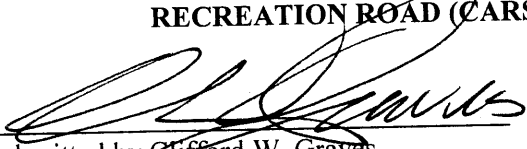


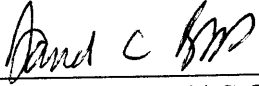


# City of Carson Report to Redevelopment Agency

December 6, 2011  
New Business Consent

**SUBJECT: CONSIDER AUTHORIZING ACQUISITION OF A LOAN HELD BY A SUPERIOR LIEN HOLDER ON THE ALTMANS WINNEBAGO PROPERTY LOCATED AT 22020 RECREATION ROAD (CARSON CONSOLIDATED PROJECT AREA)**

  
Submitted by Clifford W. Graves  
Economic Development General Manager

  
Approved by David C. Biggs  
Executive Director

## I. SUMMARY

The subject of this report is a request for authorization of the Carson Redevelopment Agency (Agency) to acquire a loan held by a superior lien holder on the 5.6-acre property located at 22020 Recreation Road (Property) (Exhibit No. 1). Acquiring the approximately \$6.8 million loan, held jointly by US Bank (USB) and Mellon Bank of New York (MBNY), is in accordance with an existing enforceable obligation and would make the Agency, currently in second position, the superior lien holder on the Property. This will allow the Agency to better direct the future development of the Property.

## II. RECOMMENDATION

TAKE the following actions:

1. APPROVE the acquisition of the approximately \$6.8 million loan held by the superior lien holder on the property located at 22020 Recreation Road.
2. AUTHORIZE the Agency Chairman to execute the agreements and other documents necessary to complete the purchase with US Bank and Mellon Bank of New York following approval as to form by the Agency Counsel.

## III. ALTERNATIVES

1. MODIFY and APPROVE the purchase documents as the Agency Board may require.
2. TAKE another action the Agency Board deems appropriate.

## IV. BACKGROUND

The owners of Altmans Winnebago (Owners) have an approximately \$6.8 million loan (First Loan) on the Property held jointly by USB (approximately \$5.8 million) and MBNY (approximately \$1 million), secured by a first position lien. The Agency is in second position with a non-forgivable loan of approximately \$760,000.00 and a forgivable loan of about \$618,000.00 (Agency Loan). The Owners are in default on both the First Loan and Agency Loan.

As the superior lien holder, USB and MBNY have the option of foreclosing on the First Loan, which could result in the Property being purchased at public auction by an

unknown third-party for an end-use that may not be of maximum benefit to the community.

The Property is positioned adjacent to the I-405 freeway and is well suited for operation as a new auto dealership. The fair market value of the Property as determined by a recent highest and best use appraisal is \$7,828,160.00 or \$32.00 per square foot, as if vacant. The value of the two billboard signs located on the Property, based upon the income approach, is \$2,001,840.00.

In order to protect the future development of the Property, staff recommends that in accordance with the provisions of its existing enforceable obligation, the Agency acquire the First Loan from USB and MBNY to become the superior lien holder on the Property. As the Property's sole lien holder, the Agency will be better positioned to direct the future development of the Property in a manner consistent with the Redevelopment Plan, Implementation Plan and the needs of the community. The agreements to accomplish this transaction with USB and MBNY are attached as Exhibit Nos. 2 and 3, respectively.

Staff recommends that the Agency Board authorize the acquisition of the First Loan for the purchase amount of approximately \$6.8 million.

**V. FISCAL IMPACT**

Tax increment capital account funds in the approximate amount of \$6.8 million are available for this transaction in the proposed FY 2011/12 Redevelopment Agency Budget.

