



AGENDA REPORT

Meeting Date: April 7, 2015
Item Number: D-3
To: Honorable Parking Authority Members
From: Brenda Lavender, Real Estate & Property Manager
Subject: FIRST AMENDMENT TO LEASE BY AND BETWEEN THE PARKING AUTHORITY OF THE CITY OF BEVERLY HILLS AND FREM INVESTMENTS, LLC. AT 240 N. BEVERLY DRIVE.
Attachments: 1. First Amendment to Lease

RECOMMENDATION

It is recommended that the Parking Authority approve the First Amendment to Lease, by and between The Parking Authority of the City of Beverly Hills and Frem Investments. A copy of the lease is on file with the City Clerk. Frem Investment currently leases office space within the Gardens Building at 240 N. Beverly Drive, on the Third floor and is the office entity for Restaurant Business Strategies (RBS) dba Sweet Beverly.

INTRODUCTION

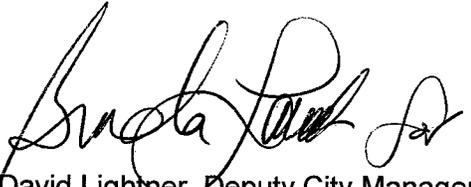
Frem Investment's office lease was approved on August 31, 2010 and the current lease will expire on January 31, 2021. Frem Investment constructed their office space on the third floor and subsequently leased the ground floor retail and vitrine spaces.

DISCUSSION

This amendment extends the term of the office lease with Frem Investment to keep both the office and restaurant lease terms coterminous. The restaurant lease is being extended to allow for the amortization of the construction costs to expand the leasable area of Sweet Beverly the crepe and gelato shop. With this extension the office lease will also expire on January 31, 2036. The monthly rent for the office space is currently \$4.37 per square foot; with the expansion of the lease term, the rent will continue to increase by 3% annually. There is no broker commission, no tenant improvement allowance or free rent associated with the office lease extension.

FISCAL IMPACT

The fiscal impact is the extension of the revenue over the expansion period, which will increase annually by 3%. There are no out of pocket costs or loss in revenue for this lease amendment.


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
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 First Amendment to Lease is exempt from Recording Fees pursuant to California Government Code Section 27383.

FIRST AMENDMENT TO LEASE

THIS FIRST 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 FREM INVESTMENTS, LLC, a California limited liability company ("**Lessee**").

RECITALS

- A. Lessor and Lessee entered into that certain Office Lease dated August 31, 2010 (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 November 22, 2010 as Document No. 20101692655 in the Official Records of Los Angeles County.
- C. Lessor and Lessee desire to 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. Term. As of the date hereof, the expiration of the Term is extended to January 31, 2036.
2. Monthly Rent. Monthly Rent in effect on each anniversary of the Commencement Date shall increase by three percent (3%) on each anniversary of the Commencement Date.
3. 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.

4. 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.

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 Amendment, the terms and conditions of this Amendment shall prevail and control.

6. 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.

7. 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:

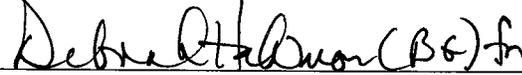
THE PARKING AUTHORITY OF THE
CITY OF BEVERLY HILLS

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

ATTEST:

APPROVED AS TO FORM:

Byron Pope, Secretary

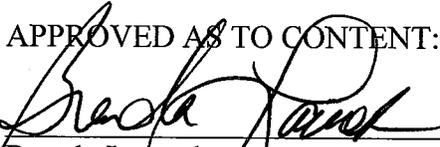


Laurence S. Wiener,
Counsel to Parking Authority

APPROVED AS TO CONTENT:

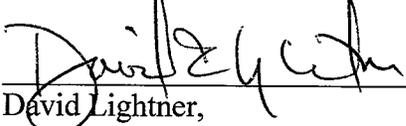
APPROVED AS TO CONTENT:

Mahdi Aluzri,
Interim General Manager



Brenda Lavender,
Real Estate & Property Manager

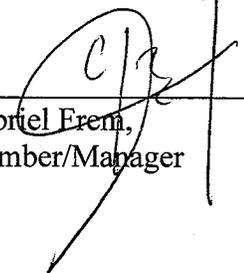
APPROVED AS TO CONTENT:



David Lightner,
Deputy City Manager

LESSEE:

FREM INVESTMENTS, LLC,
a California limited liability company

By: 

Gabriel Erem,
Member/Manager

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.

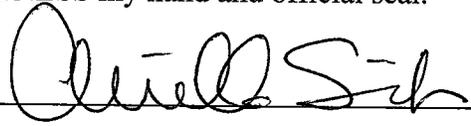
State of California)
County of Los Angeles)

On March 11, 2015, before me, ~~as~~ ^{as} Ariella Silver, notary public,
(insert name and title of the officer)

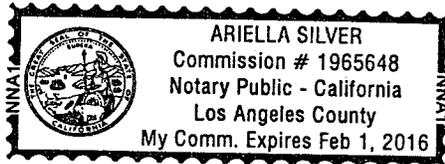
Notary Public, personally appeared Gabriel Frem,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is~~ are
subscribed to the within instrument and acknowledged to me that ~~he~~ ~~she~~ ~~they~~ executed the same
in ~~his~~ ~~her~~ ~~their~~ authorized capacity(ies), 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 _____, 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)