



AGENDA REPORT

Meeting Date: April 21, 2011
Item Number: G-8
To: Honorable Mayor & City Council
From: Brenda Lavender, Real Estate & Property Management Manager
Subject: RESIDENTIAL LEASE AND MEMORANDUM OF LEASE BY AND BETWEEN THE CITY OF BEVERLY HILLS AND DYLAN AND CASONDRA RUGA

Attachments:

1. Residential Lease
2. Memorandum of Lease

RECOMMENDATION

It is recommended that the City Council approve the Residential Lease and Memorandum of Lease by and between the City of Beverly Hills and Dylan and Casondra Ruga. A copy of the lease is on file with the City Clerk. If approved the Rugas will lease the City owned residence at 265 S. LaPeer Drive.

INTRODUCTION

Staff advertised the availability of the City owned single family residence at 265 S. LaPeer Drive to the general public in March. Staff received immediate interest in the location and arranged an open. Multiple applications were received for the rental of the residence as a result of the open house.

DISCUSSION

As a part of the application process, staff reviewed credit reports, confirmed employment, rental history and talked to references. Based on all the information received from the application process Dylan and Casondra Ruga were the successful applicants. Mr. and Mrs. Ruga have agreed to sign a one year lease for the rental of the house. The Rugas will be responsible for contracting directly with and paying for all of the household utilities such as gas, electrical, water and trash service and for the regular maintenance of the house including landscaping, and jacuzzi maintenance. The City would be responsible for major repairs and replacement to the structure, roof, foundation and equipment such as air conditioning repairs beyond regular service and

Meeting Date: April 21, 2011

maintenance. The monthly rental rate for the house during the one year term is \$4,500. A security deposit of \$4,950 will be posted by the renters and includes a \$450 security deposit for the Rugas dog.

FISCAL IMPACT

The fiscal impact of this lease is monthly rent of \$4,500 and annual revenue of \$54,000.


Scott G. Miller, Director of
Administrative Services, CFO

Approved By

Attachment 1

RESIDENTIAL LEASE

THIS RESIDENTIAL LEASE (the "Lease") is dated as of April 21, 2011, and is entered into between the CITY OF BEVERLY HILLS, a California municipal corporation ("Landlord") and DYLAN RUGA and CASONDRA RUGA (collectively, "Tenant").

1. **PROPERTY:**

- A. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, the land described on Exhibit "A" and the improvements thereon located at 265 South La Peer Drive in the City of Beverly Hills, California (collectively, the "Premises").
- B. The Premises are for the sole use as a personal residence by Tenant and members of Tenant's household, including one (1) dog (the "Authorized Occupants").
- C. If parking in the area of La Peer Drive near the Premises requires a parking permit from the City of Beverly Hills (in its governmental capacity), then Landlord will, in its proprietary capacity as owner of the Premises and as the Landlord under this Lease, reasonably cooperate with Tenant in obtaining such permits at the cost of Tenant.

2. **TERM; EXTENSION OPTION:** The term of this Lease shall begin on April 23, 2011 ("Commencement Date") and shall continue until April 23, 2012 ("Expiration Date"); provided, however, that if Landlord does not notify Tenant in writing on or before February 23, 2012 that Landlord is not willing to extend Tenant's occupancy beyond April 23, 2012, then this Lease shall continue after the Expiration Date as a hold-over tenancy on the terms of this Lease except that such tenancy shall be terminable by either party upon at least sixty (60) days' prior written notice to the other.

3. **RENT:** All monetary obligations of Tenant to Landlord under this Lease, except the security deposit, shall be deemed to be rent.

Tenant agrees to pay monthly rent in the amount of \$4,500 per month, in advance, on the 1st day of each calendar month, by personal check, money order, or cashier's check to City of Beverly Hills at 455 North Rexford Drive, Beverly Hills, California 90210 (or at any other location subsequently specified by Landlord in writing to Tenant). If any payment is returned for non-sufficient funds ("NSF") or because Tenant stops payment, then, after that Landlord may by written notice to Tenant require Tenant to pay all future Rent by cashier's check.

4. **FIRST MONTH'S RENT/LAST MONTH'S RENT:** Prior to commencement of the Term, Tenant shall pay the prorated rent, for the portion of the Term in April (i.e., \$1,200.00) by personal check, cashier's check, or money order. If this Lease is not terminated on the last day of a calendar month, then the last month's rent shall be prorated based upon the number of days in the month.

