

(a) Tenant shall be entitled to perform Tenant Improvements in the Expansion Space (including the stairwell described in Section 9 above, but subject to the provisions of Section 9) pursuant to the provisions of Exhibit B-2 (except as otherwise noted in the last sentence of this paragraph). The Tenant Improvements shall conform to the plans and specifications that, pursuant to the provisions of the Lease and Exhibit B-2, shall have been approved by Landlord in accordance with Exhibit B-2 prior to commencement thereof. The construction of the initial Tenant Improvements in the Expansion Space shall be governed by Exhibit B-2 to the Original Lease except as specifically modified in this Amendment. Notwithstanding anything to the contrary contained in Section E of Exhibit B-2, with respect to the Expansion Space, Landlord agrees to contribute the sum of Six Hundred Thirty Thousand Four Hundred Twenty and No/100 Dollars (\$630,420.00) for the actual costs of design and construction of Tenant Improvements for the Expansion Space, including without limitation, payment of the fees and costs of the architect, project manager and other consultants in connection with the design and construction of such Tenant Improvements for the Expansion Space, costs of construction of such Tenant Improvements for the Expansion Space, testing and inspection costs, trash removal costs, hoist fees, contractors' fees and general conditions, sales and use taxes and Title 24 fees, security systems, signage, data and telecommunications cabling and conduit and any other costs of design and construction of such Tenant Improvements, but not for Tenant's moving expenses, furniture or fixtures (the "Tenant Improvement Allowance"). In no event shall any unused portion of the Tenant Improvement Allowance for the Expansion Space be paid to Tenant or credited against any obligation payable by Tenant under the Lease, as amended or used for any improvements or alterations in any portion of the Premises other than the Expansion Space and stairwell. All of the Tenant Improvements for the Expansion Space shall be subject to Sections A, B (excluding the first sentence of paragraph 2 only), C, E (excluding Section 1 only) and F of Exhibit B-2 to the Lease.

Landlord has approved the preliminary space plans for the Tenant Improvements in the Expansion Space prepared by Wolcott Architecture and dated June 13, 2011 (architectural) and June 30, 2011 (MEP).

Tenant and its contractor shall have the non-exclusive right to use one elevator designated by Landlord for construction purposes subject to the Rules and Regulations described in Section 35 of the Lease that may be applicable to such elevator use.

(b) Tenant acknowledges that the Expansion Space Tenant Improvements are a "public work" under Section 1720 of the California Labor Code and Tenant agrees that Tenant shall: (i) pay prevailing wages for all Expansion Space Tenant Improvements in accordance with Section 1720, et seq. of the California Labor Code; (ii) otherwise comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6 and 1813 of the California Labor Code and all other applicable Laws and regulations with respect to prevailing wages; and (iii) obtain payment and performance bond(s) for the Expansion Space Tenant Improvements.

13. Signage. In addition to the signage described in Section 30 of the Original Lease, Tenant shall be entitled to an additional slot on the Building's exterior monument sign directly below the slot allotted to Google, Inc. on such monument sign. Tenant shall be responsible for the installation and maintenance of its signage on the monument sign in compliance with Exhibit F of the Original Lease.

14. Access Cards. Landlord shall provide Tenant with the first thirty-five (35) access cards with respect to the Expansion Space, excluding replacements thereof, free of charge.

15. Non-disturbance, Attornment and Subordination. On or before September 1, 2011, Landlord shall obtain a commercially reasonable non-disturbance agreement from the Authority (which owns fee title to the Building and leases the Building to the City) in favor of Tenant with respect to this Amendment substantially in the form of Exhibit "D" attached hereto or Tenant may elect to specifically enforce such obligation of Landlord, at its sole option. In addition, Landlord shall obtain a non-disturbance agreement in the form of Exhibit "E" in favor of Tenant from CNB as lender to the Authority with respect to the Lease, as amended hereby, if and when CNB places a lien against the Building securing a loan by CNB to the Authority as a condition precedent to Tenant's agreement to subordinate the Lease, as amended hereby, to any such lien.

16. Conflicts. In the event of a conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail and control.

17. Counterparts. This 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.

18. Entire Agreement. This Amendment (and the Original Lease to the extent not modified by the terms of this Amendment) constitutes the entire agreement of the parties with respect to the subject matter hereof.

