



AGENDA REPORT

Meeting Date: February 21, 2012
Item Number: F-5
To: Honorable Mayor & City Council
From: Brenda A. Lavender, Real Estate & Property Manager
Subject: LEASE AND MEMORANDUM OF LEASE BY AND BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE AND VISITORS BUREAU FOR SPACE AT 9400 SANTA MONICA BOULEVARD
Attachments:
1. Lease
2. Memorandum of Lease

RECOMMENDATION

It is recommended that the City Council approve the Lease and Memorandum of Lease by and between the City of Beverly Hills and The Beverly Hills Conference & Visitors Bureau (CVB). A copy of the Lease and Memorandum of Lease is on file with the City Clerk. The CVB will occupy a portion of the ground floor at 9400 Santa Monica Boulevard, Suite 102.

INTRODUCTION

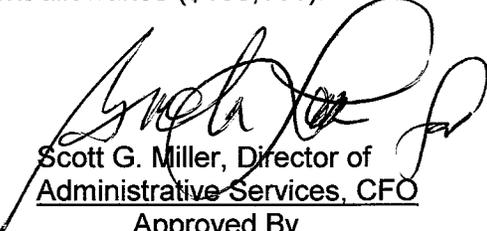
This lease is for a combination of office and retail space on the ground floor of City owned building at 9400 Santa Monica Boulevard. The 9400 Santa Monica building is currently under construction with an estimated completion date of mid-March, 2012. The CVB will construct their new location as a part of this lease. The space will be used for a visitor center, retail sales – including the sale of City merchandise, and offices for the CVB, a non-profit entity. Parking for this lease will be provided at the 450 N. Crescent parking structure.

DISCUSSION

The lease is for a term of ten years at a starting rental rate of \$9,404.84 per month. The City will provide a tenant improvement allowance of \$100,600 and the CVB will contract directly with a General Contractor to perform their space improvements. There was no broker involved in this transaction.

FISCAL IMPACT

The fiscal impact of this deal is additional revenue of \$9,404.84 monthly and \$112,858.08 annually, less the tenant improvement allowance (\$100,600).



Scott G. Miller, Director of
Administrative Services, CFO
Approved By

Council will be advised if agreements
are not signed by Tuesday.

Attachment 1

**LEASE BETWEEN THE CITY OF BEVERLY HILLS
AND THE BEVERLY HILLS CONFERENCE & VISITORS BUREAU
FOR SPACE AT 9400 SANTA MONICA BOULEVARD**

This LEASE BETWEEN THE CITY OF BEVERLY HILLS AND THE BEVERLY HILLS CONFERENCE & VISITORS BUREAU FOR SPACE AT 9400 SANTA MONICA BOULEVARD (the "**Lease**") is dated as of February 21, 2012 and is entered into by and between the CITY OF BEVERLY HILLS, a municipal corporation ("**City**" or "**Landlord**"), as landlord, and the BEVERLY HILLS CONFERENCE & VISITORS BUREAU, a California nonprofit mutual benefit corporation ("**Tenant**"), as tenant.

1. LEASE OF PREMISES.

1.1 Lease of Premises to Tenant. City hereby leases to Tenant, and Tenant hereby leases from City, Suite 102 on the first floor of the building that is to be constructed by Landlord at 9400 Santa Monica Boulevard, Beverly Hills, California ("**Building**"), which is described on Exhibit "A" hereto ("**Premises**"), on the terms and conditions herein.

1.2 Parking.

1.2.1 Commencing on the Certification Date (as defined in Section 3.1 below), Tenant shall have the right, but not the obligation, to rent from time to time up to eight (8) parking passes for unreserved parking spaces at the 450 Crescent parking garage (the "**Parking Structure**"). Tenant shall have the right to terminate its rental of some or all of the parking passes upon thirty (30) days prior written notice to Landlord. Tenant shall pay the prevailing rate charged by Landlord for parking passes for unreserved parking spaces, as applicable, which shall be subject to periodic increase. Tenant understands and acknowledges that the Parking Structure is currently intended to be utilized, and shall at all times (in Landlord's sole and absolute discretion) be available and used as a public parking facility.

1.2.2 Tenant may not permit anyone other than Tenant's employees, invitees, guests and Board members to use the parking spaces leased by Tenant.

1.2.3 Rules and regulations with respect to the parking may be established and amended by Landlord from time to time. Landlord shall not enforce the rules and regulations against Tenant in a discriminatory manner without rational basis or adopt rules and regulations that discriminate against Tenant without rational basis. Landlord shall not be responsible to Tenant for the violation or non-performance by any other person or entity of any of the parking rules and regulations.

1.2.4 Notwithstanding their status as members of the public, Tenant hereby agrees that Tenant's contractors shall have no right to park in the Parking Structure unless (and then to the extent) approved in writing by the City Manager or his designee and if so approved, then such parking shall be subject to the rules and regulations for the Parking Structure, as amended from time to time. Tenant shall reasonably cooperate with Landlord in implementing policies and procedures to prevent unauthorized parking, and to identify any of Tenant's contractors that may be parking vehicles in the Parking Structure contrary to the terms herein. If Tenant permits or allows any of the activities prohibited herein or prohibited by the

applicable parking rules and regulations then, in addition to such other rights and remedies that it may have, Landlord shall have the right, without notice, to remove or tow away the vehicle involved and charge the cost to the vehicle owner.

1.3 Construction of Building. Landlord intends to construct the Building in substantial accordance with Exhibit "B" attached hereto.

2. COMMON AREAS AND PROJECT.

2.1 Definitions. As used herein, the term "**Common Areas**" shall mean all areas within the exterior boundaries of the parcel of land on which the Building is located that are now or later made available for the general use of all persons entitled to occupy the Building, including without limitation, all lobbies, common corridors and hallways, stairwells, restrooms, parking facilities and other open areas. "Common Areas" shall not include the roof deck. The term "**Project**" shall mean the Building together with the parcel of land on which the Building is located. Tenant waives any and all claims for any and all other relocation assistance benefits, including without limitation compensation to which it may be entitled under state relocation assistance statutes and regulations, as a result of Tenant being required to move from the Premises and the Project upon the expiration of the Term.

2.2 Tenant Use. Tenant shall have the right to the reasonable nonexclusive use of the Common Areas.

2.3 City Use. Provided that access to Tenant's Premises and parking is not substantially and adversely affected, and provided, further, that City will not place items in the Common Areas directly in front of Tenant's store window or entry doors, City shall have the right to: (a) utilize from time to time any portion of the Common Areas for promotional, entertainment and related matters; (b) place permanent or temporary kiosks, displays, carts and stands in the Common Area and lease same to tenants; (c) restrain the use of the Common Areas by unauthorized persons; (d) temporarily close any portion of the Common Areas for repairs, improvements or alterations, or to prevent dedication or an easement by prescription, or for any other reason deemed sufficient in City's reasonable judgment; (e) renovate, upgrade or change the shape and size of the Common Areas or add, eliminate or change the location of improvements to the Common Areas including, without limitation, parking areas, roadways and curb cuts; and (f) construct improvements on the Common Areas.

3. TERM.

3.1 Initial Term. The term of this Lease ("**Term**") shall commence (the "**Commencement Date**") six (6) calendar months following the date on which City certifies to Tenant in writing that City is prepared to deliver possession to Tenant of the Premises and tenders delivery to Tenant by sending or delivering keys to Julie Wagner of Tenant at 239 South Beverly Drive, Beverly Hills, California 90212 (the "**Certification Date**"), and shall expire ten (10) calendar years thereafter, subject to extension pursuant to Section 3.2 below.

3.2 Tenant Extension Options.

(a) Tenant shall have the option to extend the Term of this Lease, for up to two (2) extension terms of five (5) years each (each, an "Extension Term"). Each option shall be exercisable by Tenant's delivery to City of written notice (an "Extension Notice") irrevocably exercising the option no earlier than twelve (12) calendar months and no later than six (6) calendar months prior to expiration of the initial Term; provided that Tenant may not exercise any such option when Tenant is in default under this Lease beyond applicable notice and cure periods. The terms and conditions of this Lease shall continue in effect during each Extension Term, except that Tenant's rights to extend shall be limited to the two extension options described herein and except: (A) for terms and conditions of this Lease which are either expressly or by their operation applicable only during the initial Term of this Lease or portions thereof, including, without limitation, the obligations of City to provide an improvement allowance, (B) Monthly Rent for the first full year of each Extension Term shall be increased (but not decreased) as of the first day of the Extension Term to the prevailing fair market rental rate as of the commencement of the Extension Term (the "Fair Market Rental Rate") as determined below, (C) future annual adjustments of Monthly Rent shall be considered in connection with the determination of the Fair Market Rental Rate and included/addressed in the determination. As used in this Lease, references to the "Term" of this Lease, shall mean the initial Term as the same may be extended by the Extension Term, as the context may require.

(b) The "Fair Market Rental Rate" shall be equal to the rent, pursuant to leases executed within the "Review Period" (as defined below) for non-sublease, non-encumbered, non-equity, non-expansion space comparable in size, location and quality to the Premises for a term comparable to the term of the Premises, in an arm's-length transaction, which comparable space is located in the Building or in comparable buildings of similar high quality in the City of Beverly Hills, California and which comparable transactions (collectively, the "Comparable Transactions") are entered into within nine (9) months prior to the beginning of the applicable Extension Term ("Review Period"), taking into consideration any so-called concessions, including rental abatement, and tenant improvements or allowances.

