



## AGENDA REPORT

**Meeting Date:** December 18, 2012  
**Item Number:** F-2  
**To:** Honorable Parking Authority  
**From:** Brenda Lavender, Real Estate & Property Manager  
**Subject:** FIRST AMENDMENT OF LEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND STROUK GROUP INC DBA MONSIEUR MARCEL AT 447 N. CANON DRIVE  
**Attachments:** 1. First Amendment of Lease

---

### **RECOMMENDATION**

It is recommended that City Council approve the First Amendment of Lease by and between the Parking Authority of The City of Beverly Hills and Strouk Group Inc dba Monsieur Marcel. A copy of the First Amendment of Lease is on file with the City Clerk. This agreement amends the lease with Monsieur Marcel at 447 N. Canon Drive.

### **INTRODUCTION**

Monsieur Marcel is a gourmet market and restaurant with its original location at the historic Los Angeles Farmers Market since 1993. Monsieur Marcel has expanded its locations to include a store at the 3<sup>rd</sup> Street Promenade and will open a gourmet store with Delaware North Corporation at Los Angeles International Airport. In September, 2011 City Council approved a lease with Monsieur Marcel at this location.

### **DISCUSSION**

Since the execution of the lease Monsieur Marcel has secured a liquor license for this location and commenced the construction of the space to create the gourmet market and restaurant. In the course for the construction Mr. Marcel has encountered several problems that have caused delays in the completion of the store. This space was previously Dutton's Bookstore and largely a retail space. Mr. Marcel's restaurant component required substantial improvement to convert the space including the installation of a grease interceptor, vertical ventilation for the stove, sewer line conversion, and remodel of the store front. In accordance with the lease Mr. Marcel is obligated to pay for all of the tenant improvements without contribution from the City.

Mr. Marcel took an additional loan of \$250,000 to complete the store improvements as a result of the construction delays and additional costs required to complete the construction. The Strouk Group is a small family business and this additional financial requirement is greatly affecting their ability to open the store, and operate this location. The Tenant is very motivated and committed to the City of Beverly Hills and has continued to move forward in spite of many unexpected obstacles. They are asking for the City's help that they may be able to open the store for the Holiday season and to start to repay the \$250,000 loan.

This amendment delays the start of rent by five (5) months and extends the term of the lease by five (5) months to compensate and offset for the initial loss of revenue .

**FISCAL IMPACT**

The fiscal impact of the tenant's request is the delay in receipt of revenue for five (5) additional months (\$94,165.82).



Noel Marquis, Acting Director of  
Administrative Services, CFO

---

Approved By

# **Attachment 1**

RECORDING REQUESTED BY:  
WHEN RECORDED RETURN TO:

The Parking Authority of the  
City of Beverly Hills  
455 North Rexford Drive  
Beverly Hills, California 90210  
Attention: City Clerk

---

[Space Above For Recorder's Use Only]

The undersigned declare that this First Amendment 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.

FIRST AMENDMENT OF LEASE

THIS FIRST AMENDMENT OF LEASE (this "**Amendment**") is dated as of December 18, 2012, by and between THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS ("Landlord"), and STROUK GROUP, INC., a California corporation ("Tenant").

RECITALS

- A. Tenant and Landlord's predecessor-in-interest (the City of Beverly Hills) entered into that certain Lease dated September 27, 2011 (the "Lease"), pursuant to which Landlord has agreed to lease and demise to Tenant, and Tenant has agreed to lease and accept from City, space in the building located in the City of Beverly Hills, County of Los Angeles, State of California, commonly known as 447 N. Canon Drive (the "Property"), as provided in the Lease.
- B. A Memorandum of Lease dated September 27, 2011 was recorded on December 16, 2011 as Document No. 20111710796 in the Official Records of Los Angeles County, California.
- C. Tenant and Landlord now desire to amend the Lease as hereinafter set forth.

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 Landlord agree as follows:

1. Term. Section 1(d) of the Lease is hereby deleted and is replaced with the following:

"(d) Term: Ten (10) years and five (5) months, commencing upon the date that is two hundred and seventy (270) days after the execution of this Lease and Landlord's delivery of keys to the Premises to Stephane Strouk of Tenant at 6333 West 3rd Street, Los Angeles, CA 90036 (the "Commencement Date").

2. Rent Abatement. Section 1(e) of the Lease is hereby deleted and is replaced with the following:

“During the first fourteen (14) calendar months of the Term, Monthly Rent shall be abated (the “Abated Rent”). Monthly Rent shall be as follows:

	Monthly Rent
Months 15-24	\$18,833.33
Months 25-36	\$19,666.66
Months 37-48	\$20,500.00

At the end of month 48 and annually thereafter, Monthly Rent shall increase by the percentage increase in the CPI over the previous year (as determined by Landlord), but no annual increase shall be more than three percent (3%) nor less than one and one half percent (1.5%). As used herein, the term “CPI” shall have the meaning set forth in Section 6(b) below.”

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

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

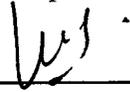
**LANDLORD:**

THE PARKING AUTHORITY OF THE  
CITY OF BEVERLY HILLS

By: \_\_\_\_\_  
William W. Brien, M.D.,  
Chairman

**TENANT:**

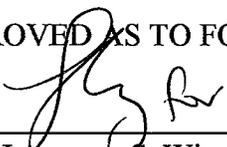
STROUK GROUP, INC.,  
a California corporation

By:  \_\_\_\_\_  
Stephane Strouk,  
Chief Executive Officer

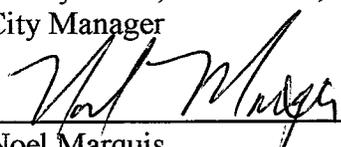
ATTEST:

\_\_\_\_\_ (SEAL)  
Byron Pope,  
Clerk

APPROVED AS TO FORM:

By:  \_\_\_\_\_  
Laurence S. Wiener  
City Attorney

APPROVED AS TO CONTENT:

By: \_\_\_\_\_  
Jeffrey Kolin, ICMA-CM,  
City Manager  
By:  \_\_\_\_\_  
Noel Marquis,  
Acting Director of Administrative  
Services/CFO

ACKNOWLEDGEMENT

State of California )  
County of Los Angeles )

On 12-6-12, before me, JODY C. LANDERS,  
(insert name and title of the officer)

Notary Public, personally appeared Stephane STROUK,  
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.  
Jody C. Landers

Signature \_\_\_\_\_ (Seal)

