



AGENDA REPORT

Meeting Date: April 7, 2009
Item Number: C-1
To: Honorable Mayor & City Council
From: Brenda A. Lavender, Real Estate & Property Manager
Subject: FIRST AMENDMENT TO LEASE AND MEMORANDUM OF LEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND BOUCHON BEVERLY HILLS, L.P.
Attachments:

1. First Amendment to Lease
2. Memorandum of Lease

RECOMMENDATION

Staff recommends approval of the First Amendment to Lease, and Memorandum of Lease with Bouchon Beverly Hills, L.P. a copy of which is on file in the office of the City Clerk. This amendment adds third floor office space to the leased premises and changes the use of the ground floor space previously leased as bakery into a wine bar. The Executive Director or his designee shall administer the terms of the Lease on behalf of the Parking Authority.

INTRODUCTION

A First Amendment to Lease and Memorandum of Lease has been prepared for City Council approval. This First Amendment to Lease adds 1,169 square feet of office space to the previously leased restaurant spaces. The amendment also changes the use of the previously leased bakery space into a wine bar. The wine bar will operate under the name of Bar Bouchon and will serve lunch and dinner in addition to providing an extensive wine list for dining and purchase. With the addition of the office space Bouchon will occupy space on the first, second and third floors. Bouchon is the anchor tenant for the City of Beverly Hills Gardens Building which is located within the Montage Hotel and Public Gardens Development. The lease will include both a full service fine dining French Bistro and the first of its kind signature wine bar - Bar Bouchon. The Beverly Hills location will be the third Bouchon Bistro location with the first in Napa Valley, CA and the second in Las Vegas, NV (inside the Venetian Hotel). The restaurant will serve both lunch and dinner as well as offer a 2nd floor terrace and private dining areas.

DISCUSSION

The lease space is located within the Montage Hotel, Public Gardens, and City of Beverly Hills Gardens Building Project. The address for the City of Beverly Hills Gardens project is 240 N. Beverly and the restaurant will have a separate address of 235 N. Canon Drive. The total leased premises including the restaurant, wine bar and office space is 12,423 square feet. This is a fifteen (15) year deal, with two (2) 5-year options to extend the term at the then Fair Market Rental Rate. The restaurant is the first lease in the Gardens Building occupying the entire second floor, the majority of the first floor and now office space on the third floor.

FISCAL IMPACT

The Bouchon lease amendment will increase the revenue of the Parking Authority by \$112,224 in Base Rent annually. The General Fund will provide a loan of \$5,440,795 for the tenant improvement allowance on all of the leased space. Base rental revenues will repay the tenant improvement loan. Over the 15-year initial term of the lease, the Parking Authority will realize an increase in revenue of \$18,349,497 net of the tenant improvement allowance and two (2) months of free rent on the entire leased premises.



Scott G. Miller, Director of
Administrative Services, CFO

Approved By

FIRST AMENDMENT

TO LEASE

by and between

**THE PARKING AUTHORITY
OF THE CITY OF BEVERLY HILLS,**
a parking authority established pursuant to
the Parking Law of 1949 of the State of California,

Landlord

and

BOUCHON BEVERLY HILLS, L.P.,
a California limited partnership
(dba: "Bouchon Beverly Hills"),

Tenant

**235 N. Canon Drive
Beverly Hills, California**

DATE: _____, 2009

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (“First Amendment”) is dated as of _____, 2009 (the “Effective Date”), and is entered into by and between THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, a parking authority established pursuant to the Parking Law of 1949 of the State of California (“Landlord”), and BOUCHON BEVERLY HILLS, L.P., a California limited partnership, doing business as “Bouchon Beverly Hills” (“Tenant”).

RECITALS

A. Landlord and Tenant executed that certain Lease (“Original Lease”) by and between Landlord and Tenant dated as of August 18, 2008;

B. Landlord and Tenant desire to amend the Original Lease to, among other things, add additional space to the leased premises and increase the rent accordingly.

AGREEMENT

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:

1. Capitalized terms used in this First Amendment but not defined herein shall have the meanings set forth in the Original Lease.