In determining the Fair Market Rental Rate for the Premises, the rental rate described in the preceding sentence but applicable to RETAIL space shall be used for the square footage of the Premises allocated for the visitor center, and the rate described in the preceding sentence but applicable to OFFICE space shall be used for the remaining square footage of the Premises (as such square footages are shown on the final plans approved [or to be approved] by City for Tenant's initial improvements to the Premises under Section 7 below).

(c) Within fifteen (15) business days following City's timely receipt of an Extension Notice for an Extension Term, City shall determine the Fair Market Rental Rate in good faith and notify Tenant of same in writing (the "Initial Fair Market Rental Rate Notice"). If Tenant does not agree with such determination, then City and Tenant shall commence negotiations concerning the Fair Market Rental Rate for the Premises for such Extension Term. The parties shall have thirty (30) days after City's delivery of the Initial Fair Market Rental Rate Notice in which to agree on the Fair Market Rental Rate which shall be payable during each year of such Extension Term. The parties shall be obligated to conduct such negotiations in good faith. If City and Tenant fail to reach agreement, then, within ten (10) business days after the

above thirty (30) day period, each party, at its own cost and by giving notice to the other party, shall appoint a licensed commercial real estate agent with at least seven (7) years full-time experience as a real estate agent active in the leasing of comparable commercial space in the area of the Premises to determine the Fair Market Rental Rate for the applicable Extension Term (and shall cause such agent to agree in writing to the terms of this Section 3.2(c)). Until the Fair Market Rental Rate determination is completed, Tenant shall continue to pay to City the amount of Monthly Rent due immediately preceding the commencement of the applicable Extension Term. After such Fair Market Rental Rate determination is completed and the Fair Market Rental Rate for the applicable Extension Term is established, Tenant shall promptly make payment to Landlord for any underpayment of Monthly Rent owing for prior months. If a party does not appoint an agent within the aforementioned ten (10) business day period, the single agent appointed shall be the sole agent and shall set the Fair Market Rental Rate for the applicable Extension Term. If there are two (2) agents appointed by the parties as stated above, the agents shall meet within ten (10) days after the second agent has been appointed and attempt to set the Fair Market Rental Rate for the applicable Extension Term (which agents shall be respectively referred to as "City's Agent" and "Tenant's Agent"). If City's Agent and Tenant's Agent are unable to agree on such Fair Market Rental Rate within ten (10) business days after the second agent has been appointed, they shall, within ten (10) business days after the last day the two (2) agents were to have set such Fair Market Rental Rate: (i) notify all of the parties in writing as to their respective Fair Market Rental Rate determinations, and (ii) attempt to select a third agent (the "Third Agent") who shall be a licensed commercial real estate agent meeting the qualifications stated above. If City's Agent and Tenant's Agent are unable to agree on the Third Agent within such ten (10) business day period or the third agent does not agree in writing to the terms of this Section 3.2(c), then either City or Tenant may request the President of the BOMA Chapter including the area of the Building to select a Third Agent meeting the qualifications stated in this subsection. Each of the parties shall bear one-half (1/2) of the cost of appointing the Third Agent and of paying the Third Agent's fee.

No agent shall be employed by, or otherwise be engaged in business with, or affiliated with, City or Tenant.

Within ten (10) days after the selection of the Third Agent, the Third Agent shall notify both parties in writing as to its determination as to which of the Fair Market Rental Rate determinations for the applicable Extension Term is closest to the actual "Fair Market Rental Rate", and such prior determination chosen by the Third Agent shall be final, conclusive and binding on the parties.

Each agent shall hear, receive and consider such information as City and Tenant each care to present regarding the determination of Fair Market Rental Rate for the applicable Extension Term and each agent shall have access to the information used by each other agent. Upon determination of the Fair Market Rental Rate for the applicable Extension Term, the agents shall immediately notify the parties hereto in writing of such determination by certified mail, return receipt requested.

3.3 Tenant's Right to Terminate. Tenant shall have the right to terminate this Lease upon sixty (60) days' prior written notice to City provided that Tenant concurrently pays to Landlord the unamortized portion of the \$100,600.00 tenant improvement allowance

described in Paragraph E.1. of Exhibit "C" attached hereto (which allowance shall be amortized on a straight line basis over the initial Term of this Lease).

4. RENT. Commencing on the Commencement Date, and continuing throughout the Term, Tenant shall pay to City as monthly rent, without deduction, setoff, notice or demand, the following amounts:

<u>Year</u>	<u>Monthly Rent</u>
1 and 2	\$9,404.84
3	\$9,686.99
4	\$9,977.59
5	\$10,276.92
6	\$10,585.23
7	\$10,902.79
8	\$11,229.87
9	\$11,566.77
10	\$11,913.77

5. USE. Tenant shall use the Premises solely for a City of Beverly Hills visitor center and CVB business office, which may include retail sales of City of Beverly Hills merchandise and merchandise associated with businesses within the City of Beverly Hills; provided, however, that Tenant may also engage in retail sales of merchandise associated with businesses and events outside the City of Beverly Hills provided such sales are permitted in the Annual Service Agreement between the City and the Tenant. Tenant shall not use or permit the Premises to be used for any other purpose without the prior written consent of City, which City may withhold in its sole and absolute discretion. At no time shall Tenant cause or permit to be used any advertising, loudspeakers, or unusually bright or flashing lights which may be seen or heard outside the Premises. Except for items sold by the Beverly Hills Chamber of Commerce and Civic Association and except for items sold by businesses which are "co-branded" items (*i.e.*, items that contain both the name of the business and either the name "City of Beverly Hills" or "Beverly Hills"), Landlord shall not permit any other tenants in the Building to engage in any business in the Building which derives more than ten percent (10%) of its gross revenue from retail sales of City-branded merchandise. Notwithstanding the foregoing, Landlord shall have no right to restrict Tenant's sales anywhere other than the Premises.

6. ROOF TOP PATIO. Tenant shall have the right, subject to compliance with roof top rules and regulations created by City and delivered to Tenant (as amended from time to time), to use the roof top patio of the Building pursuant to such rules and regulations. Tenant shall, as additional rent, reimburse City within thirty (30) days after written demand by City from time to time (but not more frequently than once every 30 days) for all reasonable costs incurred by City in connection with Tenant's use of the roof top patio (including, without limitation, cleaning costs, repair costs, maintenance costs and any applicable insurance costs).

7. INITIAL TENANT IMPROVEMENTS; SUBSEQUENT ALTERATIONS AND IMPROVEMENTS. Tenant may make initial improvements to the Premises in accordance with and subject to Exhibit "C" (which includes provisions for a tenant improvement allowance from City). Tenant shall not make any other changes, alterations or additions (collectively

“Alterations”) to the Premises without City’s prior written approval, in City’s sole and absolute discretion. City’s approval under this Lease with respect to any request by Tenant to make any Alterations shall be in addition to any municipal code, regulatory and legal requirements.

8. MAINTENANCE. City shall maintain, in good condition and repair and in compliance with all laws: (a) the structural portions of the Building, including the foundation, floor/ceiling slabs, roof, exterior walls and glass, columns, beams, shafts, stairs, stairwells and elevator cabs; (b) the Building mechanical, electrical, life safety, plumbing, sprinkler and heating, ventilating and air-conditioning systems (excluding any improvements or equipment installed by Tenant within the Premises); and (c) the Common Areas, all at City’s sole cost and expense.

9. ASSIGNMENT AND SUBLETTING. Tenant shall not voluntarily, or by operation of Law, assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest herein, or any right or privilege appurtenant hereto, or allow any other person (the employees, agents, and invitees of Tenant excepted) to occupy or use the Premises, or any portion thereof, without first obtaining the written consent of City, which consent may be withheld in the City’s sole and absolute discretion; provided, however, that City shall not unreasonably withhold its consent for subleases to entities providing services to Tenant (as shown by reasonable evidence delivered to City) if all subleased space collectively does not exceed fifty percent (50%) of the Premises. A consent to one assignment, subletting, occupation or use by any other person shall not be deemed to be a consent to any subsequent assignment, subletting, occupation or use by another person. Consent to any such assignment or subletting shall in no way relieve Tenant of any liability under this Lease, whether or not the term of the Lease is extended by the assignee or sublessee. Any such assignment or subletting without such consent shall be void, and shall, at the option of the City, constitute a default under this Lease.

10. INDEMNIFICATION. Tenant shall indemnify and hold harmless City, the City Council and each member thereof, and City’s officers, employees and agents (all collectively referred to as “City Indemnitee”) against and from any and all claims, losses, damages, liabilities, costs and expenses (including attorneys’ fees and costs) (collectively “Claims”) to the extent arising from Tenant’s use of the Premises or Common Areas or Building, or from the conduct of its business or any activity, work or other things done or suffered by Tenant in or about the Premises, or Common Areas or Building excluding, however, acts and omissions by any City Indemnitee or any of City’s contractors, other tenants, guests or invitees. If any action or proceeding is brought against any City Indemnitee by reason of any Claim, Tenant, upon notice from any City Indemnitee, shall defend such City Indemnitee at Tenant’s expense, by counsel reasonably satisfactory to City. Tenant shall give prompt notice to City in case of casualty or any accident on the Premises. If City sells the Building, then commencing on the date of the sale, the subsequent owner of the Building (and its successors-in-interest) shall indemnify, defend and hold Tenant harmless from and against Claims to the extent arising from the negligence or willful misconduct of the subsequent owner (or its applicable successor-in-interest) during its period of ownership.