**VI. EXHIBITS**

1. Vicinity Map. (pg. 4)
2. USB Purchase Agreement. (pgs. 5-16)
3. MBNY Assignment and Acceptance Agreement. (pgs. 17-19)

Prepared by: William N. Watkins, Redevelopment Project Analyst

TO: Rev091911

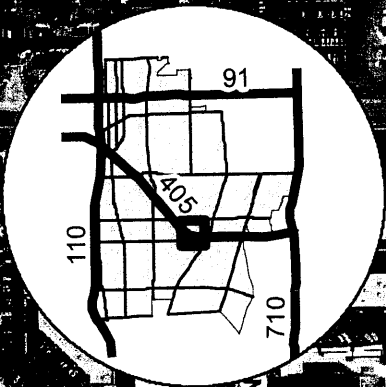
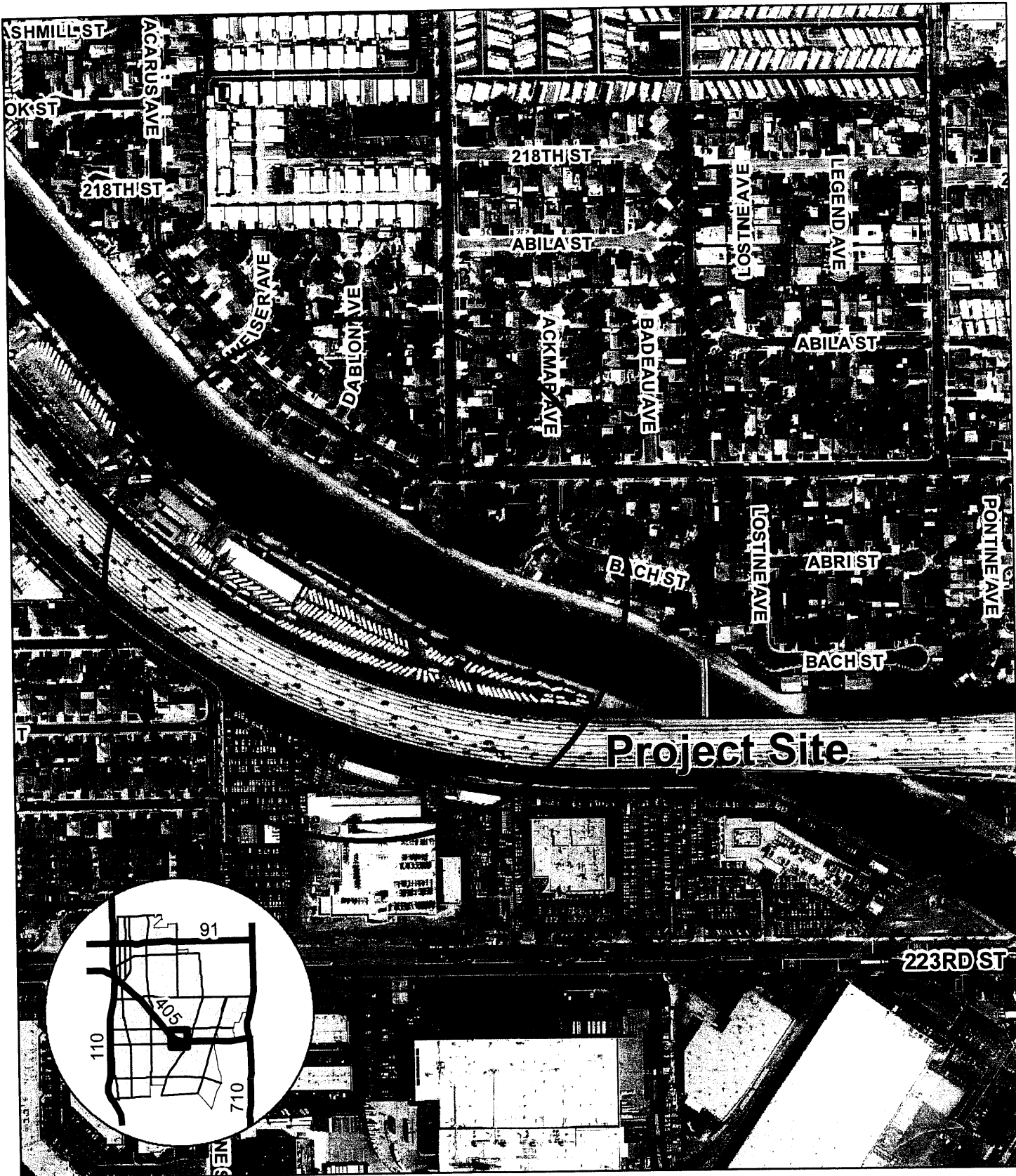
Reviewed by:

City Clerk	City Treasurer
Administrative Services	Development Services
Economic Development	Public Services

Action taken by Redevelopment Agency

Date \_\_\_\_\_ Action \_\_\_\_\_

\_\_\_\_\_



Vicinity Map  
 Altman's Winnebago  
 22020 Recreation Road  
 Carson CA 90745

EXHIBIT NO. 1



# DRAFT

## ASSIGNMENT AGREEMENT

**THIS ASSIGNMENT AGREEMENT** (this "Agreement") is dated as of December 6, 2011, by and between U.S. Bank National Association, a national banking association ("Bank"), successor by merger to Mellon 1<sup>st</sup> Business Bank, N.A. ("Mellon") and Carson Redevelopment Agency, a public body corporate and politic ("Buyer").

### WHEREAS,

A. Mellon extended certain credit facilities (whether one or more, collectively, the "Loan") to The Altmanshofer Family Trust dated January 12, 1988 ("Borrower"), which are evidenced, guarantied, secured by and made under the terms of and/or relate to the documents set forth on Exhibit "A" which is attached hereto and made a part of this Agreement (collectively referred to as the "Loan Documents"); and

B. Buyer wishes to acquire, and Bank is willing to sell, Bank's interest in the Loan and the Loan Documents.

**NOW, THEREFORE**, in consideration of the mutual promises of the parties, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Purchase Price and Manner of Payment.** For and in consideration for the assignment of the Loan and the Loan Documents, Buyer shall pay to Bank the amount equal to the sum of the following (collectively, the "Purchase Price") as of the Transfer Date (as defined in Section 2 of this Agreement): (i) the outstanding principal balance of the Loan; plus (ii) accrued and unpaid interest thereon at the rate of 3.25% per annum. The Purchase Price shall be paid on the Transfer Date by wire transfer in accordance with Bank's written wire transfer instructions in immediately available United States funds.

2. **Closing and Transfer Date.** Transfer of the Loan Documents from Bank to Buyer shall occur (the "Closing") when the last of the following takes place: (i) this Agreement is executed by both Buyer and Bank; and (ii) the entire Purchase Price is received by Bank in accordance with the provisions of Section 1 of this Agreement. The date on which the Closing occurs shall be the "Transfer Date". Upon Closing, Bank shall instruct the Escrow Agent (as defined in Section 5 of this Agreement) to release the Escrow Documents (as defined said Section 5) to Buyer. Notwithstanding any provision in this Agreement to the contrary, if the Transfer Date does not occur on or before December 14, 2011, then this Agreement shall automatically terminate and neither party hereto shall have any further obligation hereunder to the other.

3. **Assignment of Loan Documents.** Effective as of the Transfer Date, Bank sells, transfers and assigns to Buyer, and Buyer buys and receives from Bank, all of Bank's right, title and interest in and to the Loan as set forth in the Loan Documents, and all interest accrued thereunder as of the Transfer Date. Except for the representations and warranties specifically set forth in Section 4 of this Agreement, the Loan Documents are being transferred and sold to Buyer

and Buyer acknowledges Buyer is purchasing and accepting the Loan Documents, “AS IS”, “WITH ALL FAULTS” and “WITHOUT RECOURSE” and without representation or warranty of any type or kind, including specifically, but not limited to, the enforceability or collectability of the Loan or the Loan Documents. Notwithstanding the foregoing, Bank’s sale, assignment and transfer to Buyer of all of Bank’s right, title and interest in and to an Environmental Indemnity identified on Exhibit “A” is made on a non-exclusive basis and, from and after the Transfer Date, Bank shall be entitled to any indemnity (including defense and other related rights) from or against any makers of such Environmental Indemnity with the same priority as Buyer with respect to matters covered under such Environmental Indemnity. In the event a court of competent jurisdiction finds that either Bank or Buyer, but not both, shall be entitled to indemnification under such Environmental Indemnity, the party entitled to indemnification shall pursue indemnity claims on behalf of itself and the other party. Nothing herein shall constitute an indemnity by either Bank or Buyer of the other for environmental matters or otherwise. Notwithstanding any provision herein or in any Loan Document to the contrary, Bank is not selling, transferring or assigning to Buyer, and Buyer is not purchasing from Bank, any interest in any ISDA Master Agreement between the Borrower and Mellon Bank, N.A., or between the Borrower and any other party.