2. Exhibit “A” to the Original Lease is deleted and replaced in its entirety by Exhibit A, attached hereto.

3. Section 1(e) of the Original Lease is deleted and replaced in its entirety as follows:

“(e) Monthly Rent: Tenant shall pay as Monthly Rent the sums set forth in the column below titled “Monthly Rent,” which equals the sum of (i) rent for the restaurant and wine bar portion of the Premises and (ii) rent for the office portion of the Premises:

Month	Restaurant/Wine Bar Rent	Office Rent	Monthly Rent
1-2	\$0.00	\$0.00	\$0.00
3-24	\$96,786.00	\$9,352.00	\$106,138.00
25-36	\$100,173.51	\$9,679.32	\$109,852.83
37-48	\$103,679.58	\$10,018.10	\$113,697.68
49-60	\$107,308.37	\$10,368.73	\$117,677.10
61-72	\$112,673.79	\$10,887.17	\$123,560.96
73-84	\$116,617.37	\$11,268.22	\$127,885.59
85-96	\$120,698.98	\$11,662.60	\$132,361.58

97-108	\$124,923.44	\$12,070.80	\$136,994.24
109-120	\$129,295.76	\$12,493.27	\$141,789.03
121-132	\$135,760.55	\$13,117.94	\$148,878.49
133-144	\$140,512.17	\$13,577.06	\$154,089.23
145-156	\$145,430.10	\$14,052.26	\$159,482.36
157-168	\$150,520.15	\$14,544.09	\$165,064.24
169-179	\$155,788.35	\$15,053.13	\$170,841.48

4. Section 1(i) of the Original Lease is deleted and replaced in its entirety as follows:

“(i) Permitted Uses: The Premises shall be used for the following permitted uses, and no other use or purpose: (i) a first-class, full-service restaurant operating on the first and second floors of the Building under the “Bouchon” trade name and comparable to the “Bouchon Bistro” located in Yountville, California, (ii) a first-class wine bar, as described herein, operating on the portion of the first floor of the Building designated on Exhibit A for such use, and operating under the name “Bar Bouchon” and (iii) business office space on the portion of the third floor of the Building designated on Exhibit A for such use. That portion of the Premises depicted on Exhibit A as “Premises Wine Bar First Floor” may be used only for a wine bar as described herein, and for no other purpose. That portion of the Premises depicted on Exhibit A as “Premises Storage Room First Floor” may be used only for (i) locker storage for Tenant’s employees, (ii) a coat room, or (iii) storage of materials otherwise permitted under this Lease and necessary to the operation and permitted uses of the restaurant, wine bar and office space, and for no other purpose. That portion of the premises depicted on Exhibit A as “Premises Office Third Floor” may be used only for office space relating to management of the restaurant and wine bar and for no other use.

The permitted use of a wine bar shall be subject to the following terms and conditions: (i) Tenant must make wine bar food available for service to all patrons of the wine bar; (ii) Tenant may conduct outdoor dining operations in the portion of the Building colonnade immediately adjacent to the portion of the first floor of the Building designated on Exhibit A for wine bar use, subject to obtaining all applicable governmental licenses, permits or approvals for outdoor dining; (iii) all food and beverages shall be served by managers, bartenders or waiters, any of which may be assisted by food runners; (iv) Tenant shall submit to Landlord for approval, in Landlord’s sole and absolute discretion, all plans for the design of an outdoor dining area, including any fixtures, furniture or other items used for outdoor dining and a policy for the storage of any items used for

outdoor dining when the wine bar is not in operation; (vii) Tenant shall not submit an application to the City of Beverly Hills for a permit to conduct outdoor dining operations prior to obtaining Landlord's approval, as required and provided herein, of all plans and policies for such operations; (viii) within sixty (60) days after Landlord's approval, as required and provided herein, of all plans and policies for outdoor dining operations, Tenant shall submit an application to the City of Beverly Hills for a permit to conduct outdoor dining operations; (ix) Tenant shall be responsible for obtaining all governmental licenses, permits or approvals necessary to the permitted wine bar use and the serving of alcohol in the outdoor dining area, including without limitation such licenses, permits or approvals as may be required by the City of Beverly Hills or the Alcoholic Beverage Commission."

5. Section 6(a) of the Original Lease is deleted and replaced in its entirety as follows:

"6. COMMON AREA EXPENSE AND MAINTENANCE CHARGES; POSSESSORY INTEREST TAXES.

(a) Tenant shall pay to Landlord as additional Rent, in monthly installments, in advance, on or before the first (1st) day of each month, without demand, offset, abatement or deduction, except as expressly provided in Section 12(c), Section 19 and Section 20, the following sums for CAM Costs (as defined in Section 6(b) below):

(i) For the first twelve (12) months after the Commencement Date, Tenant shall pay One Thousand Thirty-five and 25/100 Dollars (\$1,035.25) per month. Within sixteen (16) months after the Commencement Date, Landlord shall calculate and provide Tenant a description of the actual CAM Costs for the first twelve (12) months of the Lease and Tenant shall pay to Landlord within thirty (30) days thereafter the lesser of (i) the amount by which forty-seven percent (47%) of such actual CAM Costs exceed Twelve Thousand Four Hundred Twenty-three and 00/100 Dollars (\$12,423.00) (*i.e.*, the aggregate CAM Costs paid by Tenant during the first twelve (12) months of the Lease) or (ii) Twelve Thousand Fifty and 31/100 Dollars (\$12,050.31). Landlord and Tenant stipulate and agree that Tenant's share of actual CAM Costs shall be forty-seven percent (47%) of the total CAM Costs for the Building and that there shall be no adjustment in this share calculation as a result of any inaccuracy in the measurement of the Premises or the Building or any re-measurement of the Premises or the Building.