11. INSURANCE.

11.1 Tenant's Insurance. Tenant shall, at all times during the Term, at its own cost and expense, procure and continue in force the following insurance coverage: (a) Commercial General Liability Insurance with a combined single limit for bodily injury and property damage of not less than Two Million Dollars (\$2,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate, including contractual coverage covering the insuring and indemnification provisions of this Lease; (b) a policy of standard fire, extended coverage and special extended coverage insurance (all risks), including a vandalism and malicious mischief endorsement, in an amount equal to the full replacement value of all trade fixtures, furniture, equipment and other personal property installed by or at the expense of Tenant; and (c) Worker's Compensation coverage as required by Law.

11.2 City's Insurance. City shall, at its own cost and expense, procure and maintain at all times during the Term the following insurance coverage: (a) Commercial General Liability Insurance with a combined single limit for bodily injury and property damages of not less than Two Million Dollars (\$2,000,000) per occurrence and Three Million Dollars (\$3,000,000) in the annual aggregate, including contractual coverage covering the insuring and indemnification provisions of this Lease; and (b) fire and extended coverage insurance and comprehensive liability insurance for the benefit of City and Tenant covering the Project in such types and amounts as are typically maintained from time to time by City for office buildings owned by City. The City may elect to self-insure to meet all insurance requirements.

11.3 Form of Policies. The Commercial General Liability Insurance policy of Tenant shall name City, as additional insured with an appropriate endorsement to each policy, which endorsement also shall provide that any cancellation or modification of such policy shall require thirty (30) days notice to the additional insured. All such insurance policies shall be with companies having a rating of not less than A-VIII in Best's Insurance Guide. Each of Tenant and City shall furnish to the other, from the insurance companies, or cause the insurance companies to furnish, certificates of the required coverage. All such policies shall be endorsed to provide that the policy is primary and that any insurance carried by the other party is excess and not contributing with any insurance requirement hereunder. Tenant shall, at least twenty (20) days prior to the expiration of such policies, furnish the City renewals or binders. Tenant agrees that if it does not take out and maintain such insurance or furnish renewals or binders in a timely manner, City may (but shall not be required to) procure said insurance on Tenant's behalf and charge the other the cost thereof, which amount shall be payable by the other upon demand with interest at the rate of ten percent (10%) from the date such sums are extended.

11.4 Waiver of Subrogation. City and Tenant each agree to require their respective insurers issuing the insurance described in this Section 11 to waive any rights of subrogation that such companies may have against the other party. Tenant hereby waives any right that Tenant may have against City and City hereby waives any right that City may have against Tenant as a result of any loss or damage to the extent such loss or damage is insurable under such policies and/or would otherwise be insurable except that the City has chosen to self-insure.

12. PREMISES UTILITIES; SERVICES AND ACCESS

12.1 Utilities; Utility Charges. Subject to interruptions outside City's control, City shall provide electricity, gas and water to the Project ("**Utilities**"). City also shall provide HVAC services, but City shall have no obligation to furnish any security guards or Building attendants. As part of the work described on Exhibit "B", City shall install separate meter sockets for the Premises at the boundary of the Premises and Tenant shall be responsible for (i) running electrical conduit through the meter sockets to the Premises and for the distribution of electricity throughout the Premises; and (ii) contracting with Southern California Edison for both installation of the electrical meter and electrical service. Also as part of the work described on Exhibit "B", Landlord will furnish a condenser water system that will serve Tenant's water source heat pump unit, but Tenant shall be responsible for installing the water source heat pump unit and distributing air throughout the Premises. Tenant shall pay for the cost of all utilities used in the Premises.

12.2 Maintenance of Premises. Tenant shall be responsible for cleaning the Premises and for maintaining Tenant's improvements at Tenant's cost (including without limitation the HVAC system installed as part of Tenant's improvements). Tenant shall not be obligated to pay or reimburse City for Building or Common Area maintenance charges; however, Tenant shall be responsible for any charges that is the Tenant's responsibility under any separate contract entered into between City and Tenant.

12.3 Hours. Tenant shall have access to the Premises, twenty four (24) hours a day, seven (7) days a week, subject to events beyond City's control, emergencies and necessary repairs; provided, however, that City shall provide Tenant with not more than ten (10) Building access cards free of charge and Tenant must pay the prevailing charges imposed by City from time to time for additional or replacement access cards. City shall cause HVAC services to be provided to the Premises between the hours of 7 a.m. and 7 p.m. on all Business Days; however, Tenant shall have the right to request, on no less than forty eight (48) hours' telephonic notification, that City cause HVAC services to be provided on Saturday (but not on Sunday or on holidays) and upon receipt of such request, City shall provide HVAC services on the requested Saturday between the hours 9 a.m. and 1 p.m. at no extra charge to Tenant. Tenant shall pay to City, as additional rent, within ten (10) days after written demand from time to time, the City's normal Building charges (currently \$14.50 per hour) for providing HVAC service (including restroom and Common Area HVAC) provided at Tenant's request during hours other than 7 a.m. to 7 p.m. on Business Days and 9 a.m. to 1 p.m. on Saturdays. As used in this Lease "**Business Day**" is any Monday through Friday that City offices are open to the public and weekends and holidays are any days that the City's offices are not so open; however, any mandatory furlough day for City employees is a Business Day even if City offices are not open to the public on such days.

12.4 No City Liability. Notwithstanding City's limited obligations under Section 12.1 to provide Utilities, HVAC and other services to the Premises and limited Building maintenance obligations, under Section 7, City shall not be liable in damages or otherwise for any failure or interruption of any such Utilities or services unless such failure or interruption is caused by the gross negligence of City or its employees or agents, and no such failure or interruption shall entitle Tenant to terminate this Lease, or to an abatement of or offset against

any sums payable to City under this Lease. In the event of any such failure or interruption in Utilities or services, City shall promptly upon telephonic or other notice from Tenant, at City's cost and expense, take all actions commercially reasonable to restore such Utility or service as soon as commercially reasonable.

13. **SIGNS; DIRECTORY BOARD.** City shall, at City's expense, furnish Tenant with space for two (2) names on the Building directory board. Tenant shall have the right to install, at Tenant's cost, exterior Building signage that complies with applicable laws provided Tenant first obtains City's written approval under this Lease, which shall not be unreasonably withheld. City shall include a location for exterior signage for the "visitor center" on or near the front of the Premises and shall use good faith efforts to select (i) an additional location for directional "visitor center" signage that is visible from Canon Drive and (ii) an additional location for directional "visitor center" signage on the west-facing frontage of the Premises. (The three exterior sign areas described in the preceding sentence shall be in addition to the three flag poles in front of the main entrance to the Building.) Tenant shall, at Tenant's cost, provide the fabric banners (and maintenance and replacements thereof) for the three "banner flag poles" on Santa Monica Boulevard.

14. **COMPLIANCE WITH LAWS.** Tenant, at its expense, shall comply promptly with all applicable laws pertaining to the Premises or Tenant's use or occupancy of the Premises or improvement of the Premises (including laws pertaining to non-structural improvements required by law, the location and maintenance of trade fixtures, equipment and other personal property; the conduct of Tenant's employees; and the preparation, storage, and service of food and drink by Tenant.

15. **RIGHT OF ACCESS.** The City and City's officers, employees, and agents shall at all reasonable times, upon no less than twenty-four (24) hours written or telephonic notice to Tenant except in an emergency, have the right to enter the Premises for the purpose of inspecting the same, posting notices of non-responsibility or any other notices required by law for the protection of the City, doing any work that City is permitted or required to perform under this Lease, and making any reasonable repairs which the City determines may be required. Tenant shall furnish City with a pass key to the Premises which the City shall use only in case of emergency to prevent or investigate a crime, or in such cases where access is necessary to prevent damage to the Building or to the Premises or to make repairs necessary to ensure continuous operation of the Building. City shall have the right to enter the Premises and post "For Lease" or "For Rent" signs in any windows of the Premises after delivery of any notice of termination. In conducting its activities on the Premises as allowed in this section City shall use good faith efforts to attempt to minimize material inconvenience, annoyance, or disturbance to Tenant. If City enters the Premises without prior notice to Tenant (*i.e.*, in the event of an "emergency"), City shall give Tenant written notice as soon as reasonably practicable thereafter describing the emergency.

16. **TAXES.** Tenant shall pay or cause to be paid, before delinquency, any and all taxes levied and assessed which become payable, or which become a lien upon the Premises or the Property, during the term hereof, upon or against: (a) improvements made by Tenant; (b) any equipment, furniture, fixtures and other personal property located in or on the Premises; and (c)

Tenant's interest in the Premises arising as a result of this Lease, including without limitation, the possessory interest evidenced by this Lease (i.e., possessory interest taxes).

17. **RULES AND REGULATIONS.** Tenant shall comply with the Building rules and regulations attached hereto as Exhibit "E" and amendments thereto provided by City to Tenant from time to time. City shall not be responsible to Tenant for the nonperformance of any rules and regulations by any other lessees or occupants of the Building.