5. **LATE CHARGE; RETURNED CHECKS:**

- A. Tenant acknowledges that either late payment of monthly rent or issuance of a returned check may cause Landlord to incur costs and expenses, the exact amounts of which are extremely difficult and impractical to determine. These costs may include, but are not limited to, processing, enforcement and accounting expenses. If any installment of Rent due from Tenant is not received by Landlord within five (5) calendar days after the date due, or if a check is returned, Tenant shall pay to Landlord, respectively, an additional sum of \$25 as a late charge and \$15.00 as an NSF fee for the first returned check and \$25.00 as an NSF fee for each additional returned check, all of which shall be deemed additional Rent.
- B. Landlord and Tenant agree that these charges represent a fair and reasonable estimate of the costs Landlord may incur by reason of Tenant's late or NSF payment. Any late charge or NSF fee due shall be paid with the current installment of Rent. Landlord's acceptance of any late charge or NSF fee shall not constitute a waiver as to any default of Tenant. Landlord's right to collect a late charge or NSF fee shall not be deemed an extension of the date monthly rent is due under Section 3 above or prevent Landlord from exercising any other rights and remedies under this Agreement and as provided by law.

6. **SECURITY DEPOSIT:**

- A. Concurrently with Tenant's execution of this Lease, Tenant shall pay \$4,950 to Landlord as a security deposit (representing a basic security deposit of \$4,500 plus an additional \$450 required by Landlord because Tenant has a pet dog).
- B. All or any portion of the security deposit may be used, as reasonably necessary, to: (i) cure Tenant's default in payment of Rent (which includes late charges, NSF fees or other sums due); (ii) repair damage, excluding ordinary wear and tear, caused by Tenant or by a guest or licensee of Tenant; and (iii) clean the Premises, if necessary, upon expiration or earlier termination of the tenancy. **SECURITY DEPOSIT SHALL NOT BE USED BY TENANT IN LIEU OF PAYMENT OF LAST MONTH'S RENT.** If all or any portion of the security deposit is used during the tenancy, Tenant agrees to reinstate the total security deposit within five (5) days written request to Tenant. Within twenty-one (21) days after Tenant vacates the Premises, Landlord shall: (1) furnish Tenant an itemized statement indicating the amount of any security deposit received and the basis for its disposition and supporting documentation as required by California Civil Code § 1950.5(g); and (2) return any remaining portion of the security deposit to Tenant.
- C. After giving or receiving notice of termination of a tenancy, or before the end of this Lease, Tenant has the right to request that an inspection of the Premises take place prior to termination of the lease or rental. If Tenant requests such an inspection, Tenant shall be given an opportunity to remedy identified deficiencies prior to termination, consistent with the terms of this Agreement. Any repairs or alterations made to the Premises as a result of this inspection (collectively,

“Repairs”) shall be made at Tenant’s expense. Repairs may be performed by Tenant or through others, who have adequate insurance and licenses and are approved by Landlord. The work shall comply with applicable law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. (iii) Tenant shall: (a) obtain receipts for Repairs performed by others; (b) prepare a written statement indicating the Repairs performed by Tenant and the date of such Repairs; and (c) provide copies of receipts and statements to Landlord prior to termination. This Section does not apply, however, when the tenancy is terminated pursuant to California Code of Civil Procedure § 1161 (2), (3) or (4).

D. **The security deposit will not be returned until all Tenants and occupants have vacated the Premises and all keys have been returned. Any security deposit returned by check shall be made jointly to all Tenants named in this Lease.**

E. No interest will be paid on the security deposit.

7. **PARKING:** Parking areas are to be used for parking properly licensed and operable motor vehicles, but not for trailers, boats, campers, buses or trucks (other than pick-up trucks). Parking areas used by Tenant are to be kept clean. Mechanical work or storage of inoperable vehicles is not permitted.

8. **UTILITIES; PEST CONTROL; JACUZZI:** Tenant shall obtain and pay for all utilities and for routine cleaning of the jacuzzi. In addition, Tenant shall obtain and pay for any necessary pest control (excluding termite control) and all repairs to the jacuzzi that are required due to actions of Tenant or its invitees.

9. **CONDITION OF PREMISES:** If landscaping, utilities and fixtures, including smoke detector(s), are not in operable condition, and Tenant so notifies Landlord in writing on or before May 6, 2011, then Landlord shall repair or replace the applicable item at Landlord’s cost within a reasonable time.

