



AGENDA REPORT

Meeting Date: April 22, 2014
Item Number: D-2
To: Honorable Parking Authority
From: Brenda A. Lavender, Real Estate & Property Manager
Subject: SEVENTH AMENDMENT OF LEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND SHAHRAM SAEEDIAN AND BIJAN DADFARIN DBA BEVERLY HILLS MARKET
Attachments: 1. Seventh Amendment of Lease

RECOMMENDATION

It is recommended that the Parking Authority approve the Seventh Amendment of Lease by and between The Parking Authority of the City of Beverly Hills and Shahram Saeedian and Bijan Dadfarin dba Beverly Hills Market. A copy of the lease is on file with the City Clerk. Beverly Hills Market has been a long-standing tenant of the City at the 303 N. Crescent Drive.

INTRODUCTION

This amendment extends the 15% rent reduction that was granted in the Third through Sixth Amendments. BH Market will continue to pay \$6,203.96 monthly through March 31, 2016. The rent will increase by the Consumer Price Index (CPI) effective April 1, 2016 and annually thereafter. The rent adjustments will not exceed 5% cumulatively in any two-year period.

The current lease term will expire on November 11, 2018 and is not affected by this amendment. The market has one option to further extend the term of the lease for five (5) years through November 11, 2023.

DISCUSSION

BH Market is one of the City's 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 local serving businesses such as BH Market so that these

businesses are able to stay in the City and provide quality, and convenient community services.

The changes in the economy continue to affect the market's sales, and although the market has taken measures to cut costs such as cutting employee hours and changing their ordering systems, they are still not able to compete with larger markets who have decreased their prices to attract more customers. BH Market is in the process of improving the deli and refrigeration section of the store. These improvement should help to increase sales in the deli and fresh prepared/catering business for the store.

FISCAL IMPACT

The fiscal impact of this request is a \$13,137.84 reduction in annual revenue.

David Lightner, 
Deputy City Manager
Approved By

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: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned Lessor declares that this Seventh Amendment of Lease is exempt from Recording Fees pursuant to California Government Code Section 27383 and is exempt from documentary transfer taxes pursuant to California Revenue and Taxation Code Section 11922.

SEVENTH AMENDMENT OF LEASE

THIS SEVENTH AMENDMENT OF LEASE (this "**Seventh Amendment**") is dated as of April 22, 2014, and is entered into by and between THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS, a parking authority established pursuant to the Parking Law of 1949 of the State of California ("**Lessor**") and SHAHRAM SAEEDIAN and BIJAN DADFARIN (dba Beverly Hills Market) (collectively "**Lessee**").

RECITALS

A. The City of Beverly Hills, as lessor, and Lessee entered into that certain "City of Beverly Hills Lease – Site "A" North 333 North Crescent Drive" dated as of September 22, 1998 and amended said lease by an Amendment of Lease dated November 18, 2008, a Second Amendment of Lease dated March 2, 2010, a Third Amendment of Lease dated August 3, 2010, a Fourth Amendment of Lease dated July 7, 2011, a Fifth Amendment of Lease dated June 19, 2012, and a Sixth Amendment of Lease dated April 2, 2013 (the "**Lease**"). Capitalized terms used herein but not defined shall have the meanings set forth in the Lease.

B. A Memorandum of Lease dated November 18, 2008 was recorded on January 12, 2009 as Document No. 20090038985 in the Official Records of Los Angeles County, California. The Sixth Amendment of Lease was recorded on April 30, 2013 as Document No. 20130650963 of said Official Records.

C. The Lease affects a portion (the "**Premises**") of the building located at 333 North Crescent Drive, Beverly Hills, California, consisting of: (i) retail shop space containing approximately 3,738 square feet of rentable area; (ii) storage space; (iii) a license to use Patio space; and (iv) a license to use an area for a vending cart.

D. The City of Beverly Hills has conveyed the Building to Lessor.

E. Lessor and Lessee desire to further amend the Lease as hereinafter set forth.

AGREEMENT

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

1. Extension of Rent Reduction. As of April 1, 2014, Base Monthly Rent under Section 4 of the Lease shall remain \$6,203.96, and such Base Monthly Rent rate shall remain in effect until March 31, 2016, and then on April 1, 2016 and each anniversary thereof (each, an "Adjustment Date"), the Base Monthly Rent shall be increased as follows (but in no event shall Base Monthly Rent decrease and in no event shall the cumulative increases over any two years commencing on an Adjustment Date exceed five percent [5%] of the Base Monthly Rent in effect prior to the applicable Adjustment Date). The base for computing each increase is the Consumer Price Index for All Urban Consumers for the Los Angeles-Anaheim-Riverside Metropolitan Area (or equivalent) published by the United States Department of Labor, Bureau of Labor Statistics ("Index") that is published preceding the applicable Adjustment Date ("Beginning Index"). Each annual increase shall be determined by multiplying the Base Monthly Rent in effect prior to an Adjustment Date by a fraction, the numerator of which is the Index published for the third month preceding that Adjustment Date and the denominator of which is the Beginning Index. The last paragraph of Section 4B.(3) shall continue to apply.

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

3. Counterparts. This Seventh 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.

4. Time of Essence. Time is of the essence of every provision hereof in which time is a factor.

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

LESSOR:

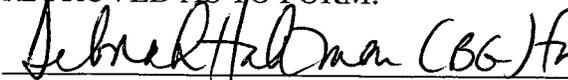
THE PARKING AUTHORITY OF THE CITY
OF BEVERLY HILLS

By: _____
Lili Bosse,
Chairman of the Board of Directors

ATTEST:

Byron Pope, Secretary to the Board of
Directors

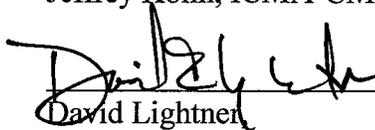
APPROVED AS TO FORM:



Laurence S. Wiener,
Authority Counsel

APPROVED AS TO CONTENT:

Jeffrey Kolin, ICMA-CM, Executive Director



David Lightner
Deputy City Manager

LESSEE:



Shahram Saeedian



Bijan Dadfarin

ACKNOWLEDGMENT

State of California)
County of Los Angeles)

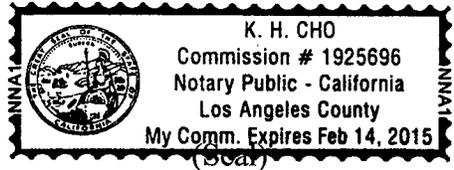
On April 16, 2014, before me, K.H. Cho,
(insert name and title of the officer)

Notary Public, personally appeared Shahram Saeedian,
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 [Handwritten Signature]



ACKNOWLEDGMENT

State of California)
County of Los Angeles)

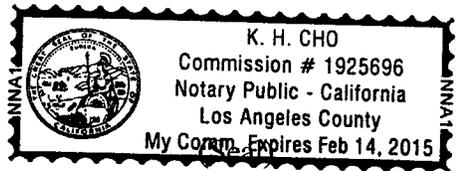
On April 16, 2014, before me, K.H. Cho,
(insert name and title of the officer)

Notary Public, personally appeared Bijan Dadfarin,
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.

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the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]



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
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WITNESS my hand and official seal.

Signature _____

(Seal)