



AGENDA REPORT

Meeting Date: November 18, 2014
Item Number: D-8
To: Honorable Mayor & City Council
From: Brenda Lavender, Real Estate & Property Manager
Subject: SECOND AMENDMENT OF LEASE BY AND BETWEEN THE CITY OF BEVERLY HILLS AND LAKESHORE ENTERTAINMENT GROUP, LLC.
Attachments: 1. Second Amendment of Lease

RECOMMENDATION

It is recommended that the City Council approve the Second Amendment of Lease by and between The City of Beverly Hills and Lakeshore Entertainment Group, LLC. A copy of the lease is on file with the City Clerk. Lakeshore is located at 9268 West Third Street.

INTRODUCTION

Lakeshore has leased this single story building from the City since March of 2005. The current lease expires on March 31, 2015 and Lakeshore has an option to extend the term by five (5) years at Fair Market Rent. This amendment extends the term of the lease through March 31, 2020 with annual base rent adjustments based on the consumer price index (CPI).

DISCUSSION

Lakeshore's current monthly rent is \$92,015.97 which is \$4.80 per square foot. This rental rate is above Fair Market Rent, so the new lease term will start at the same rate and adjust in month 13 based on the CPI. The City maintains its right to terminate the lease in the event the City has entered into a development deal at that location. There is no down time for the space and no out of pocket costs for the City.

FISCAL IMPACT

There is no fiscal impact from this lease amendment because the rent doesn't change in the first year.

David Lightner 
Approved By

Attachment 1

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

City of Beverly Hills
Office of the City Manager
455 North Rexford Drive
Beverly Hills, California 90210
Attn: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE (this "**Amendment**") is made and entered into as of November 18, 2014, by and between the CITY OF BEVERLY HILLS, a California municipal corporation ("**City**"), and LAKESHORE ENTERTAINMENT GROUP, LLC, a California limited liability company ("**Tenant**").

RECITALS

- A. City and Tenant executed that certain City of Beverly Hills Lease dated March 1, 2005 (as amended, the "**Lease**"). The Lease affects the building located at 9268 West Third Street, Beverly Hills, California (the "**Property**").
- B. A Memorandum of Lease; Amendment of Lease ("**First Amendment**") was recorded by City and Tenant as Document No. 20100976561 on July 16, 2010 in the Official Records of Los Angeles County, California.
- C. City and Tenant desire to further amend the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the mutual covenants and terms hereof and in the Lease, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Tenant agree as follows:

1. Extension of Term. The Term of the Lease is hereby extended to March 31, 2020.
2. City Termination. Sections 2.1.1, 2.4 and 2.5 of the First Amendment shall remain in full force and effect.
3. Monthly Rent. Commencing on April 1, 2015, Base Rent shall increase to \$92,015.97 per month and shall thereafter be adjusted annually (i.e., every April 1) pursuant to Section 5.1 of the Lease.
4. Conflict. In the event of a conflict or inconsistency between the terms and conditions of the Lease and the terms and conditions of this Amendment, the terms and conditions of this Amendment shall prevail and control.

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

6. 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.

7. Attorneys' Fees. In the event either party shall institute any action or proceeding against the other party relating in any way to this Amendment on the Lease, the party not prevailing in such action or proceeding shall reimburse the prevailing party for its disbursements incurred in connection therewith and for its reasonable attorneys' fees and costs. In addition to the foregoing award of attorneys' fees and costs to the prevailing party, the prevailing party shall be entitled to its attorneys' fees and costs incurred in any post-judgment proceedings to collect or enforce the judgment.

8. Time of Essence. Time is of the essence of each and every provision of this Amendment in which time is a factor.

IN WITNESS WHEREOF, City and Tenant have executed this Amendment as of the date and year first above written.

CITY:

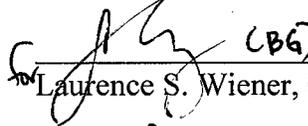
CITY OF BEVERLY HILLS,
a municipal corporation

By: _____
Lili Bosse, Mayor

ATTEST:

Byron Pope, City Clerk

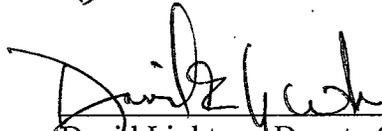
APPROVED AS TO FORM:

 (BG)

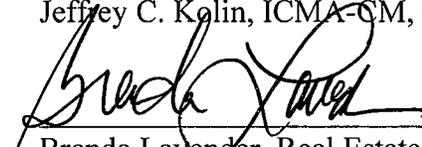
Laurence S. Wiener, City Attorney

APPROVED AS TO CONTENT:

Jeffrey C. Kolin, ICMA-CM, City Manager



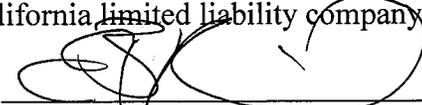
David Lightner, Deputy City Manager



Brenda Lavender, Real Estate and Property
Manager

TENANT:

LAKESHORE ENTERTAINMENT GROUP, LLC,
a California limited liability company

By: 

Eric Reid, Chief Operating Officer

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)

ACKNOWLEDGMENT

State of California)
County of Los Angeles)

On 10-28-2014, before me, Adam S. Goldman, Notary Public,
(insert name and title of the officer)

Notary Public, personally appeared Eric Reed,
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 Adam S. Goldman, Notary Public

(Seal)