(ii) During the following year of the Term (*i.e.*, the second full year of the Term), Tenant's monthly charge shall equal the lesser of: (i) the average monthly actual CAM Costs for first twelve (12) months of the Term or (ii) Two Thousand Thirty-nine and 44/100 Dollars

(\$2,039.44). Such sum shall be increased on the second anniversary of the Commencement Date (and such recalculated sum shall be increased on each subsequent anniversary of the Commencement Date), by a percentage equal to the percentage increase in the United States Department of Labor, Bureau of Labor Statistics' Consumer Price Index for All Urban Consumers for the Los Angeles-Anaheim-Riverside statistical area (CPI-U) (1982-84=100) the ("CPI") for the immediately preceding year, which shall be calculated by multiplying the then-current amount payable by Tenant for CAM Costs by a fraction, the numerator of which shall be the CPI most recently published prior to the beginning of such immediately preceding year and the denominator of which shall be the CPI most recently published prior to the end of such immediately preceding year. Should the Bureau of Labor Statistics discontinue the publication of the Index, or publish the same less frequently or alter the same in some other manner, then the most nearly comparable index or procedure as reasonably determined by Landlord, or substituted by the United States Department of Labor, Bureau of Labor Statistics, shall be substituted therefor.

(iii) During the period from the first anniversary of the Commencement Date until the date on which Landlord notifies Tenant of the new monthly installment amount for CAM Costs, and during any other period in which Landlord has not yet notified Tenant of the applicable adjustment in monthly CAM Costs payable by Tenant, Tenant shall continue to pay monthly CAM Costs at the previous rate. Within ten (10) days after Landlord notifies Tenant in writing of the new rate, Tenant shall pay to Landlord, as additional Rent, without deduction or offset, the amount by which Tenant shall have underpaid CAM Costs since the previous anniversary of the Commencement Date."

6. Section 7(c) of the Original Lease is hereby deleted and replaced in its entirety as follows:

"(c) With the exception of a single annual closure of the Premises for vacation and holiday purposes not to exceed seven (7) consecutive days and not to occur concurrently with any bank holidays, Tenant shall continuously operate its businesses in the Premises, except holidays (or during such greater hours and other days as Tenant may desire), and subject to interruptions by Landlord in connection with Landlord's exercise or performance of its obligations under this Lease, and other interruptions beyond the control of Tenant (excluding the financial condition of Tenant), during the following hours:

(i) the restaurant from 11:00 a.m. through 1:00 a.m.;

(ii) the wine bar from 11:00 a.m. until 11:00 p.m. (or, at Tenant's discretion, until 1:00 a.m.).

(iii) the business office during any time at Tenant's discretion.”

7. Section 7(d) of the Original Lease is hereby deleted and replaced in its entirety as follows:

“(d) Except for supplies typically used in a restaurant or business office in the ordinary course of business, such as ink and cleaning solvents, for use in the manner for which they were designed and in accordance with applicable laws, in such amounts as may be normal for the restaurant or business office operations conducted by Tenant in the Premises, neither Tenant nor any subtenant nor any of their respective employees, agents, representatives, contractors, licensees or invitees, shall use, handle, store or dispose of any Hazardous Materials in, on, under or about the Premises or Building. In the event of a breach of the covenant contained in the immediately preceding sentence, or in the event Hazardous Materials are released or otherwise caused to be located in, on, under or about the Premises or Building by Tenant, any of its subtenants, or any of their respective employees, agents, representatives, contractors, licensees or invitees, Tenant shall be solely responsible for and shall indemnify, defend and hold Landlord harmless from and against any and all claims, judgments, damages, penalties, fines, costs, liabilities and losses (including, without limitation, diminution in valuation of the Premises or Building, and sums paid in settlement of claims and for reasonable attorneys' fees, consultant fees and expert fees) which arise during or after the Term as a result of any contamination directly or indirectly arising from the activities which are the basis for such breach. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the Premises and/or Building to the condition existing prior to the introduction of any such Hazardous Materials, provided Landlord's approval of such actions shall first be obtained and Tenant shall fully cooperate in connection with any such clean-up, restoration or other work, at Tenant's sole cost and expense. Furthermore, Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or the Premises concerning the presence of any Hazardous Materials. Tenant acknowledges that Landlord, at Landlord's election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued by any governmental authority with regard to any Hazardous Materials contamination which Tenant is obligated hereunder to remediate. The

covenants of Tenant under this Section shall survive the expiration of the Term or earlier termination of this Lease.