18. **TENANT'S DEFAULT.**

18.1 Event of Default. Any of the following events shall constitute an "Event of Default" by Tenant under this Lease:

18.1.1 Tenant fails to make any payment of money called for by any provision of this Lease (whether to City or any third party) when due, where such failure continues for a period of five (5) Business Days following written notice from City to Tenant; or

18.1.2 Tenant fails to perform fully and when due any of its other covenants, conditions or obligations under this Lease and within thirty (30) days following receipt of written notice from City specifying the nature of such failure of Tenant, Tenant: (a) does not commence taking all necessary and appropriate actions to remedy such failure; or (b) does not thereafter diligently and continuously pursue all such remedial actions until such failure is remedied; or

18.1.3 Tenant dissolves; or

18.1.4 Tenant makes a general assignment for the benefit of creditors or a voluntary or involuntary petition is filed by or against Tenant under any law for the purpose of adjudicating Tenant a bankrupt, or for extending time for payment, adjustment or satisfaction of Tenant's liabilities, or for reorganization, dissolution or arrangement on account of or to prevent bankruptcy or insolvency, unless such assignment or proceeding, and all consequent orders, adjudications, custodies and supervisions are dismissed, vacated or otherwise permanently stayed or terminated within sixty (60) days after such assignment, filing or other initial event.

18.2 City Remedies Upon Tenant Default. Upon the occurrence of any Event of Default by Tenant, and without giving any additional notice not otherwise required hereunder or by law, City may exercise the following rights and remedies in addition to all other rights and remedies provided by law or equity, either cumulatively or in the alternative:

18.2.1 Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to City. In such event City shall be entitled to recover from Tenant: (i) the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the Term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided;

plus (iv) any other amount necessary to compensate City for all actual damages caused by Tenant's failure to perform Tenant's obligations under this Lease or which in the ordinary course of timings would be likely to result therefrom. If any notice required under Section 18.1 was not previously given, a notice to pay rent or quit, or to perform or quit given to Tenant under the unlawful detainer statute shall also be deemed to constitute the notice required by Section 18.1. In such case, any applicable grace period required by Section 18.1 and the unlawful detainer statute shall run concurrently, and the failure of Tenant to cure the Event of Default within the greater of the two such grace periods shall constitute both an unlawful detainer and an Event of Default entitling City to the remedies provided for in this Lease and/or by said statute. **TENANT HEREBY EXPRESSLY WAIVES ANY DEFENSE TO AN UNLAWFUL DETAINER ACTION BASED ON "HARDSHIP" AND ANY SIMILAR DEFENSE.**

18.2.2 Maintain this Lease and Tenant's right to possession of the Premises in effect and continue to enforce all of City's rights and remedies hereunder, including the remedy described in California Civil Code Section 1951.4 (granting a City the right to continue a lease in effect after a tenant's breach and abandonment and to recover all rent as it becomes due if the tenant has the right to sublet or assign, subject only to reasonable limitations) provided that upon City's election of such remedy, City may not unreasonably withhold its consent to any assignment or subletting. Acts of maintenance or preservation or efforts to relet the Premises or the appointment of a receiver upon initiative of City to protect City's interest under this Lease shall not constitute a termination of this Lease or Tenant's right to possession unless written notice of termination is given by City to Tenant.

18.2.3 Pursue any other remedy now or hereafter available under the laws or judicial decisions of the State of California. The expiration or termination of this Lease and/or the termination of Tenant's right to possession shall not relieve Tenant from liability under any indemnity provisions of this Lease as to matters occurring or accruing during the Term or by reason of Tenant's occupancy of the Premises.

18.2.4 If Tenant fails to perform any affirmative duty or obligation under this Lease within ten (10) days after written notice (or in case of an emergency, without notice), the City may, at its option, perform such duty or obligation on Tenant's behalf. The costs and expenses of any such performance by City shall be due and payable by Tenant within thirty (30) days after City's written demand therefore.

18.2.5 If any check given to City by Tenant shall not be honored by the bank upon which it is drawn, City, at its option, may require that all future payments by Tenant to City be made by bank cashier's check.

18.2.6 The remedies given to City in this Section shall not be exclusive but shall be cumulative with and in addition to all remedies now or hereafter allowed by law and elsewhere provided in this Lease.

19. **DEFAULT BY CITY.** City shall not be in default unless City fails to perform obligations required of City within thirty (30) days after written notice by Tenant to City specifying wherein City has failed to perform such obligation; provided, however, that if the nature of City's obligation is such that more than thirty (30) days are required for performance

then City shall not be in default if City commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion.

20. **WAIVER.** The waiver by City of any breach of Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or a different provision of this Lease. The subsequent acceptance of rent pursuant to this Lease shall not constitute a waiver of any preceding default by Tenant other than default in the payment of the particular rental payment so accepted, regardless of City's knowledge of the preceding breach at the time of accepting the rent, nor shall acceptance of rent or any other payment after termination constitute a reinstatement, extension or renewal of the Term or revocation of any notice or other act by City. No waiver, benefit, privilege or service voluntarily given or performed by either party shall give the other any contractual right by custom, estoppel or otherwise.

21. **DAMAGE; RECONSTRUCTION.** Within sixty (60) days after the date City learns of the necessity for any repairs to the Premises, the Building or the Project as a result of damage, City shall notify Tenant of City's estimated assessment of the period of time in which the repairs will be completed ("**Damage Repair Estimate**"). If any part of the Project is damaged by fire or other insured casualty (and/or would be insured if the City self-insures) and the Damage Repair Estimate indicates that repairs can be completed within one hundred eighty (180) days, City shall repair the damage, except Tenant shall be responsible for any damage to Tenant's trade fixtures, furniture, equipment and other personal property required to be covered by Tenant's insurance pursuant to Section 11.1(b). Until City's repairs are completed; rent shall be abated in proportion to the part of the Premises which is unusable by Tenant in the conduct of its business. If the Damage Repair Estimate indicates that repairs cannot be completed within one hundred eighty (180) days, City may, at its option, either: (i) make such repairs in a reasonable time and in such event this Lease shall continue in effect, rent shall be abated; or (ii) elect not to effect such repairs and instead terminate this Lease, by notifying Tenant in writing of such termination within sixty (60) days after City learns of the necessity for repairs as a result of damage, such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises. If City does not elect to terminate this Lease pursuant to City's termination right as provided above, and the Damage Repair Estimate indicates that repairs cannot be completed within one hundred eighty (180) days, Tenant may elect, not later than thirty (30) days after Tenant's receipt of the Damage Repair Estimate, to terminate this Lease by written notice to City effective as of the date specified in Tenant's notice. Except as expressly provided in this Section, there shall be no abatement of rent and no liability of City by reason of any injury to or interference with Tenant's business or property arising from any damage or destruction, or the making of any repairs, alterations or improvements to repair such damage, in or to any portion of the Project, the Building or the Premises or in or to fixtures, appurtenances and equipment therein. Tenant understands that City will not carry insurance of any kind on Tenant's trade fixtures, furniture, equipment and other personal property required to be covered by Tenant's insurance pursuant to Section 11.1(b), and that City shall not be obligated to repair any damage thereto or replace the same. Tenant acknowledges that, except as expressly provided in this Section, Tenant shall have no right to any proceeds of insurance carried by City relating to property damage. With respect to any damage which City is obligated to repair or elects to repair, Tenant, as a material inducement to City entering into this Lease, irrevocably waives and releases its rights under the provisions of Sections 1932 and 1933 of the California Civil Code.

22. **EMINENT DOMAIN.** If the whole of the Premises or the Project or so much thereof as to render the balance unusable by Tenant shall be taken under power of eminent domain by any governmental authority other than City, or is sold, transferred or conveyed in lieu thereof, this Lease shall automatically terminate as of the date of such condemnation, or as of the date possession is taken by the condemning authority, at City's option. In the event of such termination, City shall have the right to all condemnation awards and damages; provided, however, that nothing contained herein shall be deemed to give City any interest in or any right to require Tenant to assign to Landlord any award made to Tenant for the taking of personal property and trade fixtures belonging to Tenant and removable by Tenant at the expiration of the Term hereof as provided hereunder or for the interruption of, or damage to, Tenant's business. In the event of a partial taking described in this Section, or a sale, transfer or conveyance in lieu thereof, which does not result in a termination of this Lease, the rent shall be apportioned according to the ratio that the part of the Premises remaining useable by Tenant bears to the total area of the Premises. Tenant hereby waives any and all rights it might otherwise have pursuant to Section 1265.130 of the California Code of Civil Procedure.

23. **PAYMENTS AND NOTICES.** All payments hereunder shall be paid by Tenant to the Office of the Cashier of the City at 455 North Rexford Drive, Beverly Hills, California 90210 or at such other address or to such other persons as the City may from time to time designate in writing, and all notices delivered (separately) to the City Clerk of City and to the Chief Financial Officer and Real Estate & Property Manager of City at 455 North Rexford Drive, Beverly Hills, California 90210, or at such other addresses or to such other persons as the City may from time to time designate in writing. All notices given by City to Tenant hereunder shall be in writing and delivered to Tenant at the Premises, and a copy shall be delivered to Tenant's counsel addressed as follows:

Daniel L. Goodkin, Esq.
Goodkin & Lynch, LLP
1880 Century Park East, Suite 1018
Los Angeles, CA 90067

24. **SUCCESSORS.** Each and every one of the terms, covenants, and conditions of this Lease shall inure to the benefit of and shall bind, as the case may be, not only the parties hereto but each and every one of their successors, assigns, and legal representatives; provided, however, that any subletting or assignment by Tenant of the whole or any part of the Premises or any interest therein shall be subject to the provisions of Section 9 of this Lease.

