



## AGENDA REPORT

**Meeting Date:** August 20, 2013  
**Item Number:** F-3  
**To:** Honorable Parking Authority  
**From:** Brenda A. Lavender, Real Estate & Property Manager  
**Subject:** LEASE MODIFICATION AGREEMENT BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND MARGARET KEVORKIAN DBA BEVERLY CLEANERS  
**Attachments:** 1. Lease Modification Agreement

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### **RECOMMENDATION**

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

### **INTRODUCTION**

This amendment extends the lease term by five (5) years with a new expiration date of December 31, 2018. The current rent of \$3,324.75 monthly will also be extended for the first year of the new term effective January 1, 2014 – December 31, 2014. Effective January 1, 2015 the monthly base rent will adjust by CPI in accordance with the lease and all future CPI adjustments will resume.

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

### **DISCUSSION**

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

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In November 2010, Beverly Cleaners requested and received a 10% rent reduction, but since the rent increased in November of 2011, the Cleaners has maintained its timely payments.

**FISCAL IMPACT**

The fiscal impact of this extension is that the lease rate remains the same in the first year and because the rate is well below market. There are no out of pocket costs or down time.

Don Rhoads, Director of  
Administrative Services/CFO  
Approved By

A handwritten signature in black ink, appearing to be 'DR', written over a horizontal line.

# **Attachment 1**

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:

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

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned declare that this Lease Modification Agreement is exempt from Recording Fees pursuant to California Government Code Section 27383 and exempt from Documentary Transfer Tax pursuant to California Revenue and Taxation Code Section 11911 (transfer for no consideration or value).

### LEASE MODIFICATION AGREEMENT

THIS LEASE MODIFICATION AGREEMENT (this "**Agreement**") is dated as of August 20, 2013 (the "**Effective Date**"), and is entered into by and between MARGARET KEVORKIAN (dba "Beverly Cleaners") ("**Lessee**"), and THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, a California municipal corporation, as successor-in-interest to the City of Beverly Hills ("**Authority**").

### RECITALS

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

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

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

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

E. The Original Lease, as amended by the First Amendment, Second Amendment and Third Amendment was then assigned to Lessee and modified by that certain Assignment, Assumption Consent and Modification Agreement dated March 18, 2004 recorded in the Official Records of Los Angeles County as Document No. 041278642 (the "**Fourth Amendment**") and a Lease Modification Agreement dated as of November 16, 2010 recorded in the Official Records

of Los Angeles County as Document No. 20010008259 (the “**Fifth Amendment**”). The Premises are described on Exhibit “A” to the Fourth Amendment.

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

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

H. The Premises have been conveyed by the City to the Authority (subject to the Lease).

I. Authority and Lessee desire to further extend the term of the Lease and modify certain other provisions of the Lease, all as more particularly provided herein.

#### A G R E E M E N T

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

1. Extension of Lease Term. The term of the Lease is hereby extended to December 31, 2018.

2. Monthly Rent. The monthly rent payable under the Lease from January 1, 2014 through December 31, 2014 shall be Three Thousand Four Hundred Twenty-Four and 75/100 Dollars (\$3,324.75) per month. The monthly rent shall be increased on January 1, 2015, January 1, 2016, January 1, 2017, and January 1, 2018 (each, an “Adjustment Date”) as provided in Section 4.B. of the Lease (i.e., as such section in the Original Lease was amended and restated in its entirety pursuant to the Third Amendment, but using the aforesaid dates as the Adjustment Dates).

3. Winter Shopping Season Hours and Decoration. As provided in the Fifth Amendment, Lessee acknowledges that the City has a significant interest in promoting retail sales in the City in order to maximize sales tax revenues and otherwise benefit both the City and the retail businesses in the City. During the winter shopping/holiday season (“Winter Shopping Season”) established or identified by the Beverly Hills Chamber of Commerce (the “Chamber”), Lessee shall: (i) remain open during any extended hours recommended, established or identified for the Winter Shopping Season by the Chamber; and (ii) reasonably decorate the Premises for the Winter Shopping Season at Lessee’s cost. Failure to comply with the foregoing shall constitute a default under the Lease.

4. Estoppel. Lessee hereby represents and warrants the following to City as of the Effective Date:

4.1 Entire Agreement. The Original Lease has not been modified, supplemented or amended except as provided in the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment and the Fifth Amendment.

4.2 Security Deposit. Authority is holding Five Thousand Three Hundred Four Dollars (\$5,304) as a security deposit in accordance with Section 5 of the Second Amendment.

4.3 Default. Lessee has not given written notice to City or Authority of any dispute or default under the Lease and no event has occurred that, with the giving of notice, the passage of time or both, would constitute a default under Sections 22 and/or 24 of the Original Lease.

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

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

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

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

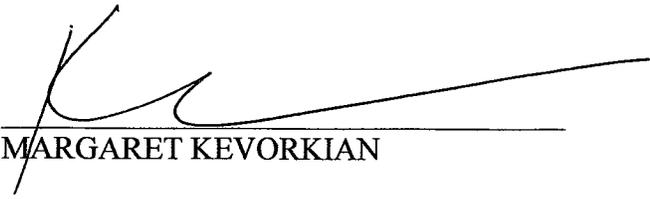
9. Successors and Assigns. This Agreement shall be binding on and inure to the benefit of the parties hereto and their successors and assigns.

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

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

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

**LESSEE:**

  
MARGARET KEVORKIAN

**AUTHORITY:**

THE PARKING AUTHORITY OF THE CITY OF  
BEVERLY HILLS

By:

\_\_\_\_\_  
John A. Mirisch, Chairman of the Board of  
Directors

ATTEST:

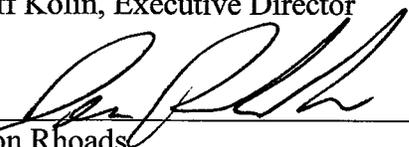
\_\_\_\_\_  
Byron Pope, Secretary to Board of Directors

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Laurence S. Wiener, Authority Counsel

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Jeff Kolin, Executive Director

  
\_\_\_\_\_  
Don Rhoads,  
Director of Administrative Services/CFO

ACKNOWLEDGMENT

State of California )
County of Los Angeles )

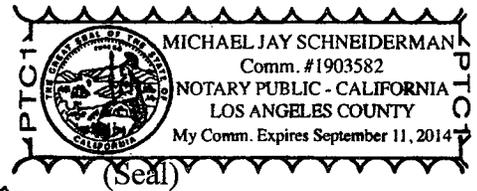
On August 1, 2013, before me, MICHAEL JAY SCHNEIDERMAN, NOTARY PUBLIC
(insert name and title of the officer)

Notary Public, personally appeared MARGARET ASH KEYORKIAN, 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 Michael Jay Schneiderman



ACKNOWLEDGMENT

State of California )
County of Los Angeles )

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

Notary Public, 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)