Notwithstanding anything contained herein to the contrary, Landlord shall be responsible, at Landlord's cost and expense, for any Hazardous Materials existing at the Premises as of the Effective Date, and Landlord hereby agrees to indemnify, defend and hold Tenant harmless from and against any claims or damages arising out of any such Hazardous Materials located at the Premises as of the Effective Date.

As used in this Lease, "Hazardous Materials" shall mean asbestos, petroleum fuel, natural gas or any fraction thereof, and any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United States Government, including, but not limited to, any material or substance defined as a "hazardous waste," "extremely hazardous waste," "restricted hazardous waste," "hazardous substance," "hazardous material" or "toxic pollutant" under state or federal laws, statutes or regulations, including, without limitation, the California Health and Safety Code and/or under the Comprehensive Environmental Response, Compensation and Liability Act, 42. U.S.C. §9601, et seq."

8. Section 21(b)(ii) of the Original Lease is hereby deleted and replaced in its entirety as follows:

"(ii) The Permitted Transferee shall continue to operate the same business as is then operated at the Premises and shall operate it under the trade names "Bouchon" and "Bar Bouchon."

9. Section 33 of the Original Lease is hereby deleted and replaced in its entirety as follows:

"33. **RADIUS RESTRICTION.** Tenant hereby covenants and agrees, as a material inducement to Landlord in Landlord's entering into this Lease, that while this Lease is in effect, neither Tenant nor any person or entity affiliated with Tenant, nor Thomas Keller or any entity controlled or owned, directly or indirectly, in whole or in part, by Thomas Keller, shall have any ownership interest (direct or indirect) or operate (directly or indirectly) (i) any restaurant operating under the "Bouchon" trade name, (ii) any French restaurant, including any restaurant operating as a French bistro or French café, (iii) any restaurant which constitutes a fine dining restaurant comparable to restaurants operating under the trade names "French Laundry" in Yountville, California or "Per Se" in Manhattan, New York, (iv) any wine bar operating under the "Bouchon" or "Bar Bouchon" trade names, or (v) any wine bar conducting operations permitted for use under this Lease, in each case if such restaurant or wine bar is opened after the Effective Date and its front door or storefront

opening is located within the area depicted on Exhibit D (the "Radius Restriction Area").

10. Section D.1 of Exhibit B-2 of the Original Lease is hereby deleted and replaced in its entirety as follows:

"1. Provided Tenant is not in default under this Lease beyond any applicable notice and cure period, Landlord agrees to contribute up to the sum of Five Million Four Hundred Forty Thousand Seven Hundred Ninety-Five and 00/100 Dollars (\$5,440,795.00) for the actual costs of Tenant Improvements (and for the actual costs of the public restroom improvements described in Section 2(d) of this Lease) but not for Tenant's furniture or signs (said sum, as reduced pursuant to the next sentence, is hereinafter referred to as the "Tenant Improvement Allowance"). In no event shall any unused portion of the Tenant Improvement Allowance be paid to Tenant or credited against any obligation payable by Tenant under this Lease."

11. Tenant and Landlord shall execute and acknowledge a short form memorandum of the Original Lease as amended by this First Amendment in the form attached hereto as Exhibit B. Upon the expiration or earlier termination of this Lease for any reason, Tenant shall within three (3) business days following written request by Landlord, deliver to Landlord an executed, acknowledged and recordable quitclaim deed conveying to Landlord any and all interest Tenant may have under this Lease.

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

13. Except as specifically modified by this First Amendment, the Original Lease shall remain unaffected and unchanged by reason of this First Amendment. The Original Lease is hereby ratified and affirmed by Tenant and remains in full force and effect as modified hereby.

14. 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.

