



AGENDA REPORT

Meeting Date: December 21, 2010
Item Number: F-10
To: Honorable Mayor & City Council
From: Brenda A. Lavender, Real Estate & Property Manager
Subject: **SIXTH AMENDMENT TO LEASE BY AND BETWEEN THE CITY OF BEVERLY HILLS AND FEDEX OFFICE AND PRINT SERVICES, INC., A TEXAS COPORATION**
Attachments: 1. Sixth Amendment to Lease

RECOMMENDATION

It is recommended that the City Council approves the Sixth Amendment to Lease by and between the City of Beverly Hills and FedEx Office and Print Services. A copy of the lease is on file with the City Clerk. FedEx Office and Print is located at 461 North Bedford Drive, Beverly Hills.

INTRODUCTION

This amendment reduces the base rent by 10% from \$6,802.49 to \$6,122.24 for the duration of the term. The amendment extends the lease term by two (2) years with a new expiration date of January 31, 2013.

DISCUSSION

FedEx has been a tenant of the City of Beverly Hills since June 1982. This location continues to be a challenge for FedEx both financially and operationally. FedEx Corporation and its associated companies continue to be affected by the economic downturn and are downsizing and reducing locations throughout the country. The City's approval of the 10% rent reduction allowed the store to continue to operate and extend the lease term of two (2) years.

FISCAL IMPACT

The annual Fiscal impact of this transaction is \$73,466.68 in revenue from the extension of the lease term. There are no out of pocket costs for the City.


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 For Recorder's Use Only]

The undersigned Lessor declares that this Sixth Amendment to Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

SIXTH AMENDMENT TO LEASE

THIS SIXTH AMENDMENT TO LEASE (this "**Amendment**") is dated as of ~~November 16,~~ December 21, 2010, and is entered into by and between the CITY OF BEVERLY HILLS, a municipal corporation ("**Lessor**") and FEDEX OFFICE AND PRINT SERVICES, INC., a Texas corporation ("**Lessee**").

RECITALS

A. Lessor and Lessee entered into that certain Lease Agreement dated December 7, 1982 and amended it by amendments dated October 20, 1992, May 5, 1998, June 5, 2001 and May 23, 2006 (recorded August 25, 2006 as Document 061904831) and January 5, 2010 (recorded May 7, 2010 as Document No. 20100627717) (the "**Lease**"). The Lease affects a portion of the building located at 461 North Bedford Drive, Beverly Hills, California (the "**Premises**").

B. Lessor and Lessee now desire to amend the Lease in order to, among other things, extend the term of the Lease, as more specifically set forth below.

AGREEMENT

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

1. **Extension of Term.** Section 2 of the Lease is hereby amended to extend the expiration of the term of the Lease from February 1, 2011 to January 31, 2013.

2. **Rent.** The following is hereby added to the end of Section 3A of the Lease:

"The fixed minimum rent shall be Six Thousand One Hundred Twenty-Two Dollars and 24/100 (\$6,122.24) per month commencing on February 1, 2011, and continuing until the end of the term of this Lease."

3. **Signage; Change in Tenant's Trade Name.** Tenant may, at Tenant's sole cost and expense and subject to compliance with all applicable laws and ordinances, change Tenant's signage at the Premises to reflect any change in Tenant's trade name provided that Tenant first

obtains Landlord's prior written consent to the signage changes (in its proprietary capacity as the landlord under the Lease), and Landlord will not unreasonably withhold such consent if Tenant provides reasonable evidence to Landlord that the trade name change and signage change(s) apply to all locations owned or leased by Tenant and are not being applied "selectively" to the Premises.

4. Notices. The addresses for Notices for Tenant under Section 30 of the Lease are (and the sentence following such address) hereby changed to:

Fedex Office and Print Services, Inc.
Three Galleria Tower
13155 Noel Road, Suite 1600
Dallas, Texas 75240
Attn: Managing Director, Senior Real Estate Counsel

Notices may be given by certified mail, return receipt requested (and such notices shall be deemed given when delivered or when delivery is referenced as shown on the return receipt) or by reputable overnight messenger service (and such Notices shall be deemed delivered one (1) business day after delivery with such service)."

5. Brokers. Lessee shall indemnify, defend and hold City harmless from and against any claims that may be asserted against City by any real estate broker, salesperson or finder in connection with this Amendment. Lessor represents and warrants that Lessor has not engaged any real estate broker, salesperson or finder in connection with this Amendment.

6. Representations and Warranties of Lessee. Lessee hereby represents and warrants to Lessor as of the date hereof that: (a) to the best of Lessee's knowledge, Lessee is not in default under the Lease, and (b) Lessee has not committed any act or omission that, after notice or the passage of time, or both, would constitute a default or event of default under the Lease.

7. Surrender. Notwithstanding anything in the Lease to the contrary, Lessee's only obligation when surrendering the Premises to Lessor will be to leave the Premises in a broom-clean condition and make any repairs required by any removal of the exterior signage.

8. Conflict. 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.

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

10. 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.

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

LESSOR:

CITY OF BEVERLY HILLS,
a municipal corporation

By: _____
Jimmy Delshad, Mayor

ATTEST:

Byron Pope, City Clerk

APPROVED AS TO FORM:

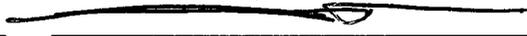


Laurence S. Wiener, City Attorney

APPROVED AS TO CONTENT:

Jeffrey Kolin, ICMA-CM, City Manager

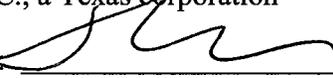
APPROVED AS TO CONTENT:



Scott Miller,
Director of Administrative Services/CFO

LESSEE:

FEDEX OFFICE AND PRINT SERVICES,
INC., a Texas corporation

By: 

Norman E. McLeod,
Vice President of Development and
Real Estate



Approved
as to legal terms

ACKNOWLEDGMENT

State of California)
)
County of _____)

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

personally appeared _____,

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

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

WITNESS my hand and official seal.

Signature _____ (Seal)
Signature of Notary Public

ACKNOWLEDGMENT

State of Texas)
)
County of Dallas)

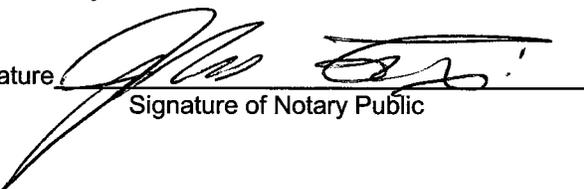
On Nov. 29, 2010 before me, Norman McLeod, VP. of Development & Real Estate
(insert name and title of the officer)

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 Texas that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)
Signature of Notary Public