**4. Representations of Bank.** Bank represents to Buyer that as of November 29, 2011, the amount outstanding under the Loan is \$5,780,475.40 in principal and accrued interest of \$109,098.16, for a total of \$5,889,573.56. Bank represents to Buyer that Bank has good and marketable title to the Loan, has not previously transferred the Loan, is the sole owner thereof and has full right to transfer the Loan (i) free and clear of any encumbrance, lien, pledge, charge or security interest in Bank’s interest in the Loan, or obligations to third party collection agencies or attorneys previously retained by the Bank, and (ii) without Borrower’s consent. Bank’s representations in this Section are express representations that Buyer is entitled to rely on regardless of any investigation or inquiry made by, or any knowledge of, Buyer. However, if Buyer proceeds to Closing notwithstanding Buyer’s knowledge of any breach or untruth of any representation by Bank in this Section, then Buyer shall be deemed to have waived such breach or untruth at Closing.

**5. Endorsement, Assignments and Delivery of Loan Documents.** On or before the Transfer Date, Bank shall: (i) execute an assignment of the Loan Documents in the form attached as Exhibit “B”; (ii) execute an assignments of the Deed of Trust, the Assignment of Rents, the Assignment of Leases and the Subordination, Non-Disturbance and Attornment Agreement (all as identified in Exhibit “A”), which assignments shall be prepared by Buyer and must be in form and content reasonably acceptable to Bank (collectively, the “Assignments of Real Estate Documents”); (iii) endorse the Revised Promissory Note identified on Exhibit “A” (the “Note”) using the following form (the “Allonge”): “Pay to the order of Carson Redevelopment Agency, a public body corporate and politic, WITHOUT REPRESENTATION, WARRANTY OR RECOURSE, except for any representation, warranty or recourse explicitly stated in that certain Assignment Agreement dated as of December 6, 2011 between Carson Redevelopment Agency and the undersigned”; and (iv) deliver to Natalie Priestly at Fidelity National Title Company (the “Escrow Agent”) executed originals of the Note, the Allonge and the Assignments of Real Estate Documents (collectively, the “Escrow Documents”) in accordance with the form of the escrow instruction letter attached hereto as Exhibit “C”. On or as soon after the Transfer Date as possible, Bank shall deliver all of the other original Loan



Documents in Bank's possession (or copies of those Loan Documents the original of which are not in Bank's possession or which cannot be located) to Buyer together with appropriate instruments of assignment of other documents, if necessary, drafted by Buyer, which must be in form and content reasonably acceptable to Bank. Buyer will pay all closing costs associated with the transaction contemplated herein, which may include escrow fees, transfer, filing and recording fees, taxes, costs and expenses and all applicable recording taxes, documentary transfer and stamp taxes and similar taxes. Buyer will be responsible for obtaining, at Buyer's expense, any endorsement desired by Buyer to any title policies.