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

(Signatures continue on next page)

TENANT:

BOUCHON BEVERLY HILLS, L.P.,
a California limited partnership
(dba: Bouchon Beverly Hills)

By: Bouchon Beverly Hills, LLC,
a California limited liability company,
the sole general partner

By: 
Thomas Keller, Manager

LANDLORD:

ATTEST:

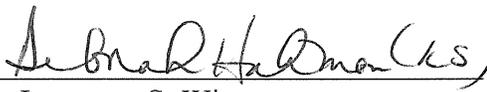
THE PARKING AUTHORITY
OF THE CITY OF BEVERLY HILLS,
a parking authority established pursuant to the
Parking Law of 1949 of the State of California

_____(Seal)
Byron Pope
Secretary to Board of Directors

By: _____
Nancy Krasne
Chairman of Board of Directors

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

By: 
Laurence S. Wiener
Authority Counsel

By: _____
Roderick Wood,
Executive Director


By: _____
Scott Miller,
Chief Financial Officer

EXHIBIT A

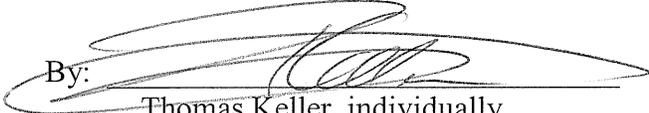
DIAGRAM OF PREMISES

(Attached.)

REAFFIRMATION BY GUARANTORS

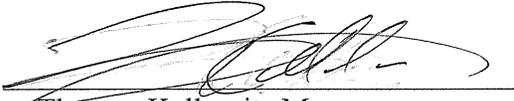
The undersigned guarantors under that certain Guaranty of Lease dated as of August 18, 2008 (“Guaranty”) in regard to the Lease by and between The Parking Authority Of The City Of Beverly Hills and Bouchon Beverly Hills, L.P. dated as of August 18, 2008 (“Lease”), hereby: (i) approve the foregoing First Amendment to the Lease; (ii) agree that the First Amendment to the Lease shall not release or waive any of the undersigned’s obligations under the Guaranty; and (iii) agree that the Guaranty and all obligations therein are hereby reaffirmed and shall remain in full force and effect and apply to the Lease as modified by the foregoing First Amendment.

Dated: 2/20, 2009 THOMAS KELLER

By: 

Thomas Keller, individually
6540 Washington Street
Yountville, CA

Dated: 2/20, 2009 SHAMUS & PEABODY, LLC
a California limited liability company

By: 

Thomas Keller, its Manager
6540 Washington Street
Yountville, CA

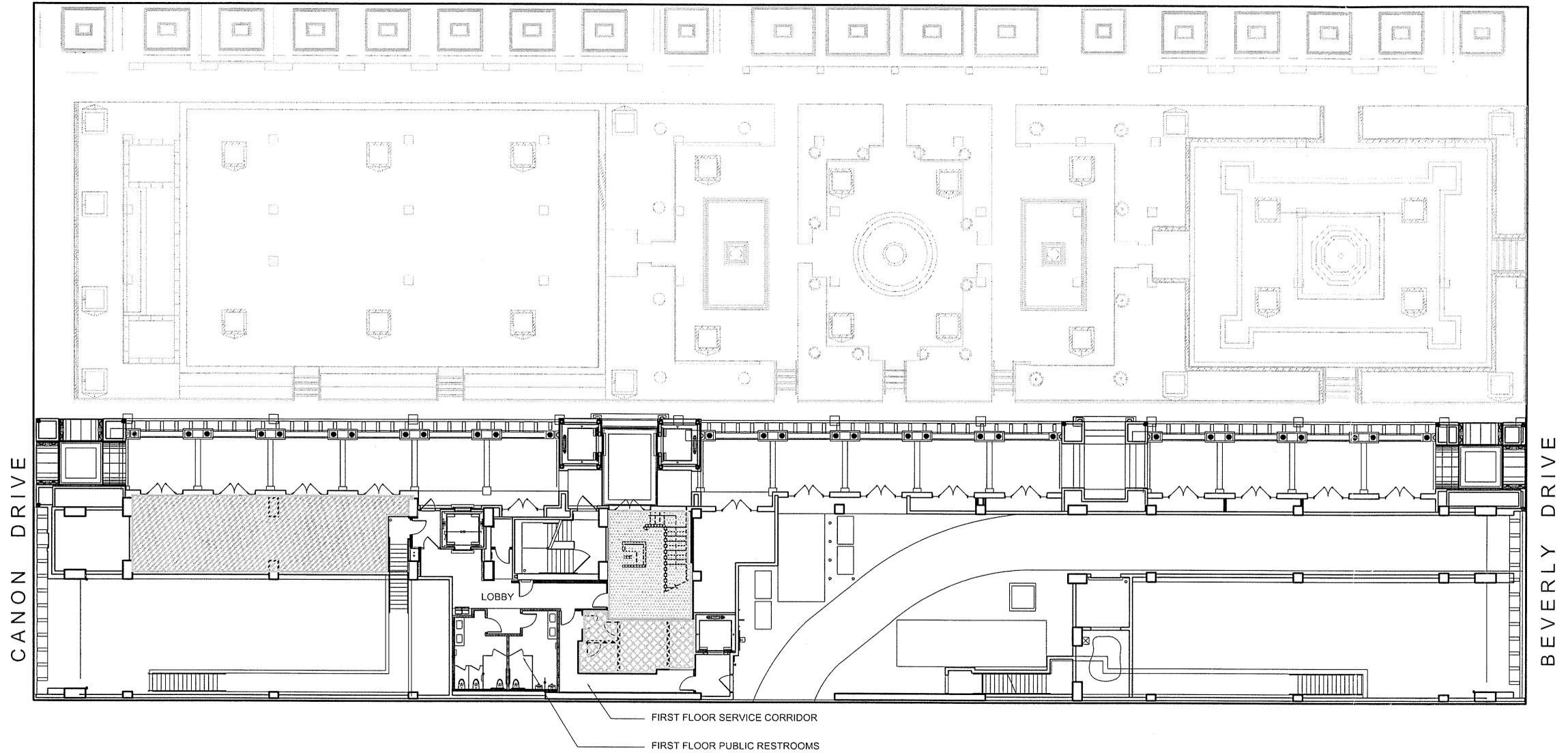
Dated: 2/20, 2009 BOUCHON, L.P.,
a California limited partnership