10. **MAINTENANCE:**

A. Tenant shall properly use, operate and safeguard the Premises, including maintaining any landscaping and appliances, and all mechanical, electrical, gas and plumbing fixtures, and keep them and the Premises clean, sanitary and well ventilated. Tenant shall be responsible for checking and maintaining all smoke detectors and phone lines. Tenant shall promptly notify Landlord in writing of any default, malfunction or damage in the Premises or major kitchen appliances currently located in the Premises not caused by Tenant and Landlord shall repair the same. Tenant shall repair or be charged for all repairs or replacements caused by Tenant, pets, guests or licensees of Tenant, excluding ordinary wear and tear. Tenant shall repair or be charged for repair of drain and pipe blockages or

stoppages, unless caused by defective plumbing parts or tree roots invading sewer lines, and overflow therefrom caused by negligent or improper usage, or the introduction of foreign articles or materials into the plumbing or sewer systems, will be the responsibility of and must be paid for by the Tenant.

- B. Tenant shall maintain and water the landscaping, trees and shrubs at Tenant's cost.
 - C. Tenant's failure to maintain any item for which Tenant is responsible shall give Landlord the right to hire someone to perform such maintenance, and Tenant shall reimburse Landlord for Landlord's actual cost thereof, as additional Rent, within ten (10) days after written demand that include reasonable evidence of such costs.
11. **NEIGHBORHOOD CONDITIONS:** Tenant is advised to satisfy him or herself as to neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime statistics, proximity of registered felons or offenders, fire protection, other governmental services, availability, adequacy and cost of any wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, wild and domestic animals, other nuisances, hazards, or circumstances, cemeteries, facilities and condition of common areas, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Tenant.
12. **RULES/REGULATIONS:**
- A. Tenant shall comply with the Rules and Regulations attached hereto as Exhibit "B"
 - B. Tenant agrees to comply with additional reasonable Landlord rules and regulations and reasonable changes to existing Rules and Regulations that are delivered in writing to Tenant, to the extent they are not materially inconsistent with the express terms of this Lease.
13. **ALTERATIONS; REPAIRS:** Unless otherwise required by law, without Landlord's prior written consent: (i) Tenant shall not make alterations or improvements in or about the Premises, but nothing shall prohibit Tenant from changing locks, reasonably installing antennae, satellite dish(es) or other reasonable fixtures, hanging pictures or otherwise reasonably complying with Tenant's obligations under this Lease, but if an improvement or alteration is required in order for Tenant to comply with its obligations, Tenant shall give a written explanation to Landlord at least ten (10) days in advance of the improvement or alteration; (ii) Landlord shall not be responsible for the costs of alterations or repairs made by Tenant; and (iii) without Landlord's prior consent, Tenant shall not deduct from Rent the costs of any repairs, alterations or improvements and Tenant hereby waives, to the extent permitted by law, any right Tenant may have to do so. Upon the expiration or earlier termination of this Lease, Tenant shall restore the

Premises to their condition prior to any alterations or improvements made by Tenant and permitted hereunder or otherwise approved by Landlord, unless therein expressly agreed in writing by Landlord. Tenant may remove, at Tenant's expense, any fixtures installed by Tenant provided Tenant restores the Premises to their condition prior to the attachment/installation of the applicable fixture, but Tenant shall not remove or replace any existing fixtures (including drapes) without Landlord's prior written consent, which will not be unreasonably withheld.

14. **KEYS; LOCKS:**

- A. Tenant acknowledges receipt of (or Tenant will receive prior to the Commencement Date), (i) two (2) key(s) to the Premises; (ii) two (2) remote control device(s) for garage door/gate opener(s); and (iii) two (2) remote control device(s) for the water fountain.
- B. If Tenant re-keys existing locks or opening devices (with or without Landlord's consent), Tenant shall immediately deliver copies of all keys to Landlord. Tenant may not remove locks, even if installed by Tenant.

15. **ENTRY:**

- A. Tenant shall make Premises available to Landlord or Landlord's representative for the purpose of entering to make necessary repairs, or improvements, or to supply necessary or any agreed services.
- B. Landlord and Tenant agree that 24-hour written notice shall be reasonable and sufficient notice to conduct an inspection of the Premises unless the Tenant waives the right to such notice. No notice is required: (i) to enter in case of an emergency; (ii) if the Tenant is present and consents at the time of entry or (iii) if the Tenant has abandoned or surrendered the Premises. No written notice is required if Landlord and Tenant orally agree to an entry for agreed services or repairs.