25. **HOLDING OVER.** If Tenant, with City's prior written consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by City to Tenant terminating this Lease, such possession by Tenant shall be deemed to be tenancy at will (or as otherwise expressly agreed by City in its written consent), terminable upon notice given at any time by either Party, at a monthly rental equal to the greater of the rent previously in effect or fair rental value of the Premises, as determined by City in its good faith discretion. All provisions of this Lease except those pertaining to rent and term shall apply to the tenancy.

26. **NOTICE PRIOR TO EXPIRATION; SURRENDER.** At the expiration or termination of the Term, Tenant shall surrender the Premises to the City in the same condition as received, reasonable wear and tear excepted, with all of Tenant's machinery, equipment, building signage and other trade fixtures having been removed. Tenant shall repair all damage to the Premises and Building caused by such removal.

27. **GENERAL PROVISIONS.**

27.1 **Time.** Time is of the essence of this Lease and each and all of its provisions.

27.2 **Prior Agreements.** This Lease contain all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding other than this Lease pertaining to any such matters shall be effective for any purpose.

27.3 **Inability to Perform.** This Lease and the obligations of Tenant hereunder shall not be affected or impaired because City is unable to fulfill any of its obligations hereunder or is delayed in doing so, if such inability or delay is caused by reason of strike, labor troubles, acts of nature, or any cause, other than financial inability, beyond the reasonable control of City.

27.4 **Partial Invalidity.** Any provision of this Lease which shall prove to be invalid, void, or illegal shall in no way affect, impair or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

27.5 **Amendments In Writing.** No provision of this Lease may be amended or supplemented except by an agreement in writing signed by City and Tenant or their successors in interest.

27.6 **Attorneys' Fees.** In any action to enforce the terms of this Lease, including any suit by City for the recovery of rent or possession of the Premises, the losing party shall pay the successful party a reasonable sum for attorneys' fees and costs incurred by such party in such suit and such attorneys' fees and costs shall be deemed to have accrued prior to the commencement of such action and shall be paid whether or not such action is prosecuted to judgment.

27.7 **Quiet Possession.** Upon Tenant's paying Rent and other sums provided herein and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Term hereof, subject to all of the provisions of this Lease.

27.8 **City's Approvals.** Except as expressly provided to the contrary herein, neither City's execution of this Lease nor any consent or approval given by City hereunder in its capacity as City shall waive, abridge, impair or otherwise affect City's powers and duties as a governmental body. Any requirements under this Lease that Tenant obtain consents or approvals of City are in addition to and not in lieu of any requirements of law that Tenant obtain approvals or permits.

27.9 Brokers. Each of City and Tenant represents and warrants to the other that it has not had any dealings with realtors, brokers or agents in connection with the negotiation of this Lease.

27.10 Recordable Memorandum of Lease. Concurrently with Tenant's execution of this Lease, Tenant shall execute and acknowledge a short form memorandum of this Lease for recording purposes in the form attached hereto as Exhibit "D" and shall deliver it to the escrow for the sale of the Project by Tenant to City.

27.11 Counterparts. This Lease 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.

27.12 Interest; Late Charges. If any payment to be made by Tenant is not paid when due, it shall bear interest at the lesser of: (i) ten percent (10%) per annum, or (ii) the highest rate permitted by law. If any payment to be made by Tenant is not paid within ten (10) business days after written notice that it is past due, Tenant shall pay City four percent (4%) of the amount due (excluding interest) as a late charge. Tenant acknowledges, stipulates and agrees that such late payment of any sums due will cause the City to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to determine. Such costs include, without limitation, processing and accounting charges, and cash-flow/budgeting costs, as well as other material adverse effects and damages. Therefore, the parties have agreed upon the late charge described above as liquidated damages for such costs, effects and damages.

27.13 Limitation of Landlord's Liability. City's liabilities under this Lease shall be limited to City's interest in the Building.

Executed as of the date first written above.

CITY:

CITY OF BEVERLY HILLS,
a municipal corporation

By: _____
BARRY BRUCKER
Mayor

ATTEST:

BYRON POPE,
City Clerk

(SEAL)

TENANT:

BEVERLY HILLS CONFERENCE &
VISITORS BUREAU

By: _____
Print Name: _____
Title: _____

Approved as to content:

JEFFREY KOLIN, ICMA-CM,
City Manager

SCOTT MILLER,
Director of Administrative Services/CFO

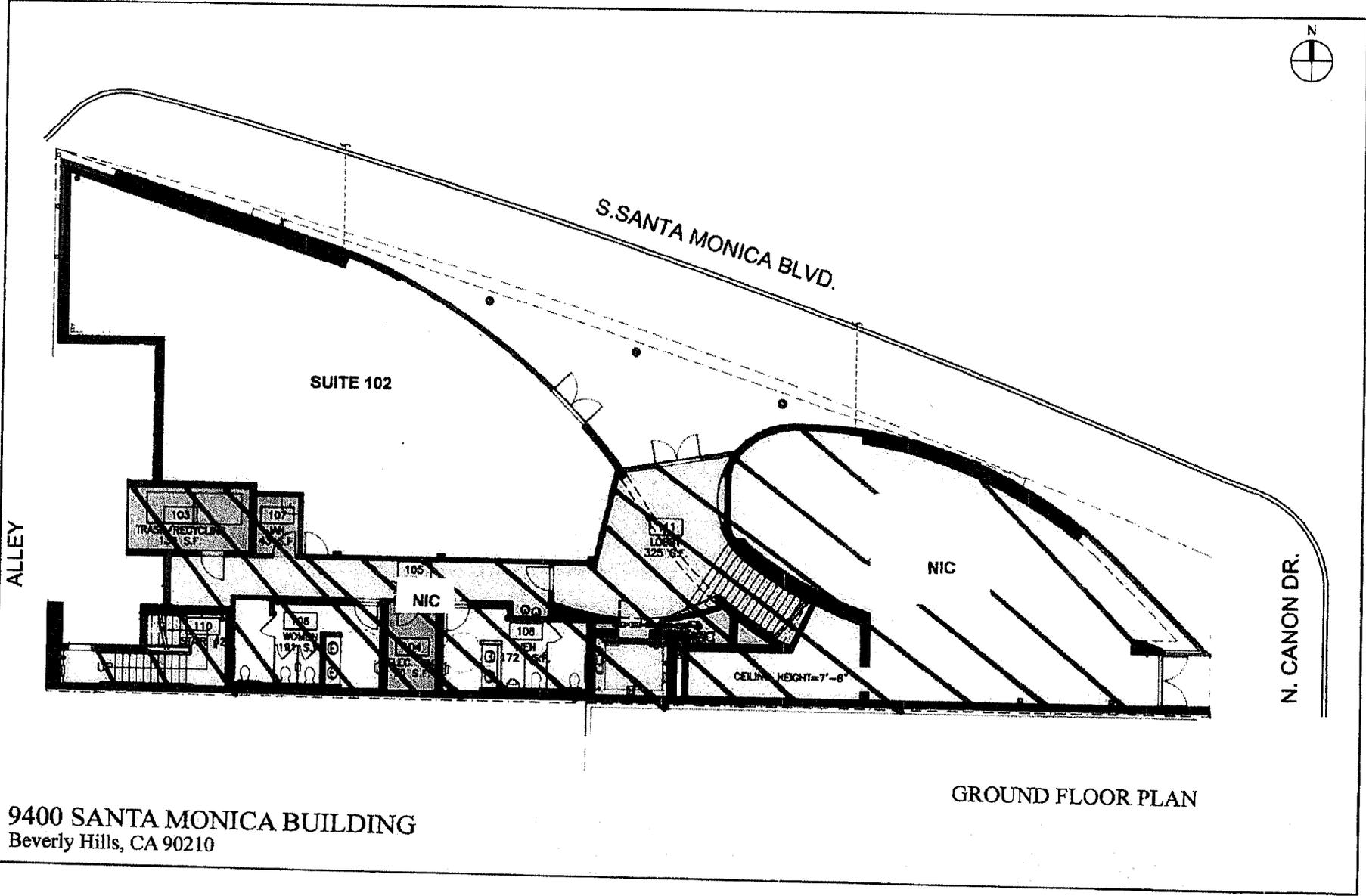
Approved as to form:

LAURENCE S. WIENER,
City Attorney

EXHIBIT "A"

DESCRIPTION OF PREMISES

[Attached.]



9400 SANTA MONICA BUILDING
Beverly Hills, CA 90210

GROUND FLOOR PLAN

EXHIBIT "B"

DESCRIPTION OF LANDLORD'S WORK

[Attached.]