By: Bouchon , LLC,
a California limited liability company,
the sole general partner

By: 

Thomas Keller, Manager
6540 Washington Street
Yountville, CA

Exhibit A

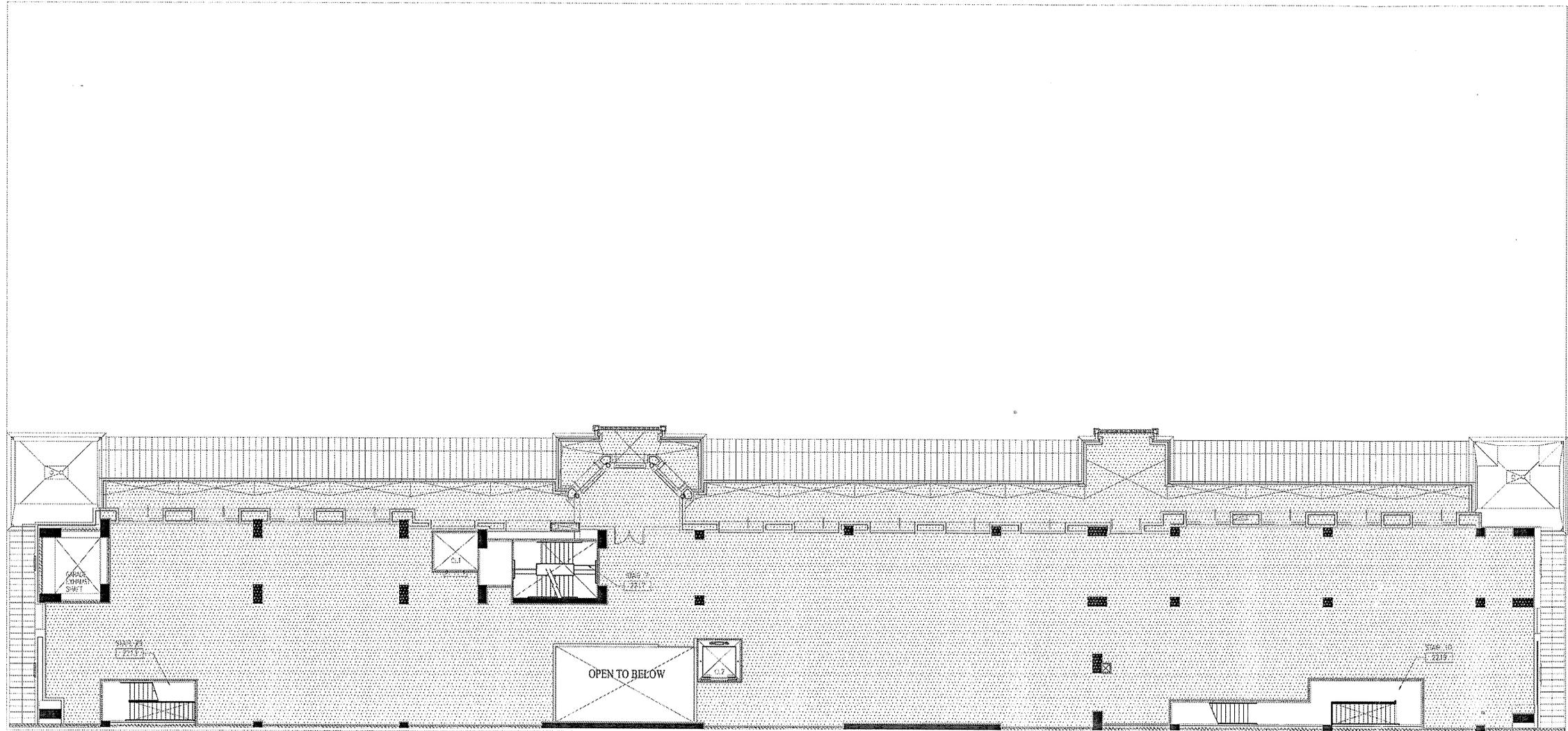


LEGEND:

-  PREMISES RESTAURANT FIRST FLOOR
-  PREMISES WINE BAR FIRST FLOOR
-  PREMISES STORAGE ROOM FIRST FLOOR

**BEVERLY HILLS GARDENS BUILDING
FIRST FLOOR PLAN**

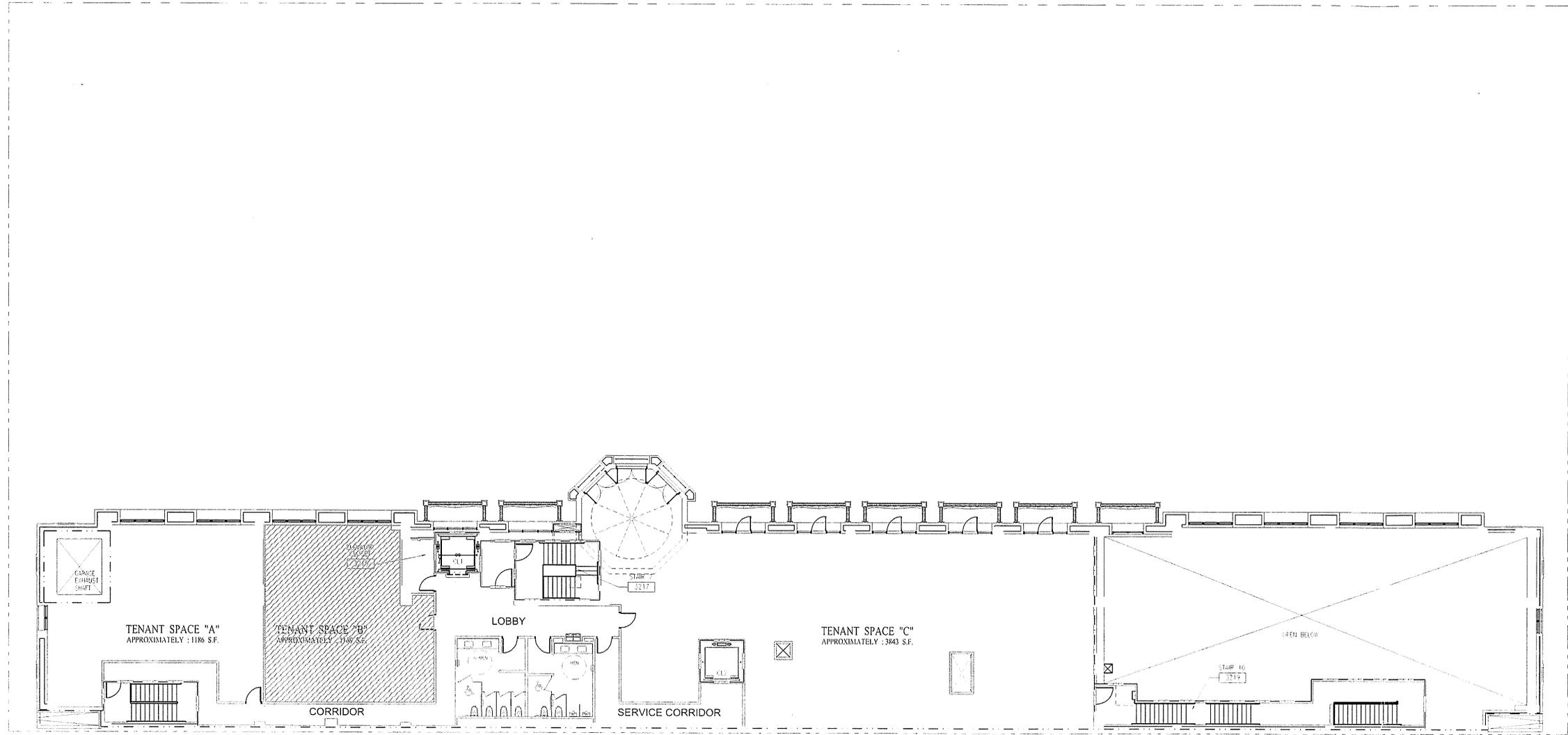
EXHIBIT "A"



