



AGENDA REPORT

Meeting Date: April 7, 2015
Item Number: D-2
To: Honorable Parking Authority Members
From: Brenda Lavender, Real Estate & Property Manager
Subject: THIRD AMENDMENT TO LEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND RESTAURANT BUSINESS STRATEGIES, LLC. DBA SWEET BEVERLY AT 240 N. BEVERLY DRIVE.
Attachments: 1. Third Amendment to Lease

RECOMMENDATION

It is recommended that the Parking Authority approve the Third Amendment to Lease by and between The Parking Authority of the City of Beverly Hills and Restaurant Business Strategies (RBS) dba Sweet Beverly. A copy of the amendment is on file with the City Clerk.

INTRODUCTION

RBS is the restaurant entity for Frem Investment and Frem Investments currently leases office space within the Gardens Building at 240 N. Beverly Drive, on the Third floor, along with the Sweet Beverly retail space and all five (5) of the vitrine spaces on the ground floor of the building. This amendment allows RBS to expand the Sweet Beverly space by 134 rentable square feet. With the expansion of the Sweet Beverly space, this amendment will also extend the lease term to January 31, 2036. The rent for Sweet Beverly is currently \$7.45 per square foot monthly and the vitrine spaces are \$15.45 per square foot monthly.

DISCUSSION

With this amendment the lease term is extended to allow for the amortization of the expansion construction costs. RBS is responsible for all of the construction costs and code compliance associated with the expansion. The restaurant and office spaces will continue to be coterminous and both are being extended with the new expiration date of January 31, 2036. RBS will receive eight (8) months of free rent on the expansion

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space, and there is no broker commission. Landlord's approval of the space design is required and staff will work with RBS to ensure all City requirements are met.

FISCAL IMPACT

The fiscal impact is annual net revenue of \$12,460.80 less eight (8) months of free rent (\$8,307.20). The rent will increase 3% annually. There is no tenant improvement allowance or broker commission on this deal.


David Lighter, Deputy City Manager
Approved By

Attachment 1

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

The Parking Authority of the
City of Beverly Hills
c/o 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 Third Amendment to Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE (this "**Amendment**") is dated as of April 7, 2015 (the "**Effective Date**"), and is entered into by and between THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS ("**Lessor**") and RESTAURANT BUSINESS STRATEGIES, LLC, a California limited liability company ("**Lessee**").

RECITALS

- A. Lessor and Lessee entered into that certain Retail Lease dated July 31, 2012 (as amended, the "**Lease**") which affects a portion of the building located at 240 N. Beverly Drive, Beverly Hills, California (the "**Premises**").
- B. A Memorandum of Lease was recorded on August 13, 2012 as Document No. 20121200104 in the Official Records of Los Angeles County.
- C. Lessor and Lessee previously entered into an Amendment to Lease dated June 18, 2013, which was recorded on August 13, 2012 as Document No. 20121200104 in the Official Records of Los Angeles County, and a Second Amendment to Lease dated August 20, 2013.
- D. Lessor and Lessee now desire to further amend the Lease.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions 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. Expansion of Premises. As of the date hereof, the space described on Exhibit "A" as "Expansion Space" is added to the Premises and the term "Premises" as used in the Lease shall now include such space.

2. Monthly Rent. On the date that is eight (8) calendar months after the date hereof (the "Adjustment Date"), Monthly Rent for each month under the Lease shall increase by One Thousand Thirty-Eight and 40/100 Dollars (\$1,038.40), and the Monthly Rent in effect on each anniversary of the Adjustment Date shall increase by three percent (3%) on each anniversary of the Adjustment Date.

3. Term. As of the date hereof, the expiration of the Term is extended to January 31, 2036.

4. Tenant Improvements. Any and all improvements to the Expansion Space shall be governed by the terms of the Lease relating to improvements by Lessee.

5. Brokers. Lessee shall indemnify, defend and hold Lessor harmless from and against any claims that may be asserted against Lessor by any real estate broker, salesperson or finder in connection with this Amendment that is based on any agreements or communications between Lessee and any such real estate broker, salesperson or finder. Lessor represents and warrants that Lessor has not engaged any real estate broker, salesperson or finder in connection with this Amendment, and Lessor shall indemnify, defend and hold Lessee harmless from and against any claims that may be asserted against Lessee by any real estate broker, salesperson or finder in connection with this Amendment that is based on any agreements or communications between Lessor and any such real estate broker, salesperson or finder.

6. Surrender. Notwithstanding anything in the Lease to the contrary, Lessee's only obligation when surrendering the Premises to Lessor will be to leave the Premises in a broom-clean condition and make any repairs required by any removal of the exterior signage.

7. 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.

8. 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.

9. 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, Lessor and Lessee have executed this Amendment as of the date and year first above written.