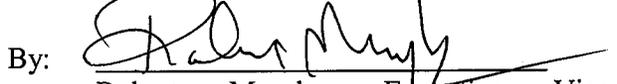
19. No Further Modifications. Except as set forth in this Amendment, all of the terms and provisions of the Original Lease shall apply and shall remain unmodified and in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment of Office Lease as of the date first above written.

TENANT:

PARTICIPANT MEDIA, LLC,
a Delaware limited liability company

By: 
James Berk, Chief Executive Officer

By: 
Robert Murphy, Executive Vice
President/Chief Financial Officer

LANDLORD:

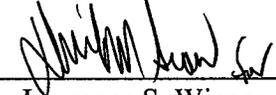
ATTEST:

_____(Seal)
Byron Pope
City Clerk

THE CITY OF BEVERLY HILLS,
a California municipal corporation

By: _____
Barry Brucker,
Mayor

APPROVED AS TO FORM:

By: 
Laurence S. Wiener
Authority Counsel

APPROVED AS TO CONTENT:

By: _____
Jeffrey Kolin, ICMA-CM,
City Manager

By: 
Scott Miller
CFO/Director of Administrative Services

State of California)
County of Los Angeles)

On August 9, 2011, before me, Bared Costanian, Notary Public,
(insert name and title of the officer)

Notary Public, personally appeared James Bork,
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 [Handwritten Signature]

(Seal)



State of California)
County of Los Angeles)

On August 9, 2011, before me, Bared Costanian, Notary Public,
(insert name and title of the officer)

Notary Public, personally appeared Robert Murphy,
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 [Handwritten Signature]

(Seal)

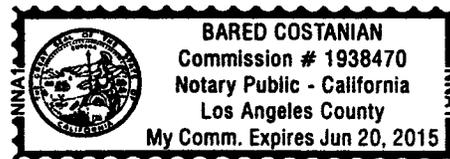


EXHIBIT "A"
FORM OF AMENDMENT
TO COMMISSION AGREEMENT

[Attached.]

FIRST AMENDMENT TO COMMISSION AGREEMENT

This FIRST AMENDMENT TO COMMISSION AGREEMENT ("First Amendment") is made this 16th day of August, 2011 by and between the City of Beverly Hills ("Owner") and Cushman & Wakefield of California, Inc. ("Broker").

WITNESSETH

WHEREAS, Owner and Broker entered into a Commission Agreement dated November 16, 2009 (the "Agreement").

WHEREAS, Owner and Broker desire to modify the Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and the terms and mutual agreements benefits set forth, the sufficiency of which is hereby acknowledged, the parties hereto do mutually agree as follows:

1. Expansion Space. Section 5 of the Agreement is hereby amended by reducing the additional commissions described therein with respect to the Expansion Space described in the First Amendment to Office Lease by fifty percent (50%).

IN WITNESS WHEREOF, the parties hereunto have executed this First Amendment as of the day and year first above written.

CITY OF BEVERLY HILLS

CUSHMAN & WAKEFIELD OF CALIFORNIA, INC.

By: _____
Barry Brucker,
Mayor

By: _____
Print Name: _____
Title: _____

ATTEST:

Byron Pope,
City Clerk

APPROVED AS TO CONTENT:

Jeffrey Kolin, ICMA-CM,
City Manager

Scott Miller,
Director of Administrative Services/CFO

APPROVED AS TO FORM:

Laurence S. Wiener,
City Attorney

EXHIBIT "B"

DIAGRAM OF EXPANSION PREMISES

(Attached.)

