

Council Meeting of
December 4, 2007

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: City Manager – Authorize Non Disturbance Agreement for tenant at Rolling Hills Shopping Center.

RECOMMENDATION

Recommendation of the City Manager that City Council authorize the Mayor to Execute and City Clerk to Attest to a Non Disturbance Agreement to Subway Real Estate Corp., a Delaware corporation, for property Leased to ROLLING HILLS PLAZA, LLC, a California limited partnership on City-owned property located at Crenshaw Boulevard and Pacific Coast Highway known as Rolling Hills Shopping Center.

FUNDING

Funding is not required for this item.

BACKGROUND/ANALYSIS

Subway sandwich shop is a current tenant at Rolling Hills Shopping Center (Center). Subway, as a sub-tenant of the Center, has requested a Non Disturbance Agreement (NDA). The purpose of the NDA is to allow the sub-tenant, Subway, to continue operating under the terms and conditions of their sub-lease should there be a default of the Master Tenant, Rolling Hills Plaza LLC.

The NDA is a common instrument used to protect tenants and their investment in their business operation.

Respectfully submitted,

LeROY J. JACKSON

By: 

Brian K. Sunshine
Assistant to the City Manager

CONCUR:


for LeRoy J. Jackson
City Manager

ATTACHMENT: Non Disturbance Agreement

NON DISTURBANCE AGREEMENT

ROLLING HILLS PLAZA, LLC, a California limited partnership, "Tenant," has leased the property located at 25364 Crenshaw Boulevard, Torrance, California from CITY OF TORRANCE, a municipal corporation, "Landlord" on October 21, 1987. Landlord hereby grants the Tenant the right to sublet a one thousand two hundred (1,200) square foot portion of the premises to Subway Real Estate Corp., a Delaware corporation, "Subtenant".

Provided Subtenant is not in default of its obligations under the Sublease, Subtenant's rights to possession of the leased premises and Subtenant's rights and privileges under the Sublease, or any renewals, modifications, or extensions thereof shall not be diminished or interfered with by the Landlord. Further, Subtenant's occupancy of the leased premises shall not be disturbed by the Landlord during the term of the Sublease or any renewals, modifications, or extensions thereof.

In the event of a default by the Tenant or non-renewal of Lease, Landlord agrees that Subtenant will be allowed to covenant directly with the Landlord for the demised premises and Subtenant shall have the right to the uninterrupted operation of its business. The Landlord agrees that if the Subtenant performs its obligations under this Agreement it may hold and use the premises without interference by the Landlord or any person claiming by, through or under the Landlord.

Executed this _____ day of _____, 2007 in multiple originals.

ROLLING HILLS PLAZA, LLC,
a California limited partnership
(TENANT)

By: _____

SUBWAY REAL ESTATE CORP.,
a Delaware corporation
(SUBTENANT)

By: _____

CITY OF TORRANCE
a municipal corporation
(LANDLORD)

Frank Scotto, Mayor

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:
JOHN L. FELLOWS III
City Attorney

By: _____