**9400 SANTA MONICA BOULEVARD OFFICE BUILDING
TENANT SHELL AND CORE UTILITIES & FINISHES**

TENANTS ON FIRST FLOOR (OTHER THAN THE RESTAURANT)

1. Concrete floor
2. The HVAC system is based upon the following assumptions:
 - The lighting allowance is 1.0 watts/sf.
 - The occupancy assumption is 1 person/30sf (typical for retail)
 - Ventilation provisions shall be based on 2008 CA T-24
 - The power assumption is 3.5 watts/sf.
 - Up to (1) 5-Ton water source heat pump is allowed in this space. No extra capacity is allowed unless with proper justification. Split systems are not allowed as the building has after hour condenser water system.
 - The cooling tower is located on the roof with piping down a mechanical shaft stubbed to area in ceiling near restrooms for future water source heat pumps to be added by tenants for the conditioning the leased space.
 - The HVAC system (cooling tower) allows water source heat pumps to be added by tenant as needed to meet their requirements.
3. The HVAC condenser water system can be lowered to 30% of capacity so that after hours use is available. Typical building hours of operation are 8am to 6pm. Outside of these hours tenant shall make specific arrangements for the provision of air conditioning at tenants cost.
4. The electrical system is based upon
 - The lighting allowance is 1.6 VA/sf.
 - The power assumption is 2.0 VA/sf.
5. Electrical power is from a panel in the electrical room. Tenant to install the conduit to distribute power to leased premises.
6. The exterior perimeter is generally building "Low E" vision glass and mullion storefront to a height of 10 feet. The northeast corner glazing is floor to ceiling "Low E" vision glass.
7. Demising walls are steel studs and drywall, and insulated. Note: If doors to Ground Floor building lobby are considered for First Floor tenant improvements, the openings will be rated accordingly for a 2-hour rated wall condition.
8. Principal demising doors are double doors. Other doors that may be required for exiting and convenience shall be by tenant and shall meet the building standard specifications.
9. Height from floor to underside of floor above, excluding beams and utilities approximately 16'-7".
10. Common toilets are provided near the lobby.
11. There is an emergency power inverter system to provide emergency lighting.
12. The building is required to be sprinklered. Distribution from sprinkler mains is by tenant.
13. All tenant improvements shall be performed in accordance with the "Tenant Design and Construction Guidelines" (see page 4)

**9400 SANTA MONICA BOULEVARD OFFICE BUILDING
TENANT SHELL AND CORE UTILITIES & FINISHES**

14. All tenant construction plans require Owner's approval.

PARKING

Parking will be available off site at the 450 N. Crescent Drive City garage.

TENANT DESIGN & CONSTRUCTION GUIDELINES

This development has been design and built to meet the standards set forth in the City of Beverly Hills Green Building Ordinance criteria based on 2010 CALIFORNIA GREEN BUILDING STANDARDS CODE (CALGREEN). As part of our sustainability commitment, we have recognized that energy conservation, sensitive site development, use of recycled materials and implementing new sources of energy efficiency are the responsibility of our developments and aim to provide the highest quality office environment.

The following guidelines **require** tenant compliance and have been developed to comply with the City of Beverly Hills Green Building Ordinance and to continue our efforts to provide an environmentally sensitive development with the health of the tenant and the environment at the center of our mission.

For additional information regarding program details for the City of Beverly Hills Green Building Program see the City of Beverly Hills Ordinance No. 08-02-2555 at

http://www.beverlyhills.org/services/building/green_building_program/default.asp

EXHIBIT "C"

TENANT IMPROVEMENTS AND TENANT IMPROVEMENT ALLOWANCE

A. GENERAL

Except for the payment of the Tenant Improvement Allowance (described below) by Landlord, the preparation of all design and working drawings and specifications relating to completion of the Premises for occupancy by Tenant and the letting of contracts relating to the Tenant Improvements and the supervision and completion of the Tenant Improvements and payment therefor shall be the responsibility of Tenant.

All Landlord approvals under this Lease and its exhibits must be obtained in writing from the City Manager of Landlord or his or her designee who is designated in writing by the City Manager. No approval by Landlord under the Lease and its exhibits shall relieve Tenant of the obligation to obtain any other required governmental permits or approvals (including such permits or approvals from the City of Beverly Hills). Tenant must obtain such permits or approvals for its work from the applicable building department of the City of Beverly Hills and other authorities having jurisdiction therefore. Tenant must submit evidence of these approvals (and reasonable evidence of its ability to pay projected costs in excess of the Tenant Improvement Allowance described below) to Landlord before commencing the Tenant Improvement work. Tenant shall be responsible for payment of all fees and charges incurred in obtaining said permits and approvals for the Tenant Improvements and for obtaining a certificate of occupancy for the Premises prior to commencing business in the Premises.

Tenant shall ensure that all the provisions and conditions contained or imposed in this Exhibit "C" are observed and performed by all designers, contractors, subcontractors and consultants engaged by Tenant.

B. PLANS AND SPECIFICATIONS FOR THE TENANT IMPROVEMENTS

So that the Tenant Improvements may proceed without delay and in an efficient manner, the following provisions shall apply:

1. Preliminary Work. All designers or engineers employed by Tenant shall be familiar with the plans for the Building made available to Tenant to the extent necessary to complete the required architectural, mechanical and electrical working drawings and specifications.

2. Approval of Preliminary Space Plans and Specifications. Within thirty (30) days after the execution of this Lease, Tenant shall provide Landlord with preliminary plans and specifications for the Tenant Improvements and Landlord shall approve or disapprove of them within ten (10) business days.

3. Submission of Final Plans and Specifications. Within sixty (60) days after Landlord's approval of Tenant's preliminary plans and specifications (or conditional approval), Tenant shall submit three (3) printed sets of final plans and specifications, finish material

samples and such other information as may be reasonably necessary for the Tenant Improvements to be approved by Landlord. Tenant's final plans shall include a schedule and other documentation reasonably acceptable to Landlord identifying all trade fixtures and equipment (along with the costs thereof) that Tenant proposes to be reimbursed from the Tenant Improvement Allowance.

4. Approval of Final Plans and Specifications; Later Changes. Landlord within ten (10) business days following receipt of the final plans and specifications shall notify Tenant of its approval of Tenant's final plans and specifications, approval with conditions (which shall be stated in a reasonably clear matter) or disapprove the final plans and specifications and return them to Tenant with requested revisions. If Landlord disapproves the final plans and specifications, Tenant may resubmit the final plans and specifications to Landlord at any time, and Landlord shall approve or disapprove the resubmitted final plans and specifications within five (5) business days after Landlord receives such resubmitted final plans and specifications, and such procedure shall be repeated until the final plans and specifications are approved. If Landlord does not approve or disapprove within such time period, then to the extent the completion of the Tenant Improvements is delayed as a result of the delay (as shown by reasonable evidence delivered to Landlord), then the Commencement Date of the Lease shall be delayed by the delay in the completion of the Tenant Improvements.

5. Change Orders. In the event Tenant desires to materially change the approved final plans and specifications, Tenant shall deliver notice of the same to Landlord setting forth in detail the changes Tenant desires to make to the approved final plans and specifications. Landlord shall, within five (5) business days after Landlord receives a written notice from Tenant of such notice of a change order, approve the change or disapprove the change together with notice specifying the reasons for disapproval. If Landlord does not approve or disapprove within such time period, then to the extent the completion of the Tenant Improvements is delayed as a result of the delay (as shown by reasonable evidence delivered to Landlord), then the Commencement Date of the Lease shall be delayed by the delay in the completion of the Tenant Improvements.

6. Working Drawings and Specifications. Each set of working drawings and specifications shall be of uniform size to a minimum scale of 1/8" to each foot and shall include, but not be limited to, the following:

- (1) floor plans;
- (2) reflected ceiling plans (including planned access points for equipment service);
- (3) specifications, identification and colors of materials for all plans and work;
- (4) interior elevations and finish schedule;
- (5) engineered plans and specifications for all electrical, mechanical, and plumbing work, including details and performance information relating to all

fixtures, equipment and any under-floor services, including conduit runs to be recessed or buried in the floor; and

(6) roof plan.

C. GENERAL REQUIREMENTS

1. Architect, General Contractor and Subcontractor Approval. Tenant shall competitively bid the Tenant Improvements with no less than three (3) reputable, licensed and bonded general contractors. Landlord shall have the right to approve, which approval shall not be unreasonably withheld or conditioned and shall be granted or denied within five (5) business days, the architect and all contractors and subcontractors designing or performing construction of the Tenant Improvements and who will be working in the Building. All contractors and subcontractors who will perform such work must have in force: (i) workers' compensation insurance in the amount required by law; (ii) such other employer's and comprehensive general liability insurance in accordance with the standards set forth in the Lease (but with a liability limit of not less than Two Million Dollars (\$2,000,000.00) for contractors and One Million Dollars (\$1,000,000) for subcontractors), (iii) One Million Dollars (\$1,000,000.00) of automobile liability insurance, and (iv) such other insurance as Landlord reasonably deems necessary to supplement the insurance coverage provided for in the Lease and which is consistent with requirements of Comparable Buildings for comparable construction projects.

2. Workmanship, Materials and Design and Construction Guidelines Compliance. All of the Tenant Improvements required by Tenant to complete the Premises for occupancy:

a) shall be carried out with good workmanship and with first class materials consistent with those in use at the Building, which shall all be of a high quality and shall be conforming to the commercially reasonable standards of practice, and shall conform with applicable Laws.

b) shall be constructed or performed in compliance with the Tenant Design and Construction Guidelines attached hereto.

3. Proof of Insurance. Before commencing Tenant Improvements, Tenant shall furnish written proof to Landlord that the insurance required under Section C1 above has been obtained and is in force. Landlord shall be named as an additional insured in such insurance.