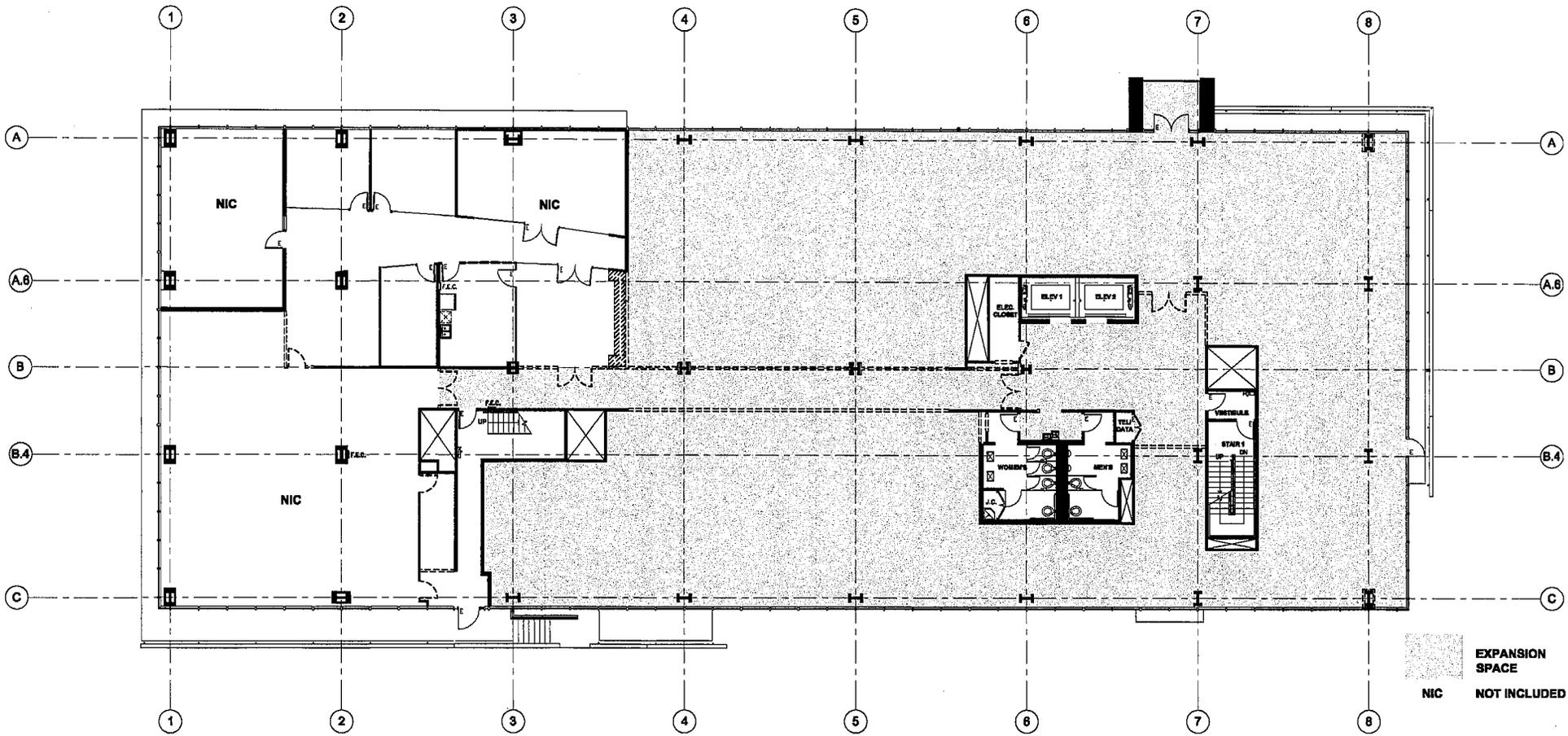


EXHIBIT B-1

SHELL AND CORE FINISHES

(Attached.)

TENANTS ON SECOND TO FOURTH FLOORS

The Premises shall be delivered in good working order and condition, free of latent defects and in compliance with all applicable building, use and occupancy codes, regulations and laws applicable to the City of Beverly Hills enacted as of the completion of construction and as accepted by the Notice of Substantial Completion and Landlord shall repair any latent defects in the Premises at Landlord's expense and not as an Operating Expense to the extent they adversely affect Tenant.

