



AGENDA REPORT

Meeting Date: September 1, 2015

Item Number: D-12

To: Honorable Mayor and City Council

From: Brenda A. Lavender, Real Estate & Property Manager

Subject: APPROVAL OF SECOND AMENDMENT OF LEASE BY AND BETWEEN THE CITY OF BEVERLY HILLS AND WINE SOCIETE, LLC. AT 9400 S. SANTA MONICA BLVD.

Attachments: 1. Second Amendment of Lease

RECOMMENDATION

It is recommended that City Council approve the Second Amendment of Lease by and between the City of Beverly Hills and Wine Societe, LLC at 9400 S. Santa Monica Blvd. A copy of the amendment is on file with the City Clerk.

INTRODUCTION

Wine Societe LLC is a French Fine Wine and Gourmet store offering a list of the best wines, bread and other products. The store is owned and managed by Mr. Jordane Andrieu who is also the Owner/Manager of Clos du Moulin aux Moines, one of the oldest vineyards in Burgundy (over 1,000 years old). This unique local business has identified the need for further investment in the business and has requested a term extension and rent reduction.

DISCUSSION

This amendment extends the term of the lease with Wine Society dba Heritage Wine for an additional year, reduces the rent for the next 24 month by \$1 per square foot from \$9,942.75 to \$8,488.75. The Tenant will also be responsible for investing \$34,896 on improvements and other items that benefit Tenant's business in the location.

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FISCAL IMPACT

The fiscal impact of this lease is a reduction of rent of \$1/SF - \$1,454 monthly for 24 months for a total of (\$34,896). The tenant will be responsible for reinvesting this money into the store in the forms of building improvements and marketing. This reduction will also be offset by an additional year of rent which is being added to the end of the lease term of \$142,465.92.

David Lightner *DL*
Approved By

Attachment 1

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:

City of Beverly Hills
455 North Rexford Drive
Beverly Hills, California 90210
Attention: City Clerk

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned declare that this Second Amendment of Lease 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).

SECOND AMENDMENT OF LEASE

THIS SECOND AMENDMENT OF LEASE (this "**Amendment**") is dated as of September 1, 2015, by and between the CITY OF BEVERLY HILLS, a California municipal corporation ("**Landlord**"), and WINE SOCIETE, LLC, a California limited liability company (dba "Vignes & Terroirs") ("**Tenant**").

RECITALS

- A. Landlord and Tenant entered into that certain Lease dated as of March 19, 2013, as amended by an Amendment of Lease dated August 19, 2014 (the "Lease"). The Lease is for a portion of the ground or first floor of the building at 9400 Santa Monica Blvd., in Beverly Hills, California (the "**Premises**").
- B. Landlord and Tenant also executed a Memorandum of Lease dated November 19, 2013 which was recorded on January 6, 2014 as Document 20140012949.
- C. Landlord and Tenant desire to further amend the Lease as hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Tenant and Landlord agree as follows:

1. Extension of Lease Term. The initial term of the Lease is hereby extended to June 30, 2020. The Extension Term, if any, shall be the period from July 1, 2020 to June 30, 2025. The references to "62" and "63" and "74" in Section 1(f) of the Lease are hereby changed to "74" and "75" and "86" respectively.
2. Limited Reduction in Monthly Rent. From September 1, 2015 through August 31, 2017, the Monthly Rent shall be reduced to Eight Thousand Four Hundred Eighty-Eight and 75/100 Dollars (\$8,488.75). The subsequent Monthly Rent shall be as follows:

JA

9/1/17 – 3/31/18:	\$10,864.71
4/1/18 – 3/31/19:	\$11,190.65
4/1/19 – 8/31/19:	\$11,526.37
9/1/19 – 6/30/20:	\$11,872.16

The Monthly Rent for the Extension Term shall be as set forth in the Lease.

3. Required Expenditures/Improvements. In consideration for the term extension and rent reduction in this Amendment, Tenant shall, on or before August 31, 2017: (i) spend at least Thirty-Four Thousand Eight Hundred Ninety-Six and No/100 Dollars (\$34,896.00) on improvements and other items that benefit Tenant's business in the Premises (such as an outdoor dining permit, outdoor dining furnishings, additional signage, improved window lighting, advertising and promotions, and up to \$3,000 for architectural/design services) provided, however, that Tenant must still comply with all applicable laws (including obtaining any required governmental approvals and permits from the City of Beverly Hills in its governmental capacity); and (ii) provide to Landlord reasonable evidence of such expenditures.

4. Security Deposit. Notwithstanding to the contrary in Section 5.2 of the Lease, the Security Deposit shall not be subject to reduction from September 1, 2015 to August 31, 2017.

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, and all of the terms of the Lease shall apply to the extended Term. The Lease is hereby ratified and affirmed by Landlord and Tenant 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.

[Signatures appear on following page.]

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

LANDLORD:

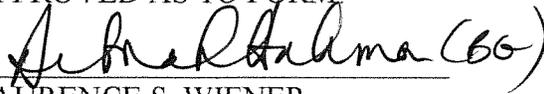
CITY OF BEVERLY HILLS,
a California municipal corporation

ATTEST:

By: _____
Julian A. Gold, M.D.
Mayor of the City of Beverly Hills

BYRON POPE
City Clerk

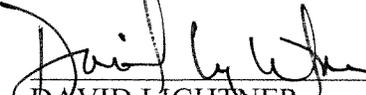
APPROVED AS TO FORM:



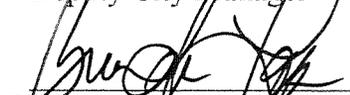
LAURENCE S. WIENER
City Attorney

APPROVED AS TO CONTENT:

Mahdi Aluzri,
Interim City Manager



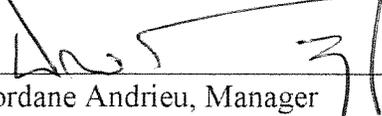
DAVID LIGHTNER,
Deputy City Manager



BRENDA LAVENDER,
Real Estate & Property Manager

TENANT:

WINE SOCIETE, LLC,
a California limited liability company

By: 

Jordane Andrieu, 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.

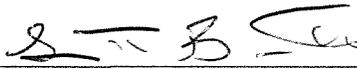
State of California)
County of Los Angeles)

On August 25, 2015, before me, Scott Bettencourt,
(insert name and title of the officer)

Notary Public, personally appeared Jordane Andrieu,
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)