16. **ASSIGNMENT AND SUBLETTING:** Tenant shall not sublet all or any part of Premises, or assign or transfer this Lease or any interest in it, without Landlord's prior written consent in Landlord's sole and absolute discretion. Unless such consent is obtained, any assignment, transfer or subletting of Premises or this Agreement or tenancy, by voluntary act of Tenant, operation of law or otherwise, shall, at the option of Landlord, terminate this Lease. Landlord's consent to any one assignment, transfer or sublease, shall not be construed as consent to any subsequent assignment, transfer or sublease and does not release Tenant of Tenant's obligations under this Lease.

17. **JOINT AND SEVERAL OBLIGATIONS:** If there is more than one Tenant, each one shall be completely responsible for the performance of all obligations of Tenant under this Lease, jointly and severally with every other Tenant, whether or not in possession.

18. **LEAD-BASED PAINT:** The Premises were constructed prior to 1978. In accordance with federal law, Landlord gives and Tenant acknowledges receipt of the disclosures on the attached Exhibit "D" and a federally approved lead pamphlet.
19. **MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Landlord is not required to check this website. If Tenant wants further information, Tenant should obtain information directly from this website.)
20. **MOLD AND MILDEW WARNING NOTICE:** Mold and mildew may be injurious to one's health; therefore, Tenant acknowledges that: (a) Tenant has inspected the Premises, and every part thereof, at the outset of the tenancy; (b) Tenant has found no signs of moisture, mold or mildew therein subsequent to Landlord's November 2009 efforts to address mold identified by a previous mold inspection; (c) Tenant shall: (i) keep the Premises well-ventilated, clean and dry and free of any signs of mold or mildew on any surface; (ii) promptly notify Landlord of any dampness (from leaks, overflows, water intrusion, etc.); and (iii) promptly notify Landlord of any mold, as well as any malfunction of ventilation, air conditioning or heating systems.
21. **TOXIC SUBSTANCE WARNING:** Landlord is required to give you notice that areas on this property contain or may contain one or more of some 700 + toxic substances and chemicals substances, such as swimming pool disinfectant, cleaning substances, automobile exhaust fumes, barbeque or second-hand cigarette smoke, laundry room fluids or emissions, lead paint, asbestos, etc., known to the State of California to cause cancer, reproductive toxicity, birth defects and reproductive harm.
22. **TENANT'S OBLIGATIONS UPON VACATING PREMISES:**
 - A. Upon the expiration or earlier termination of this Lease, Tenant shall: (i) give Landlord all copies of all keys or opening devices to Premises, including any mailboxes, gates, common areas and all garage door openers; (ii) vacate and surrender Premises to Landlord, empty of all personal property and persons; (iii) vacate any/all parking and/or storage space; (iv) clean and deliver Premises to Landlord in the same condition as received, with permitted improvements intact (unless required by Landlord to be removed, as indicated by Landlord when it approves the applicable alteration or improvement), normal wear and tear excepted; (v) remove all debris; (vi) give written notice to Landlord of Tenant's forwarding address; and (vii) restore the Premises to its condition prior to any permitted improvements or alterations made by Tenant, as required by Section 13 above.
 - B. All alterations/improvements made by or caused to be made by Tenant (but not fixtures unless Tenant fails to remove them), with or without Landlord's consent,

shall become the property of Landlord upon the expiration or earlier termination of this Lease. Tenant shall reimburse Landlord, as additional Rent, within ten (10) days after written demand for costs of restoration of the Premises to the condition they were in prior to any alterations/improvements that were not approved in writing by Landlord.