1. The HVAC system is based upon the following office assumptions:
 - The lighting allowance is 1.2 watts/sf.
 - The occupancy is 1 person/100sf.
 - The power assumption is 4.5 watts/rsf.
 - 1 ton of air for every 300 rsf
 - Should a tenant require additional cooling in excess of the above criteria, the shaft size, power, and roof space can accommodate tenant provided split systems up to a maximum of 10 tons per floor. All split system air conditioning units shall be rated R410 or R407c to meet building LEED certification requirements.
2. There is a central HVAC chiller located in the parking structure that serves variable air volume air handling units on the roof. Supply and return air ducts are provided to four vertical ducts. Distribution ducts and terminal VAV boxes are Tenant's responsibility.
3. The HVAC system can be lowered to 30% of capacity and chilled water to 20% of capacity so that after hours use is available. Building hours of operation are 8am to 8pm Monday through Friday. Outside of these hours tenant will be charged an After Hours HVAC fee.
4. When tying into building HVAC water lines Tenant's HVAC water must be purged, cleaned and certified by an independent agency at Tenant's cost to prevent contamination of Building HVAC water.
5. The electrical system is based upon the following office assumptions:
 - Building capacity of 7.12 watts/rsf (5.25 watts/rsf at 110v and 1.87 watts/rsf at 277v)
 - Electrical power is provided to an electrical room panel on each floor (150 Amps; 3 breakers). Tenant to provide the panel and the conduit from the panel to the Premises.
 - Tenant shall install a sub-meter in the electrical room on their floor.
 - All Tenant circuitry shall be routed though Emon Demon meters. Emon Demon meters to be installed by Tenant.
6. The exterior perimeter is "Low E" vision glass from 30 inches above the floor to a height of 9 feet. The lower glass panels are frosted glass.

7. Corridor, core, perimeter and demising walls are steel studs and drywall; insulated, tapped, sanded and prepared to receive new level 4 finish.
8. Principal demising doors are double doors. Other doors that may be required for exiting or convenience shall be by Tenant and, if they can be seen from outside the Premises, the outside finishes on shall meet the building standard core finish specifications.
9. Height from the floor to the underside of the floor above, excluding beams and utilities is 12'-5"; minimum ceiling clearance is to the top of the window line.
10. Hot water for heating is provided on each floor at the core for extension by tenant.
11. Tenant's ductwork, plumbing, and electrical lines must be installed within Tenant's leased premises. Landlord's written approval is required for all installations outside of the leased premises.
12. Landlord has constructed the men's and women's restrooms on each floor with building standard finishes.
13. The building is required to be sprinklered. Landlord has installed sprinkler mains as required by code. Distribution from sprinkler mains is to be installed by tenant.
14. Concrete floor have finish surfaces to the following tolerances, measured within 24 hours according to ASTM E 1155 for a randomly trafficked floor surface:
 - a. Specified overall values of flatness, F(F) 35; and levelness, F(L) 25; with minimum local values of flatness, F(F) 24; and levelness F(L) 17; for slabs-on-grade.
 - b. Specified overall values of flatness, F(F) 30; and levelness, F(L) 20; with minimum local values of flatness, F(F) 24; and levelness, F(L) 15; for suspended slabs.
15. Tenant shall install data/telecom lines from building MPOE (on 1st floor) to leased premises. There are data/telecom rooms on each floor of the building and on the roof.
16. Pathway to roof and roof space is limited. Landlord's written approval is required for all installations.
17. Elevator cabs with Parklex Façade, 8mmOnix finish panels.
18. Building Access System provides after hour access.
19. Tenant must utilized hot and cold water (capped and valved) and related waste and vent stub outs at the core of each floor.

20. All construction plans require Owner's written approval prior to submission for permits.

LEED DESIGN & CONSTRUCTION GUIDELINES

The LEED guidelines require an illustrated document that provides the tenant with design and construction information that coordinates the tenant systems and operation to that of the building shell and core. The description of what should be in these Guidelines is outlined in LEED-CS version 2.0 Reference Guide SS Credit 9'.

EXHIBIT C

NOTICE OF LEASE TERM DATES

To: Participant Media
331 Foothill Road, Suite 300
Beverly Hills, California 90210

Re: First Amendment to Office Lease dated August 16, 2011 between the City of Beverly Hills ("Landlord"), and Participant Media ("Tenant") for Suite 210 of the office building located at 331 Foothill Road, Beverly Hills, California.

Gentlemen: In accordance with the First Amendment to Office Lease (the "Amendment"), we wish to advise you and/or confirm as follows:

1. The Expansion Space Commencement Date was _____ and the Term shall end on _____.
2. Rent commenced to accrue with respect to the Expansion Space on _____, and is in the amount of _____.