4. Access and Rules. Unless other arrangements are proposed to and approved by Landlord in advance, Tenant's contractors shall access the Premises through the Building stairs, only, in order to execute Tenant Improvements (and the delivery of materials for which elevator access shall be arranged with Landlord in advance), subject to compliance with all non-discriminatory rules, regulations and stipulations which Landlord may make from time to time. If Tenant desires after-hours access for its contractors, such access must be scheduled with Landlord in advance. These rules, regulations and stipulations may include, but shall not be limited to, matters relating to:

- a) the handling and storage of material and equipment;
- b) hours of work and coordination of activity so long as Tenant is provided reasonable access during normal construction hours (or other hours, if arranged with Landlord in advance);
- c) scheduling of work;
- d) deliveries; and
- e) clean-up of work and the disposition of refuse.

5. Refuse Removal. Tenant shall at all times keep the Premises and all other areas clear of all waste materials and refuse caused by itself, its suppliers, contractors or by their work. Tenant shall remove all waste materials and refuse directly from the Premises and shall deposit them in places or in receptacles provided by Tenant at Tenant's sole cost and expense specifically for the disposal of waste materials and refuse in connection with the Tenant Improvements (which receptacles shall be located at a place reasonably designated by Landlord). In no event shall Tenant's construction debris be placed in with the rubbish and trash of other tenants. Landlord may require Tenant to clean up on a daily basis, and after reasonable prior notice, shall be entitled to clean up at Tenant's expense if Tenant fails to comply with Landlord's reasonable requirements in this respect.

At the completion of Tenant Improvements, Tenant shall remove all waste material and refuse from the Premises and deposit them in places or in receptacles provided by Tenant. The final clean-up shall include the cleaning of all lighting fixtures, millwork units, windows, stairwells, common areas and space which may be affected by the Tenant Improvement work.

6. Damage by Tenant. Subject to the waiver of subrogation contained in the Lease, any damage caused by Tenant's contractor or subcontractors constructing the Tenant Improvements to the Building structure or the Building Systems or to any property of Landlord or of other tenants shall be repaired by Tenant to the reasonable satisfaction of Landlord.

7. Failure to Perform Work. If Tenant's contractor performs any work which does not substantially conform with the approved plans and specifications, then Landlord, after ten (10) business days' prior written notice to Tenant and Tenant's contractor, may without prejudice to any right or remedy Landlord may have, complete the work, remedy the defaults or make good any such deficiencies and Tenant shall reimburse Landlord for such costs, as additional rent, within thirty (30) days after written demand, or the same shall be deducted from the Tenant Improvement Allowance.

8. Security. Tenant shall be entirely responsible for the security of the Premises during construction and Landlord shall not be liable for any loss or damage suffered by Tenant or its contractors.

9. Fire Protection. Tenant shall maintain and keep on the Premises at all times during construction and the term of the Lease, a suitable portable fire extinguisher for Class A,

B and C fires and shall comply with any additional requirements and regulations imposed by the fire marshal and all other appropriate governmental agencies.

10. Performance of Construction. Tenant shall diligently complete the Tenant Improvements.

11. Preparation of "As-built" Plans. Within sixty (60) days after the completion of the Tenant Improvements, Tenant shall deliver to Landlord both a "hard" copy and a copy on CAD diskette of the "as-built" plans and specifications (including all working drawings) for the Tenant Improvements.

D. Public Work; Prevailing Wage Requirement

Tenant acknowledges that the Tenant Improvements are a "public work" under Section 1720 of the California Labor Code and Tenant agrees that Tenant shall: (i) pay prevailing wages for all Tenant Improvement Work in accordance with Section 1720, *et seq.* of the California Labor Code; (ii) otherwise comply with the provisions of Sections 1773.8, 1775, 1776, 1777.5, 1777.6 and 1813 of the California Labor Code and all other applicable Laws and regulations with respect to prevailing wages; and (iii) obtain payment and performance bond(s) for the Tenant Improvement Work.

E. Tenant Improvement Allowance

1. Landlord agrees to contribute the sum of One Hundred Thousand Six Hundred and No/100 Dollars (\$100,600.00) for the actual costs of design and construction of the Tenant Improvements, including without limitation, payment of the fees and costs of the space planner, architect, engineer and other consultants in connection with the design and construction of the Tenant Improvements, actual costs of construction of the Tenant Improvements, and permitting costs, but not for Tenant's moving expenses, furniture or fixtures (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.

2. Subject to Section 3 below, Landlord shall pay to Tenant the Tenant Improvement Allowance for the actual costs of Tenant Improvements in monthly installments, within thirty (30) days after Tenant delivers written request to Landlord for payment describing the applicable Tenant Improvement Work completed by Tenant for which the funds are requested (together with any additional supporting documentation reasonably requested by Landlord), subject to the satisfaction of the following conditions:

a) All building permits for the Tenant Improvements have been issued by the applicable governmental authorities and copies of such building permits have been delivered to Landlord;

b) Tenant has submitted to Landlord (i) all invoices for that portion of the Tenant Improvements for which payment is requested; and (ii) appropriate conditional lien releases and waivers from any and all contractors and materialmen that provided services or installed supplies to or for the account of Tenant (unconditional as to any work for which a

disbursement of the Tenant Improvement Allowance was previously made) (provided that no lien releases shall be required of the architect, project manager and other consultants unless they have filed a preliminary notice); and

c) Tenant has completed that portion of the Tenant Improvements described on the invoices submitted for which the installment payment is requested; and

d) Tenant is not in default of any provisions of this Lease (provided that once all defaults are cured, the disbursement will then be made, if Landlord has not terminated this Lease).

Notwithstanding anything to the contrary contained herein, in the event that the Tenant Improvement Allowance required to be paid by Landlord in accordance with this Exhibit is not timely paid when due and such failure shall continue for thirty (30) days following Landlord's receipt of Tenant's written notice thereof, then Tenant shall, in addition to any other remedies it may have, be entitled to deduct from Rent next payable by Tenant under the Lease the amount so paid by Tenant together with interest thereon, at the Interest Rate.

3. Landlord shall be entitled to retain ten percent (10%) of each requested installment for the hard costs of the Tenant Improvements (but not with respect to payments to the architect, project manager and other consultants).

4. Landlord shall pay a final payment of the Tenant Improvement Allowance equal to ten percent (10%) of the hard costs of the Tenant Improvements (*i.e.*, the retention described in Paragraph 3 above) within thirty (30) days after Landlord's receipt of Tenant's written request thereof, together with documentation sufficient (in Landlord's reasonable determination) to establish that items (a) through (f) below have been satisfied:

a) All required inspections of the Tenant Improvements by the applicable governmental agencies have taken place and the completed Tenant Improvements have passed all such inspections;

b) Tenant has completed the Tenant Improvements;

c) Tenant has received a certificate of occupancy;

d) Tenant has submitted to Landlord (i) all invoices and proof of payment for all of the Tenant Improvements evidencing expenditures by Tenant of any amount equal to or greater than the amount of the Tenant Improvement Allowance; and (ii) appropriate final lien releases and waivers, conditioned only upon final payment of the applicable sum specified therein, from any and all contractors and materialmen which provided services or installed supplies to or for the account of Tenant with respect to the Tenant Improvements;

e) Tenant is not in monetary default of any provisions of the Lease beyond applicable notice and cure periods.

f) Tenant has provided to Landlord two (2) sets of as-built plans and a disk with an electronic file of same.

5. Within thirty (30) days after Landlord's final payment of the Tenant Improvement Allowance, Tenant shall submit to Landlord final, unconditional lien releases and waivers from any and all contractors and materialmen which provided services or installed supplies to or for the account of Tenant with respect to the Tenant Improvements.

6. All items of the Tenant Improvements paid for with the Tenant Improvement Allowance shall be deemed Landlord's property.

7. Landlord will not charge Tenant any supervisory or administrative fees in connection with Landlord's work or Tenant's initial tenant improvement work, and Landlord will not charge any fee to review Tenant's plans and specifications (other than normal permit fees charged by Landlord in its governmental capacity).

F. NON-COMPLIANCE

1. **Non-Compliance.** If Tenant or Landlord does not comply with the provisions of the Lease or any other agreement relative to the construction or occupation of the Premises, including this Exhibit, the non-defaulting party, in addition to and not in lieu of any other rights or remedies, may (subject to applicable notice and cure provisions) declare and treat such noncompliance as a default or breach of covenant under this Lease and exercise any right available under the provisions of this Lease, including the right of termination.

2. **Termination; Retention or Demolition of Tenant Improvements.** In any event of termination pursuant to the above provision by Landlord, Landlord may further elect either to:

a) retain for its own use without payment therefor all or any of the Tenant Improvements which has been commenced, installed or completed to the date of such termination; or

b) forthwith demolish or remove all or any work and restore the Premises to the condition in which the same were prior to the commencement, installation or completion of all or such of the Tenant Improvements and recover the cost of so doing from Tenant.

EXHIBIT "D"

FORM OF MEMORANDUM OF LEASE

[Attached.]

RECORDING REQUESTED BY, AND
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 February 21, 2012, and is entered into by and between the CITY OF BEVERLY HILLS, a municipal corporation ("City"), and the BEVERLY HILLS CONFERENCE & VISITORS BUREAU, a California nonprofit mutual benefit corporation ("Tenant").

RECITALS

A. Tenant and City have entered into that certain "Lease between the City of Beverly Hills and the Beverly Hills Conference & Visitors Bureau for Space at 9400 Santa Monica Boulevard" 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, a portion (the "**Premises**") of that certain building ("**Building**") located on land in the City of Beverly Hills, County of Los Angeles, State of California, commonly known as 9400 Santa Monica Boulevard, Beverly Hills, California, more particularly described in Exhibit A attached hereto. The Premises are more particularly described in the Lease.