- 23. **TEMPORARY RELOCATION:** Tenant agrees, upon demand of Landlord, to temporarily vacate Premises for a reasonable period, to allow for Landlord to make repairs to structural portions of the Premises required by Landlord. Tenant agrees to comply with all instructions and requirements necessary to prepare Premises to accommodate such work, including bagging or storage of food and medicine, and removal of perishables and valuables. Tenant shall only be entitled to a credit of Rent equal to the per diem Rent for the period of time Tenant is required to vacate Premises. Unless Landlord expressly agrees in writing to pay relocation benefits, Tenant hereby waives any and all rights it may have to relocation benefits under California law.
- 24. **DAMAGE:** If, by no fault of Tenant, Premises are totally or partially damaged or destroyed by fire, earthquake, accident or other casualty that render Premises totally or partially uninhabitable, either Landlord or Tenant may terminate this Agreement by giving the other written notice and Rent shall be abated as of the date Premises become totally or partially uninhabitable. If this Lease is not terminated, Landlord shall promptly repair the damage, and Rent shall be reduced based on the extent to which the damage interferes with Tenant's reasonable use of Premises.
- 25. **INSURANCE:** Tenant's or guest's personal property and vehicles are not insured by Landlord against loss or damage due to fire, theft, vandalism, rain, water, criminal or negligent acts of others, or any other cause. Tenant is advised to carry Tenant's own insurance to protect Tenant from any such loss or damage. Tenant shall comply with any requirement imposed on Tenant by Landlord's insurer to avoid: (i) an increase in Landlord's insurance premium (or Tenant shall pay for the increase in premium); or (ii) loss of insurance.
- 26. **WAIVER:** The waiver of any breach shall not be construed as a continuing waiver of the same or any subsequent breach.
- 27. **NOTICES:** Notices may be served personally or by U.S. Mail, return receipt requested, at the following address, or at any other location subsequently designated:

Landlord: City of Beverly Hills
455 North Rexford Drive
Beverly Hills, CA 90210
Attn: City Attorney

Tenant: To the Premises

With a City of Beverly Hills
required 455 North Rexford Drive
Beverly Hills, CA 90210

copy to: Attn: Real Estate and Property Manager

28. **ATTORNEYS' FEES:** In any action or proceeding arising out of this Lease, the prevailing party between Landlord and Tenant shall be entitled to reasonable attorneys' fees and costs.
29. **ENTIRE CONTRACT; SEVERABILITY; AMENDMENTS:** All understandings between the parties are incorporated in this Lease. The terms are intended by the parties as a final, complete and exclusive expression of their agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Lease is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed except in writing.
30. **LANDLORD IS ACTING IN ITS PROPRIETARY CAPACITY (NOT GOVERNMENTAL CAPACITY):** In entering into this Lease, Landlord is acting in its proprietary capacity as a party to a contract, and not in its governmental capacity; consequently, nothing in this Lease shall be construed to modify or waive Landlord's rights in its governmental capacity, all of which are hereby reserved.
31. **MEMORANDUM OF LEASE:** Concurrently with Tenant's execution of this Lease, Tenant shall execute and deliver to Landlord a Memorandum of Lease in the form attached hereto as Exhibit "C" (which must be duly acknowledged by a notary public). Landlord will also execute and acknowledge the Memorandum and then record it in Los Angeles County.
32. **INDEMNITY:** Tenant shall defend, indemnify and hold Landlord harmless from and against any and all claims, liabilities, losses, damages, costs and expenses arising from, or relating to, any act or omission by Tenant or any authorized occupant, or guest, licensee, contractor, sublessee or assignee of Tenant, in, on or about the Premises.
33. **TIME OF ESSENCE:** Time is of the essence of each and every provision of this lease in which time is a factor.
34. **EXECUTION IN COUNTERPARTS:** Counterpart originals of this Lease may be executed, each of which, and all of which together, shall constitute one and the same agreement.
35. **POSSESSORY INTEREST TAX:** Landlord hereby informs Tenant that a form of property tax called a "possessory interest tax" may apply to Tenant's interest under this Lease. Tenant shall pay all such possessory interest taxes, as assessed to Tenant, before they are due (as indicated in any bill to Tenant for such possessory interest taxes sent by the County assessor or other authority administering such taxes). To the extent that Tenant becomes liable for payment of a possessory interest tax, Landlord and Tenant shall negotiate a credit against Tenant's Rent equivalent to the amount of the possessory

interest tax minus any income tax credit available to Tenant due to payment of the possessory interest tax.

36. **WAIVER OF RELIEF FROM FORFEITURE:** To the extent not prohibited by law, Tenant hereby waives and agrees not to assert any rights or benefits under California Code of Civil Procedure Section 1179 permitting a court to relieve a tenant from forfeiture of a lease and restore him to tenancy in the case of "hardship".

IN WITNESS WHEREOF, Landlord and Tenant have executed and delivered this Lease as of the date first written above.