"Landlord":

CITY OF BEVERLY HILLS

By: _____

Print Name: _____

Title: _____

Agreed to and Accepted
as of _____, 20__.

"Tenant":

PARTICIPANT MEDIA, LLC
a Delaware limited liability company

By: _____

Print Name: _____

Title: _____

EXHIBIT D

FORM OF BHPFA NON-DISTURBANCE

(Attached.)

**Recording Requested By
And When Recorded Mail To:**

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

NONDISTURBANCE AGREEMENT

This Nondisturbance Agreement ("Agreement") is made as of _____, 2011, by and among the CITY OF BEVERLY HILLS PUBLIC FINANCING AUTHORITY, a California corporation ("Owner"), owner of the land described on Exhibit "A", and PARTICIPANT MEDIA, LLC, a Delaware limited liability company ("Tenant").

RECITALS

A. The City of Beverly Hills ("Landlord") has executed an Office Lease in favor of Tenant dated November 5, 2009, as amended by a First Amendment of Office Lease dated August 16, 2011 (the "Space Lease"), a memorandum of which was recorded on _____ as Document No. _____ in the Official Records of Los Angeles County ("Official Records").

B. Landlord has a leasehold interest in the Land by virtue of a Ground Lease dated February 17, 2009 between Landlord and Owner ("Ground Lease"), a memorandum of which was recorded on November __, 2009 as Instrument No. _____, in the Official Records.

C. It is a condition to the effectiveness of the Lease that Owner execute this Agreement.

NOW THEREFORE, in consideration of the Lease, the foregoing recitals and other consideration, the sufficiency of which is hereby acknowledged, Owner hereby agrees that so long as Tenant is not in default under the Space Lease (beyond any period given in the Space Lease to cure such default), Owner will not disturb Tenant's possession of the premises leased to Tenant under the Space Lease, nor shall the Space Lease be terminated or extinguished by reason of any termination of the Ground Lease under the terms of the Ground Lease and Owner agrees to assume all of the obligations of the Landlord under the Space Lease for the benefit of Tenant.

"LANDLORD"

CITY OF BEVERLY HILLS

By: _____
Barry Brucker,
Mayor

APPROVED AS TO FORM:

Laurence S. Wiener, City Attorney and Authority
Counsel

“OWNER”

CITY OF BEVERLY HILLS PUBLIC
FINANCING AUTHORITY

By: _____
Barry Brucker
Chairman of Board of Directors

ATTEST:

_____ (SEAL)

By: _____
Byron Pope
Secretary to Board of Directors

“TENANT”

PARTICIPANT MEDIA, LLC,
a Delaware limited liability company

By: _____
Print Name: _____
Title: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC)

EXHIBIT "A"

DESCRIPTION OF LAND

A PORTION OF LOT 1 OF TRACT NO. 13349, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 311, PAGE 14 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND A PORTION OF LOT 1 OF BLOCK 17 OF TRACT NO. 5647, IN SAID CITY, AS PER MAP RECORDED IN BOOK 60, PAGE 88 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EAST LINE OF SAID LOT 1 OF TRACT NO. 13349, DISTANT THEREON SOUTH 0°09'01" EAST 263.51 FEET FROM THE NORTHEASTERLY CORNER OF SAID LOT 1; THENCE SOUTH 89°51'04" WEST 120.00 FEET; THENCE SOUTH 0°09'01" EAST 240.00 FEET TO THE NORTH LINE OF 3RD STREET, 60.00 FEET WIDE, AS SHOWN ON SAID TRACT NO. 13349; THENCE EASTERLY ALONG SAID NORTH LINE, NORTH 88°42'51" EAST 120.00 FEET TO THE EAST LINE OF SAID LOT 1 OF SAID TRACT NO. 5647; THENCE NORTHERLY ALONG SAID EAST LINE, NORTH 0°09'01" WEST 237.62 FEET TO THE POINT OF BEGINNING.

EXHIBIT F

FORM OF CNB NON-DISTURBANCE

(Attached.)

**Recording Requested By
And When Recorded Mail To:**

City National Bank
[2100 Park Place, Suite 150
El Segundo, CA 90245
Attn: Ofelia Paterra]

Account No. _____

A. P. N.: _____

SUBORDINATION AGREEMENT - LEASE

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INTEREST.