LEGEND:

 PREMISES RESTAURANT SECOND FLOOR

**BEVERLY HILLS GARDENS BUILDING
SECOND FLOOR PLAN**



LEGEND:

 PREMISES OFFICE THIRD FLOOR

**BEVERLY HILLS GARDENS BUILDING
THIRD FLOOR PLAN**

EXHIBIT "A"

Exhibit B

MEMORANDUM OF LEASE

RECORDING REQUESTED BY:

WHEN RECORDED RETURN TO:

Parking Authority of the 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 Memorandum of 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.

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "**Memorandum**") is made as of _____ 2009, by and between the PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, a parking authority established pursuant to the Parking Law of 1949 of the State of California ("Authority"), and BOUCHON BEVERLY HILLS, L.P., a California limited partnership ("Tenant"), with respect to the following recitals:

RECITALS

A. Tenant and Authority have entered into that certain Lease (the "Lease") dated as of August 18, 2008. A Memorandum of Lease was recorded on _____. Tenant and Authority have amended said Lease (the "First Amendment") as of _____, 2009. Pursuant to the terms of the Lease, as amended by the First Amendment, Authority has agreed to lease and demise to Tenant, and Tenant has agreed to lease and accept from Authority, a portion (the "Premises") of that certain building located in the City of Beverly Hills, County of Los Angeles, State of California, commonly known as 240 N. Beverly Drive. The Building is located on the land more particularly described on Exhibit A attached hereto (the "Property"). The Premises are more particularly described in the Lease and the First Amendment.

B. Tenant and Authority now desire to enter into this Memorandum to provide record notice of the Lease, as amended by the First Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant and Authority agree as follows:

1. Lease. Authority hereby leases and demises to Tenant, and Tenant hereby leases and accepts from Authority, the portion of the Property defined as the "Premises" in the Lease, as amended by the First Amendment, for an initial term of 179 months at the rental rate and upon the other terms and conditions set forth in the Lease as amended by the First Amendment (including any options therein to extend the Term of the Lease), which terms and conditions are incorporated herein by this reference.

2. Purpose. This Memorandum is prepared for the purposes of recordation only and in no way modifies the terms and conditions of the Lease as amended by the First Amendment. In the event any provision of this Memorandum is inconsistent with any term or condition of the Lease as amended by the First Amendment, the term or condition of the Lease as amended by the First Amendment shall prevail.

3. Counterparts. This Memorandum 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, the parties hereto have executed this Memorandum of Lease as of the date first written above.

LANDLORD:

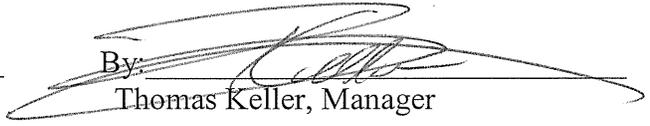
THE PARKING AUTHORITY
OF THE CITY OF BEVERLY HILLS,
a parking authority established pursuant
to the Parking Law of 1949 of the State
of California

TENANT:

BOUCHON BEVERLY HILLS, L.P.,
a California limited partnership
(dba: Bouchon Beverly Hills)

By: Bouchon Beverly Hills, LLC,
a California limited liability company,
the sole general partner

By: _____
Nancy Krasne
Chairman of Board of Directors

By: 
Thomas Keller, Manager

ATTEST:

By: _____
Byron Pope
Secretary to Board of Directors

(SEAL)

ACKNOWLEDGMENT

State of California)
County of Napa)

On 9-19-2008 before me, Elizabeth Mayhew
(insert name and title of the officer)

personally appeared Thomas Keller

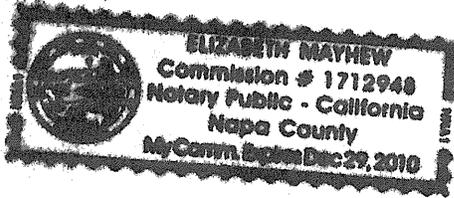
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), 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 Elizabeth Mayhew
Signature of Notary Public

(Seal)



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

EXHIBIT "A"

TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION OF PROPERTY

Lots 6, 7, 8, 22, 23, and 24, in Block 11 of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per the map recorded in book 11, page 94 of Maps, in the Official Records of said County.