LANDLORD:

CITY OF BEVERLY HILLS,
a California municipal corporation

By: _____
Barry Brucker
Mayor

ATTEST:

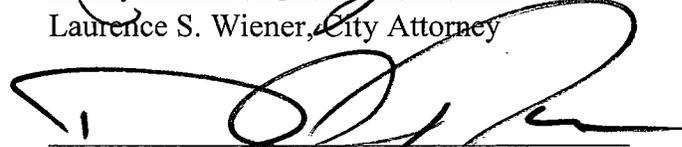
Byron Pope, City Clerk

APPROVED AS TO FORM:



Laurence S. Wiener, City Attorney

TENANT:



DYLAN RUGA



CASONDRA RUGA

EXHIBIT "B"

RULES AND REGULATIONS

1. Landlord is not responsible for providing any security, and shall not be responsible for fire, theft of personal property, including jewelry, money, apparel or other items in the Premises, storage areas, carports, garages, common area or mailboxes.
2. All appliances including garbage disposal and dishwasher are to be operated only in accordance with factory recommendations, instructions delivered to Tenant or posted instructions.
3. The storage of gasoline or other combustibles is prohibited.
4. No trash or other material may be accumulated that will create a hazard or be in violation of any health, fire or safety ordinance or regulation. Premises must be kept clean and sanitary and free from objectionable odors.
5. Tenant shall not, and shall ensure that guests and licensees of Tenant shall not, disturb, annoy, endanger or interfere with neighbors, or use the Premises for any unlawful purposes, including, but not limited to, using, manufacturing, selling, storing or transporting illicit drugs or other contraband, or violate any law or ordinance, or commit a waste or nuisance on or about the Premises.

EXHIBIT "C"

FORM OF MEMORANDUM OF LEASE

(Attached.)

RECORDING REQUESTED BY:
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 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 dated as of April 21, 2011, by and is entered into between the CITY OF BEVERLY HILLS ("**City**"), and DYLAN RUGA and CASONDRA RUGA (collectively, "**Tenant**").

RECITALS

A. Tenant and City have entered into that certain Lease of substantially even date herewith (the "**Lease**"), pursuant to which City has agreed to lease and demise to Tenant, and Tenant has agreed to lease and accept from City certain premises located at 265 South La Peer Drive in the City of Beverly Hills, California on land described on Exhibit "A" attached hereto.

B. Tenant and City now desire to enter into this Memorandum to comply with applicable law requiring that the Lease be recorded.

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 City agree as follows:

1. Lease. City hereby leases and demises to Tenant, and Tenant hereby leases and accepts from City, the Premises for a term commencing on April 23, 2011 and expiring on April 23, 2012, subject to certain holdover provisions in the Lease. The rental and other terms and conditions of the Lease are set forth in 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. In the event any provision of this

Memorandum is inconsistent with any term or condition of the Lease, the term or condition of the Lease 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.

CITY:

TENANT:

CITY OF BEVERLY HILLS

DYLAN RUGA

By: _____

Barry Brucker,
Mayor

CASONDRA RUGA

ATTEST:

Byron Pope, City Clerk

[ALL SIGNATURES MUST BE ACKNOWLEDGED BY A 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 _____ (Seal)
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 _____ (Seal)
Signature of Notary Public

EXHIBIT "A"

DESCRIPTION OF LAND

LOT 436 OF TRACT NO. 6380, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 69 PAGES 11 TO 20 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Commonly known as: 265 South La Peer Drive, Beverly Hills, California,

Assessor's Parcel Number(s): 4333-003-017

EXHIBIT "D"

EPA LEAD BASED PAINT DISCLOSURE FORM

(Attached; to be completed by Landlord, and executed and dated by Tenant.)

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of known lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention.

Lessor's Disclosure

(a) Presence of lead-based and/or lead-based paint hazards (check (i) or (ii) below):

(i) Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

(ii) Lessor has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the lessor (check (i) or (ii) below):

(i) Lessor has provided the lessee with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

(ii) Lessor has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Lessee's Acknowledgment (initial)

(c) Lessee has received copies of all information listed above.