This Subordination Agreement ("Agreement") is made as of _____ 20____, by and among CITY OF BEVERLY HILLS PUBLIC FINANCING AUTHORITY, a California corporation ("Owner") owner of the land hereinafter described and the CITY OF BEVERLY HILLS ("Tenant"), and CITY NATIONAL BANK ("CNB").

RECITALS

A. Owner, as landlord ("Landlord") executed a lease in favor of Tenant dated February 17, 2009, as amended by a First Amendment of Lease dated August 16, 2011 ("Lease"), a memorandum of which was recorded on _____, 2009, in the Office of the County Recorder of Los Angeles as Instrument No. _____ covering that certain real property ("Property") located in the County of Los Angeles, more particularly described on Exhibit "A".

B. Owner has executed, or is about to execute, a deed of trust ("Deed of Trust") securing the obligation referred to therein dated _____, 201____, in favor of CNB, which Deed of Trust is to be recorded substantially concurrently herewith;

C. It is a condition precedent to obtaining the extension of credit secured by such Deed of Trust that the Deed of Trust shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease;

D. CNB is willing to make the extension of credit secured by such Deed of Trust, provided that the Deed of Trust is a lien or charge upon the Property prior and superior to the Lease, and provided that Tenant will specifically and unconditionally subordinate the Lease to the lien of the Deed of Trust.

E. It is to the mutual benefit of the parties hereto that CNB make the extension of credit secured by such Deed of Trust; and Tenant is willing that the Deed of Trust shall, when

recorded, constitute a lien or charge upon the Property which is unconditionally prior and superior to the Lease.

1. AGREEMENT:

THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in order to induce CNB to make the extension of credit secured by such Deed of Trust, it is hereby declared, understood and agreed as follows:

1.1 That the Deed of Trust, and any renewals or extensions thereof, shall unconditionally be and remain at all times a lien or charge upon the Property prior and superior to the Lease and for all purposes, the Deed of Trust shall be deemed recorded prior to the execution of the Lease and Lender shall be deemed not to have notice of the Lease within the meaning of California Civil Code 1217;

1.2 That any estate in the Property acquired by Tenant shall be fully subject to the Deed of Trust;

1.3 That CNB would not make the extension of credit secured by such Deed of Trust without this Agreement; and

1.4 That this Agreement shall be the whole and only agreement with regard to the subordination of the Lease to the lien or charge of the Deed of Trust, and shall supersede and cancel, but only insofar as would affect the priority between the Deed of Trust, and the Lease, any prior agreements as to such subordination including, but not limited to, those provisions, if any, contained in the Lease which provide for the subordination of the lien or charge thereof to a deed or deeds of trust or to a mortgage or mortgages.

2. TENANT DECLARES, AGREES AND ACKNOWLEDGES THAT:

2.1 CNB, in making disbursements pursuant to any such extension of credit Deed of Trust, is under no obligation or duty to, nor has CNB represented that it will, see to the application of such proceeds by the person or persons to whom CNB disburses such proceeds and any application or use of such proceeds for the purposes other than those provided in such agreement or agreements shall not defeat the subordination herein made in whole or in part;

2.2 Tenant intentionally and unconditionally waives, relinquishes and subordinates the Lease in favor of the lien or charge upon the Property and understands that in reliance upon, and in consideration of, this waiver, relinquishment and subordination, specific loans and advances are being and will be made pursuant to the extension of credit secured by such Deed of Trust and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into which would not be made or entered into but for said reliance upon this waiver, relinquishment and subordination; and

2.3 Without limiting the provisions of this Agreement, in the event that CNB shall acquire title to the Property, Tenant agrees to look solely to CNB's interest in the Property for the satisfaction of any remedy of Tenant for the collection of a judgment (or other judicial

process) requiring the payment of money by CNB in the event of any default by CNB or any claim, cause of action, obligation, contractual, statutory or otherwise, by Tenant against CNB arising from or in any manner related to the Lease, and no other property or assets of CNB, or any officer, director, shareholder, partner, trustee, agent, servant or employee of CNB shall be subject to levy, execution or other enforcement procedure for the satisfaction of Tenant's remedies under or with respect to the Lease, CNB's obligations to Tenant whether contractual, statutory or otherwise, the relationship of CNB and Tenant hereunder, or Tenant's use or occupancy of the Property.