B. Tenant and City now desire to enter into and record this Memorandum as required under applicable California law.

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 the Premises to Tenant, and Tenant hereby leases and accepts the Premises from City, on the terms and conditions in the Lease for ten (10) years commencing six (6) months after the date that City notifies Tenant in writing that City is prepared to deliver possession of the Premises to Tenant, subject to two (2) conditional five year extension options in favor of Tenant, and subject to earlier termination as provided in the Lease,

and upon the rental rate and the other terms and conditions set forth in the Lease, all of which 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:

THE CITY OF BEVERLY HILLS

By: _____
Barry Brucker,
Mayor

TENANT:

BEVERLY HILLS CONFERENCE &
VISITORS BUREAU,
a California nonprofit mutual benefit corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

_____ (SEAL)

By: _____
Byron Pope
City Clerk

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

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

The land referred to herein is situated in the State of California, County of Los Angeles, and described as follows:

Lot 23 in Block 3 of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per map recorded in Book 11 Page 94 of Maps, in the Office of the County Recorder of said County.

APN: 4343-011-903

EXHIBIT "E"

BUILDING RULES AND REGULATIONS

1. Except as may be specifically provided in the Lease to which these Rules and Regulations are attached, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside or inside of the Building (except within the Premises) without the prior written consent of Landlord. Tenant shall not place anything against or near exterior windows or doors which may appear unsightly from outside the Premises or which are visible from the exterior of the Premises (other than approved window coverings). Landlord shall have the right to remove, at Tenant's expense and without notice, any sign installed or displayed in violation of this rule.
2. Tenant shall not obstruct any sidewalks, halls, passages, exits, entrances, elevators, escalators or stairways of the Building. Landlord shall in all cases retain the right to control and prevent access thereto of all persons whose presence in the judgment of Landlord would be prejudicial to the safety and interest of the Building. Without Landlord's written consent, neither Tenant nor any employee or invitee of Tenant shall go upon the roof of the Building or enter any other areas restricted by Landlord.
3. Upon the termination of its tenancy, Tenant shall deliver to Landlord all keys in Tenant's possession to all doors and locks in the Premises.
4. All contractors and technicians rendering any service to Tenant after completion of the Tenant Improvements shall be referred to Landlord for approval (which approval shall not be unreasonably withheld, conditioned or delayed) prior to performing any such service. This applies to all work performed in the Building, including but not limited to, installation of telephone and telegraph equipment and electrical devices and installations affecting floors, walls, woodwork, windows, ceilings and any other physical portion of the Building. None of Tenant's contractors or subcontractors shall be entitled to (1) display identification or other signage at the Building, or (2) park anywhere in the Parking Structure except in the area, if any, designated by Landlord.
5. Without limiting Landlord's approval rights of Tenant Improvements, Landlord also shall have the right to prescribe the weight, size and position of all heavy equipment, materials, furniture or other property brought into the Building. Heavy objects shall, if considered reasonably necessary by Landlord, stand on such platforms as reasonably determined by Landlord to be necessary to properly distribute the weight, which platforms shall be provided at Tenant's expense. The persons employed to move such equipment in or out of the Building must be approved by Landlord which approval shall not be unreasonably withheld, delayed or conditioned. Landlord will not be responsible for loss of, or damage to, any such equipment or other property from any cause, and all damage done to the Building by maintaining or moving such equipment or other property shall be repaired at the expense of Tenant.
6. Tenant shall not use or keep in the Premises any kerosene, gasoline or inflammable or combustible fluid or material other than those limited quantities necessary for office cleaning or office supplies. Tenant shall not use or permit to be used in the Premises any

foul or noxious gas or substance, or permit or allow the Premises to be occupied or used in a manner which allows noise, odors or vibrations to emanate from the Premises, nor shall Tenant bring into or keep in or about the Premises any birds or animals other than assist animals.

7. Tenant shall not use any method of heating or air conditioning other than that approved by Landlord.

8. Tenant agrees to use commercially reasonable efforts to cooperate with Landlord to assure the most effective operation of the Building's heating and air conditioning and to comply with any governmental energy-saving rules, laws or regulations. Tenant shall keep corridor doors closed.

9. Landlord reserves the right, exercisable upon thirty (30) days' prior written notice to Tenant, to change the name and/or street address of the Building.

10. Landlord reserves the right to exclude from the Building during hours other than Building hours of operation, any person unless that person is known to the person or employee in charge of the Building or has a pass or is properly identified. Tenant shall be responsible for all persons for whom it requests passes and shall be liable to Landlord for all acts of such persons. Landlord shall not be liable for damages for any error with regard to the admission to or exclusion from the Building of any person. Landlord reserves the right to prevent access to the Building in case of invasion, mob, riot, public excitement or other commotion by closing the doors or by other appropriate action.

11. Tenant shall close and lock the doors of its Premises before Tenant and its employees leave the Premises.

12. The toilet rooms, toilets, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the Tenant who, or whose employees or invitees, shall have caused it.

13. Tenant shall not install any radio or television antenna, loudspeaker or other devices on the roof(s) or exterior walls of the Building. Tenant shall not interfere with radio or television broadcasting or reception from or in the Building or elsewhere.

14. Tenant shall not affix any floor covering to the floor of the Premises in any manner except as reasonably approved by Landlord to the extent required by the provisions of the Lease pertaining to Tenant improvements or Alterations. Tenant shall repair any damage resulting from noncompliance with this rule.

15. Canvassing, soliciting and distribution of handbills or any other written material, and peddling in the Building or Common Areas (collectively, the "Project") are prohibited, and Tenant shall cooperate to prevent such activities.

16. Landlord reserves the right to exclude or expel from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs or who is in violation of any of these Rules and Regulations.

17. Tenant shall store all its trash and garbage within its Premises or in other facilities provided by Landlord. Tenant shall not place in any trash box or receptacle any material which cannot be disposed of in the ordinary and customary manner of trash and garbage disposal. All garbage and refuse disposal shall be made in accordance with reasonable directions issued from time to time by Landlord.

18. Tenant shall comply with all reasonable safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

19. There shall be no smoking within the Building or immediately adjacent to Building entrances (except in areas, if any, expressly designated therefor by Landlord).

20. Upon written notice to Tenant, Landlord reserves the right to rescind any of these Rules and Regulations and to make future Rules and Regulations as, in its judgment, may from time to time be needed for safety, comfort and security, for care and cleanliness of the Building and for the preservation of good order therein, which Rules and Regulations shall not be unreasonably or discriminatorily modified or enforced in a manner which shall materially interfere with the conduct of Tenant's permitted use from the Premises or Tenant's use of or access to the Premises or the Parking Structure. Tenant agrees to abide by all such Rules and Regulations herein above stated and any additional rules and regulations which are adopted and of which Tenant has received written notice.

21. Tenant shall use commercially reasonable efforts to ensure the observance of all of the foregoing rules by Tenant's employees, agents, customers, invitees and guests.

22. Landlord reserves the right to charge, as additional Rent to Tenant, any extra costs incurred by Landlord as a result of the violation of these Rules and Regulations by Tenant or by Tenant's employees, agents, customers, invitees and guests.

Attachment 2

RECORDING REQUESTED BY, AND
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 February 21, 2012, and is entered into by and between the CITY OF BEVERLY HILLS, a municipal corporation ("**City**"), and the BEVERLY HILLS CONFERENCE & VISITORS BUREAU, a California nonprofit mutual benefit corporation ("**Tenant**").

RECITALS

A. Tenant and City have entered into that certain "Lease between the City of Beverly Hills and the Beverly Hills Conference & Visitors Bureau for Space at 9400 Santa Monica Boulevard" 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, a portion (the "**Premises**") of that certain building ("**Building**") located on land in the City of Beverly Hills, County of Los Angeles, State of California, commonly known as 9400 Santa Monica Boulevard, Beverly Hills, California, more particularly described in Exhibit A attached hereto. The Premises are more particularly described in the Lease.

B. Tenant and City now desire to enter into and record this Memorandum as required under applicable California law.

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 the Premises to Tenant, and Tenant hereby leases and accepts the Premises from City, on the terms and conditions in the Lease for ten (10) years commencing six (6) months after the date that City notifies Tenant in writing that City is prepared to deliver possession of the Premises to Tenant, subject to two (2) conditional five year extension options in favor of Tenant, and subject to earlier termination as provided in the Lease,

and upon the rental rate and the other terms and conditions set forth in the Lease, all of which 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:

THE CITY OF BEVERLY HILLS

By: _____
Barry Brucker,
Mayor

TENANT:

BEVERLY HILLS CONFERENCE &
VISITORS BUREAU,
a California nonprofit mutual benefit corporation

By: _____
Print Name: _____
Title: _____

ATTEST:

_____ (SEAL)

By: _____
Byron Pope
City Clerk

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

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.

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Signature _____ (Seal)
Signature of Notary Public

EXHIBIT A TO MEMORANDUM OF LEASE

LEGAL DESCRIPTION

The land referred to herein is situated in the State of California, County of Los Angeles, and described as follows:

Lot 23 in Block 3 of Beverly, in the City of Beverly Hills, County of Los Angeles, State of California, as per map recorded in Book 11 Page 94 of Maps, in the Office of the County Recorder of said County.

APN: 4343-011-903