

Council Meeting of
May 19, 2009

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

Members of the Council:

SUBJECT: City Manager – Approve Estoppel Certificate for Leasehold at 2909 Pacific Coast Highway in favor of the United States Treasury

RECOMMENDATION

Recommendation of the City Manager that City Council authorize the Mayor to Execute and the City Clerk Attest to an Estoppel Certificate certifying to the United States Treasury certain Lease terms for City-owned property located at 2909 Pacific Coast Highway.

FUNDING

Funding is not required for this item.

BACKGROUND

The subject Lease became effective November 1, 2003. The request for an Estoppel Certificate is being made by the United States Department of Treasury (Treasury) because the Master Tenant, Argonaut Holdings is a wholly owned subsidiary of General Motors. General Motors has accepted Troubled Asset Relief Funds (TARP) and therefore the Treasury wishes to ascertain that the Lease is current and not in any material default.

ANALYSIS

The Estoppel is a standard document required by Lender's that state basic facts about the Lease such as:

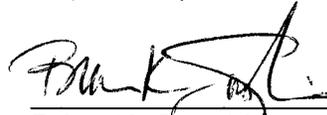
- An attached copy of the Lease is the Lease inclusive of all Amendments;
- Lessor is the record owner of the fee interest in the Property, subject to the Lease;
- Rent is current and up to date;
- The current term of the Lease expires on December 31, 2024 plus two five-year options in favor of the Tenant;
- There are no material defaults against the Lease or any Amendments;

- The City holds no liens, mortgages or other instruments against the property at this time and is authorized to sign the Agreement;
- The Treasury will hold the same benefits of an Approved Leasehold Mortgagee;

All are currently true and correct and the Estoppel is recommended for signature.

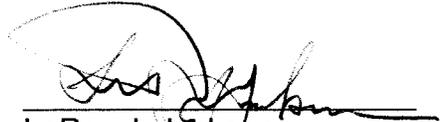
Respectfully submitted,

LeROY J. JACKSON
City Manager



By: Brian K. Sunshine
Assistant to the City Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachment:

A. Estoppel (Limited Distribution)