3. NON-DISTURBANCE AND ATTORNMENT IN FAVOR OF THIRD PARTY TENANTS.

3.1 So long as any lessee under a space lease with Tenant or any other sublessee of Tenant with respect to space in the improvements or the Property or any portion thereof (a "Sublessee"), which is not the City of Beverly Hills or any instrumentality thereof, is not in default under the sublease they are a party to (beyond any period given such sublease to cure such default) as would entitle Owner to terminate the sublease or would cause, without any further action of Owner, the termination of the sublease, or would entitle Owner to dispossess the sublease thereunder, CNB agrees CNB will not disturb the peaceful and quiet possession of the applicable subleased premises by such Sublessee, nor shall the sublease or its appurtenances be extinguished by reason of any Foreclosure of the Deed of Trust or otherwise, nor join the Sublessee as a party in any action or proceeding brought pursuant to the Deed of Trust. Each Sublessee shall be a third party beneficiary of this Section 3.1.

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS PERSON OBLIGATED ON YOUR REAL PROPERTY LEASE TO OBTAIN A LOAN, A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE PROPERTY.

"TENANT"

CITY OF BEVERLY HILLS

By: _____

Barry Brucker,
Mayor

APPROVED AS TO FORM:

Laurence S. Wiener, City Attorney and
Authority Counsel

“OWNER”

CITY OF BEVERLY HILLS PUBLIC
FINANCING AUTHORITY

By: _____
Barry Brucker
Chairman of Board of Directors

ATTEST:

_____ (SEAL)

By: _____
Byron Pope
Secretary to Board of Directors

“CNB”

CITY NATIONAL BANK,
a national banking association

By: _____
Print Name: _____
Title: _____

(ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC)

EXHIBIT "A"

DESCRIPTION OF LAND

A PORTION OF LOT 1 OF TRACT NO. 13349, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 311, PAGE 14 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY AND A PORTION OF LOT 1 OF BLOCK 17 OF TRACT NO. 5647, IN SAID CITY, AS PER MAP RECORDED IN BOOK 60, PAGE 88 OF MAPS, IN SAID OFFICE OF THE COUNTY RECORDER OF SAID COUNTY DESCRIBED AS FOLLOWS:

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Attachment 2

FIRST AMENDMENT TO COMMISSION AGREEMENT

This FIRST AMENDMENT TO COMMISSION AGREEMENT ("First Amendment") is made this 16th day of August, 2011 by and between the City of Beverly Hills ("Owner") and Cushman & Wakefield of California, Inc. ("Broker").

WITNESSETH

WHEREAS, Owner and Broker entered into a Commission Agreement dated November 16, 2009 (the "Agreement").

WHEREAS, Owner and Broker desire to modify the Agreement

NOW, THEREFORE, in consideration of the foregoing recitals and the terms and mutual agreements benefits set forth, the sufficiency of which is hereby acknowledged, the parties hereto do mutually agree as follows:

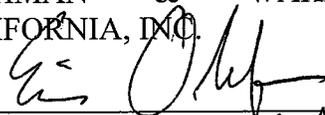
1. Expansion Space. Section 5 of the Agreement is hereby amended by reducing the additional commissions described therein with respect to the Expansion Space described in the First Amendment to Office Lease by fifty percent (50%).

IN WITNESS WHEREOF, the parties hereunto have executed this First Amendment as of the day and year first above written.

CITY OF BEVERLY HILLS

By: _____
Barry Brucker, Mayor

CUSHMAN & WAKEFIELD OF
CALIFORNIA, INC.

By: 
Print Name: Eric Olotzov
Title: Vice Chairman

ATTEST:

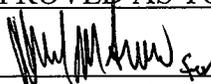
Byron Pope, City Clerk

APPROVED AS TO CONTENT:

Jeffrey Kolin, ICMA-CM,
City Manager

Scott Miller, Director of Administrative
Services/CFO

APPROVED AS TO FORM:



Laurence S. Wiener, City Attorney