



AGENDA REPORT

Meeting Date: November 16, 2010
Item Number: F-9
To: Honorable Mayor & City Council
From: Brenda A. Lavender, Real Estate & Property Manager
Subject: Lease Modification Agreement between the City of Beverly Hills and Margaret Kevorkian dba Beverly Cleaners
Attachments: 1. Lease Modification Agreement

RECOMMENDATION

It is recommended that the City Council approve the Lease Modification Amendment by and between the City of Beverly Hills and Margaret Kevorkian dba Beverly Cleaners. A copy of the Lease Modification is on file with the City Clerk. Beverly Cleaners is located at 309 N. Crescent Drive.

INTRODUCTION

This amendment reduces the monthly base rent by 10% for a period of 12 months. The current rent is \$3,325.00 monthly and this 10% adjustment reduces it to \$2,993.00. Effective November 1, 2011 the monthly base rent will adjust to \$3,325 and all future CPI adjustments will resume.

Beverly Cleaners is one of the long-standing Crescent Drive Tenants; the original lease for the cleaners was approved in 1983.

DISCUSSION

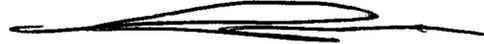
Beverly Cleaners is one of the City's Crescent Drive Tenants with rental rates well below market. City has continued its commitment to the community by providing below market rental rates to businesses such as Beverly Cleaners so that these businesses are able to stay in the City and provide quality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

The changes in the economy have affected the cleaners business, and Mrs. Kevorkian is challenged to keep the business open. Without a rent reduction, the store would close.

Meeting Date: November 16, 2010

FISCAL IMPACT

The fiscal impact of the extension of this lease is a reduction in annual revenue of \$3,984.00.



Scott G. Miller, Director of
Administrative Services, CFO

Approved By

Attachment 1

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

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

(space above line for recorder's use)

The undersigned declare that this Lease Modification Agreement 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 11911 (transfer for no consideration or value).

LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT (this "**Agreement**") is dated as of November 16, 2010 (the "**Effective Date**"), and is entered into by and between MARGARET KEVORKIAN (dba "Beverly Cleaners") ("**Lessee**"), and the CITY OF BEVERLY HILLS, a California municipal corporation ("**City**").

RECITALS

A. City and Iraj Aziz-Lavi, as lessee, entered into that certain Lease dated November 1, 1983 (the "**Original Lease**"), for a portion of the building located at 309 North Crescent Drive, Beverly Hills, California (the "**Premises**").

B. The Original Lease was subsequently modified by that certain Amendment dated June 5, 1984, executed by City and Iraj Aziz-Lavi (the "**First Amendment**").

C. The lessee's interest in the Original Lease (as modified by the First Amendment) was subsequently assigned pursuant to that certain Modification, Extension, Assignment, Assumption and Consent Agreement dated as of December 13, 1988, executed by City, Iraj Aziz-Lavi and Beverly Cleaners, Inc., as assignee (the "**Second Amendment**").

D. The Original Lease (as modified by the First Amendment and the Second Amendment) was subsequently modified by that certain Modification and Extension Agreement dated as of December 7, 1993, executed by City and Beverly Cleaners, Inc. (the "**Third Amendment**").

E. The Original Lease, as amended by the First Amendment, Second Amendment and Third Amendment was then assigned to Lessee and modified by that certain Assignment, Assumption Consent and Modification Agreement dated March 18, 2004 recorded in the Official Record of Los Angeles County as Document No. 041278642 (the "**Fourth Amendment**"). The Premises are described on Exhibit "A" to the Fourth Amendment.

F. The Original Lease, as so modified, was further modified by a Lease Modification Agreement dated December 2, 2008 which was recorded on January 12, 2009 as Document No. 20090038952 in the Official Records of Los Angeles County (the "Fifth Amendment").

G. The Original Lease, as modified and assigned pursuant to the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment, is hereinafter referred to as the "**Lease**."

H. The lessee's obligations under the Lease are guaranteed pursuant to (1) that certain undated Guaranty of Lease executed by Iraj Aziz-Lavi in favor of City; (2) that certain Guaranty of Lease dated December 7, 1988, executed by Lessee in favor of City; and (3) that certain Guaranty of Lease dated November 12, 1993, executed by Assignee and George Kevorkian in favor of City (collectively, the "**Guaranty**").

I. City and Lessee desire to modify certain provisions of the Lease, all as more particularly provided herein.

A G R E E M E N T

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

1. Temporary Reduction in Monthly Rent. From November 1, 2010 to October 31, 2011, the monthly rent shall be Two Thousand and Nine Hundred Ninety Three and No/100 (\$2,993.00). On November 1, 2011, the monthly rent shall increase to Three Thousand Three Hundred Twenty Five and No/100 Dollars (\$3,325.00) and shall be subject to annual increases on January 1 of each calendar year pursuant to the terms of Section 4.B of the Lease.

2. Conflict. In the event of a conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Agreement, the terms and conditions of this Agreement shall prevail and control.

3. Continuing Effect. Except as specifically modified hereby, the Lease shall remain unaffected and unchanged by reason of this Agreement. The Lease is ratified and affirmed by Lessee and remains in full force and effect as modified hereby.

4. Authority. Each party hereto represents and warrants to the other parties hereto that it has all requisite power and authority to execute and deliver, and to perform all of its obligations under, this Agreement, and that nothing prohibits or restricts its right or ability to close the transactions contemplated hereunder and carry out the terms hereof.

5. Attorneys' Fees. In the event of any litigation between the parties hereto arising out of this Agreement, the losing party shall pay the prevailing party's costs and expenses of such litigation, including, without limitation, reasonable attorneys' fees.

6. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties hereto and their successors and assigns.

7. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

LESSEE:


MARGARET KEVORKIAN

CITY:

CITY OF BEVERLY HILLS,
a California municipal corporation

By: _____

Jimmy Delshad, Mayor

ATTEST:

Byron Pope, City Clerk

APPROVED AS TO FORM:



Laurence S. Wiener, City Attorney

APPROVED AS TO CONTENT:

Jeffrey Kolin, City Manager



Scott Miller,
Chief Financial Officer

ACKNOWLEDGMENT

State of California)

County of Los Angeles)

On November 8, 2010 before me, Bryan Binns
(insert name and title of the officer)

personally appeared Margaret Keorkian, 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]
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 _____
Signature of Notary Public

(Seal)