LESSOR:

THE PARKING AUTHORITY OF THE
CITY OF BEVERLY HILLS

By: _____
Julian A. Gold, M.D., Chairman of the
Parking Authority of the City of
Beverly Hills, California

ATTEST:

Byron Pope, Secretary

APPROVED AS TO FORM:



Laurence S. Wiener,
General Counsel

APPROVED AS TO CONTENT:

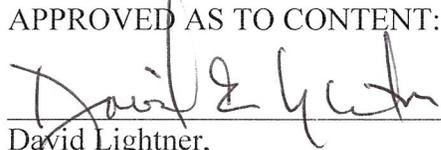
Mahdi Aluzri,
Interim General Manager

APPROVED AS TO CONTENT:



Brenda Lavender,
Real Estate & Property Manager

APPROVED AS TO CONTENT:

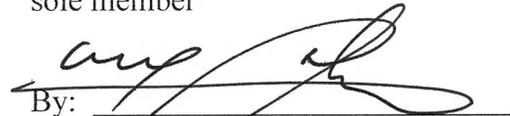


David Lightner,
Deputy City Manager

LESSEE:

RESTAURANT BUSINESS STRATEGIES,
LLC, a California limited liability company

By: Brand 158 Investment Trust
Established November 15, 2011, its
sole member


By: _____
Jack Chammas,
Sole Trustee

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)

On March 12, 2015, before me, Nestor G. Menjivar,
(insert name and title of the officer)

Notary Public, personally appeared Jack Chammis,
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 N.G. Menjivar

(Seal)

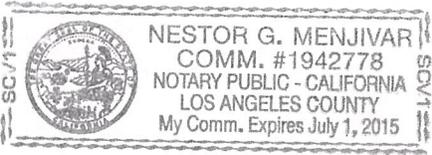


EXHIBIT "A"

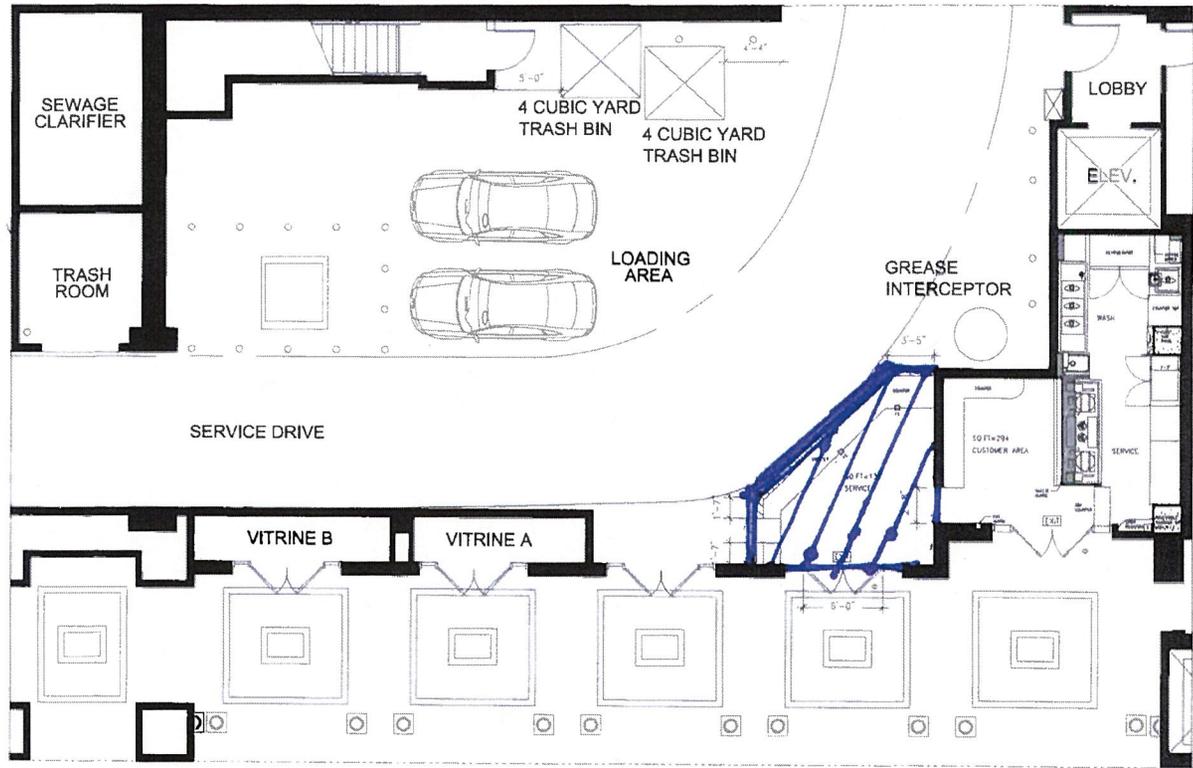
DIAGRAM OF LOCATION OF EXPANSION SPACE

(Attached.)

PROJECT DATA

ZONING: 11-B
 TYPE OF CONSTRUCTION: YES
 SPRINKLERED: YES
 PROJECT AREA: 134 SQ. FT.
 EXISTING AREA: 294 SQ. FT.
 SCOPE OF WORK: 134 SQ. FT. ADDITION TO (E) CREPERIE

- LEGEND**
-  EXISTING CMU WALL
 -  NEW CMU WALL
 -  SAFETY YELLOW BOLLARD POST
 -  4 CUBIC YARD TRASH BIN
 -  EXIT SIGN



PROPOSED SITE PLAN

SCALE: 1/4"=1'-0" 

DOOR SCHEDULE

MARK	CORE	WIDTH	HEIGHT	THICK	TYPE	MATERIAL	FINISH	HARDWARE	REMARKS
①	-	2x3'-0"	7'-8"	-	SWINGING	-	-	LEVER TYPE	EXISTING TO REMAIN

REVISIONS:

SWEET BEVERLY

240 N. BEVERLY DR. SUITE 150, BEVERLY HILLS, CA 90210

DATE: _____
 DRAWN BY: _____
 JOB NO. _____

SHEET NO.

A1.0