



## AGENDA REPORT

**Meeting Date:** February 17, 2009  
**Item Number:** F-15  
**To:** Honorable Mayor & City Council  
**From:** Brenda A. Lavender, Real Estate & Property Manager  
**Subject:** Termination of Lease and Termination of Memorandum of Lease by and between City of Beverly Hills, a municipal corporation and Auto Gallery Motor Cars – Beverly Hills, LLC, a Delaware limited liability company.  
**Attachments:** 1. Termination of Lease and Termination of Memorandum of Lease

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### **RECOMMENDATION**

Staff recommends approval of the Termination of Lease and Termination of Memorandum of Lease by and between City of Beverly Hills, a municipal corporation, and Auto Gallery Motor Cars – Beverly Hills, LLC a Delaware limited liability company. Auto Gallery Motor Cars executed a lease with the City for space in the Beverly Canon property located at 447 N. Canon Drive.

### **INTRODUCTION**

A Termination of Lease and Termination of Memorandum of Lease has been prepared for City Council's approval. This agreement terminates the lease between the City and Auto Gallery Motor Cars for the premises. The City and Auto Gallery Motor Cars entered into a lease in July of 2008 for a high-end auto showroom.

### **DISCUSSION**

Effective February 15, 2009 the lease was to commence with the payment of monthly rent, however due to the changes in the economy Auto Gallery was not able to meet its lease obligations. With the approval of this agreement, the lease terminates, the City will regain possession of the premises, and make it available for lease.

**FISCAL IMPACT**

The fiscal impact of this termination is the loss of the base rent revenue of \$162,495 for 2008/09. However, because this lease was signed in July, 2008 this revenue was not included in the current year budget.



Scott G. Miller, Director of  
Administrative Services, CFO

Approved By

RECORDING REQUESTED BY AND  
WHEN RECORDED MAIL TO:

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

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[Space Above For Recorder's Use Only]

Recording Fee: Exempt pursuant to California  
Government Code Section 27383

**TERMINATION OF LEASE AND TERMINATION OF MEMORANDUM OF LEASE**

THIS TERMINATION OF LEASE AND TERMINATION OF MEMORANDUM OF LEASE (this "**Termination**") is dated \_\_\_\_\_, 2009 and is entered into by and between the CITY OF BEVERLY HILLS ("**Lessor**"), and AUTO GALLERY MOTOR CARS—BEVERLY HILLS, LLC, a Delaware limited liability company ("**Lessee**").

**RECITALS**

A. Lessor and Lessee executed that certain Lease dated July 8, 2008 (the "**Lease**"), for certain premises located at 447 N. Canon, Beverly Hills, California, more particularly described in the Lease. Memorandum of Lease was recorded in the Official Records of Los County, California on December 17, 2008 as Document No. 20082218862 (the "**Recorded Memorandum**").

B. Lessor and Lessee now desire to terminate the Lease and the Recorded Memorandum.

**AGREEMENT**

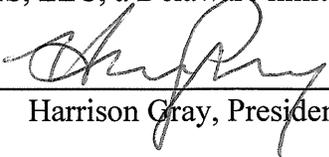
NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Termination.** The Lease and Recorded Memorandum are hereby terminated.
2. **Counterparts.** This Termination 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 Termination as of the date first above written.

LESSEE:

AUTO GALLERY MOTOR CARS—BEVERLY HILLS, LLC, a Delaware limited liability company

By:   
Harrison Gray, President

LESSOR:

CITY OF BEVERLY HILLS,  
a municipal corporation

By: \_\_\_\_\_  
BARRY BRUCKER,  
Mayor of the City of Beverly Hills,  
California

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
BYRON POPE, City Clerk

  
\_\_\_\_\_  
LAURENCE S. WIENER, City Attorney

APPROVED AS TO CONTENT

  
\_\_\_\_\_  
SCOTT MILLER, Chief Financial Officer

**ACKNOWLEDGMENT**

State of California )  
County of Los Angeles )

On 1-26-09 before me, Angela Sasser  
(insert name and title of the officer)

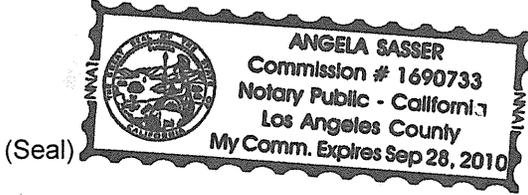
personally appeared Harrison Gray

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 Angela Sasser  
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 \_\_\_\_\_  
Signature of Notary Public

(Seal)