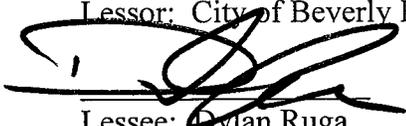
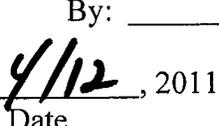
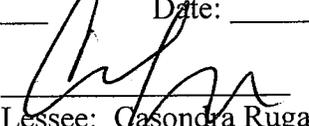
(d) Lessee has received the pamphlet *Protect Your Family from Lead in Your Home*.

Agent's Acknowledgment (initial)

(e) Agent has informed the lessor of the lessor's obligations under 42. U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Lessor: City of Beverly Hills	By: _____	Date: _____, 2011
		
Lessee: Cylan Ruga	Date: 4/12, 2011	Lessee: Gasondra Ruga
		Date: 4/12, 2011

Attachment 2

RECORDING REQUESTED BY:
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 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 dated as of April 21, 2011, by and is entered into between the CITY OF BEVERLY HILLS ("**City**"), and DYLAN RUGA and CASONDRA RUGA (collectively, "**Tenant**").

RECITALS

A. Tenant and City have entered into that certain Lease of substantially even date herewith (the "**Lease**"), pursuant to which City has agreed to lease and demise to Tenant, and Tenant has agreed to lease and accept from City certain premises located at 265 South La Peer Drive in the City of Beverly Hills, California on land described on Exhibit "A" attached hereto.

B. Tenant and City now desire to enter into this Memorandum to comply with applicable law requiring that the Lease be recorded.

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 City agree as follows:

1. Lease. City hereby leases and demises to Tenant, and Tenant hereby leases and accepts from City, the Premises for a term commencing on April 23, 2011 and expiring on April 23, 2012, subject to certain holdover provisions in the Lease. The rental and other terms and conditions of the Lease are set forth in 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. In the event any provision of this Memorandum is inconsistent with any term or condition of the Lease, the term or condition of the Lease shall prevail.

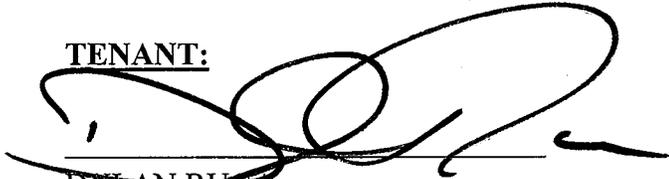
3. Counterparts. This Memorandum may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the date first written above.

CITY:

CITY OF BEVERLY HILLS

TENANT:



DYLAN RUGA

By: _____

Barry Brucker,
Mayor

CASONDRA RUGA

ATTEST:

Byron Pope, City Clerk

[ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC]

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

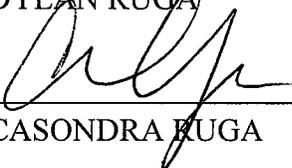
CITY:

CITY OF BEVERLY HILLS

By: _____
Barry Brucker,
Mayor

TENANT:

DYLAN RUGA



CASONDRA RUGA

ATTEST:

Byron Pope, City Clerk

[ALL SIGNATURES MUST BE ACKNOWLEDGED BY A NOTARY PUBLIC]

ACKNOWLEDGMENT

State of California)
)
County of CALIFORNIA)

On April 12, 2011 before me, Inez N. Brown, Notary Public
(insert name and title of the officer)

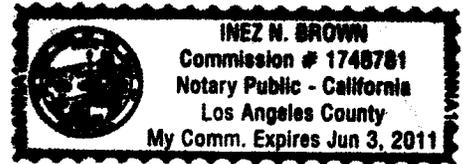
personally appeared Dylan Ruga

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 Inez N. Brown (Seal)
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 _____ (Seal)

ACKNOWLEDGMENT

State of California)
County of Los Angeles)

On April 12, 2011 before me, Therese King
(insert name and title of the officer)

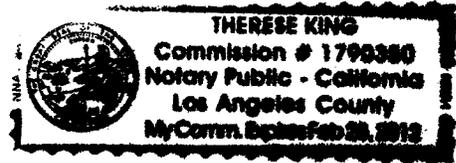
personally appeared Casondra Ruga

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 Therese King (Seal)
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 _____ (Seal)
Signature of Notary Public

EXHIBIT "A"

DESCRIPTION OF LAND

LOT 436 OF TRACT NO. 6380, IN THE CITY OF BEVERLY HILLS, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 69 PAGES 11 TO 20 INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

Commonly known as: 265 South La Peer Drive, Beverly Hills, California,

Assessor's Parcel Number(s): 4333-003-017