**6. Assumption of Loan and Indemnifications.** As of and including the Transfer Date, Buyer assumes each, every and all of Bank's obligations under and for the Loan and the Loan Documents arising on or after the Transfer Date, agrees that Buyer will be bound by and will perform in accordance with the provisions which, under the terms of the Loan Documents, are required to be performed by the "Lender" or "Bank", as such terms, provisions, and obligations may be amended, restated, modified, or supplemented under the Loan Documents. On the Transfer Date, Bank shall be relieved of, and Buyer shall assume all responsibility for, any tax reporting required with respect to the Loan, including, without limitation, any reporting which may be required with respect to debt forgiveness. Buyer agrees to and shall indemnify, save and keep Bank and Bank's predecessors, successors and assigns harmless from and against any and all liabilities, demands, claims, actions or causes of action, assessments, losses, fines, penalties, costs, damages obligations and expenses, including reasonable attorneys' and expert witness fees of any kind or character incurred by Bank, Bank's predecessors, successors and assigns, in any way resulting from, connected with, arising out of, by virtue of or related to: (i) the Loan and the Loan Documents arising from actions, occurrences and events which take place on or after the Transfer Date; (ii) the inaccuracy of any representation or warranty made by Buyer to the Bank in this Agreement; (iii) any and all liabilities arising out of the tortious or unlawful acts or omissions of Buyer in regard to the Loan or the Loan Documents, including but not limited to any "lender liability" or similar claims asserted against the Bank to the extent such claims arose out of actions of Buyer, Bank's assignment of the Loan and the Loan Documents to Buyer, or any other events that occur after the Transfer Date; (iv) any amount owed to attorneys or other persons for services provided to Buyer or its successors in interest with respect to the Loan or the Loan Documents; or (v) any breach of any of "Bank's" or "Lender's" obligations under any of the Loan Documents after the Transfer Date.

**7. Disclaimer.** By acceptance of this Agreement, Buyer expressly acknowledges that the Loan and the Loan Documents are being sold on an "AS IS", "WHERE IS" BASIS, WITH ALL FAULTS, WITHOUT RECOURSE AND EXCEPT AS SPECIFICALLY SET FORTH IN SECTION 4 OF THIS AGREEMENT, BANK MAKES AND GIVES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW RELATING IN ANY WAY TO THE LOAN OR THE LOAN DOCUMENTS and except as otherwise specifically stated in this Agreement, Bank specifically disclaims any warranty, guaranty or representation, oral or written, past, present or future with respect to the Loan and the Loan Documents including, without limitation: (a) the validity, existence, or priority of any lien or security interest securing the Loan whether supposedly created by the Loan Documents or otherwise; (b) the existence or basis for any claim, counterclaim, defense or offset relating to the Loan or the Loan Documents; (c) the financial

condition of Borrower or any guarantors; (d) the compliance of the Loan or the Loan Documents with any laws, ordinances or regulations of any government or other body; (e) the condition or existence of any collateral securing the Loan whether created by the Loan Documents or otherwise; (f) the future performance of Borrower, the collateral or any guarantor of the Loan or any third party pledging security for the Loan or the Loan Documents; (g) the value of the collateral (if any) for the Loan; (h) whether any collateral is in the possession of the Borrower; and (i) the collectability of the Loan. Buyer acknowledges and represents to Bank that Buyer has been given the opportunity to and has undertaken Buyer's own investigation of the Loan, the Loan Documents and Borrower, and Buyer is relying solely on Buyer's own investigation of the Loan and not any information provided or to be provided by Bank.

**8. Buyer Representations and Warranties; Confirmations and**

**Acknowledgments.** Buyer: (a) confirms that Buyer has been given the opportunity to review and has reviewed the Loan Documents and such other documents and information as Buyer has deemed necessary and appropriate on which to base Buyer's own credit analysis and make Buyer's own decision to enter into this Agreement; (b) agrees that Buyer will, independently and without reliance upon Bank, and based on such documents and information as Buyer shall deem appropriate at the time, continue to make Buyer's own credit decisions in taking or not taking action under the Loan Documents or any other instrument or document furnished pursuant hereto or thereto; and (c) agrees that Buyer will be bound by the provisions of the Loan Documents. Buyer represents and warrants that: (i) Buyer has undertaken Buyer's own investigation of the Loan, the Loan Documents and Borrower and the guarantors of the Loan; (ii) Buyer has adequate information concerning the business and financial condition of Borrower and the guarantors of the Loan to make an informed decision regarding the purchase of the Loan and the Loan Documents and has independently, and based on such information as Buyer has deemed appropriate, made Buyer's own analysis and decision to enter into this Agreement; and (iii) Buyer has not relied in entering into this Agreement upon any oral or written information from Bank, or any of Bank's (or any of Bank's affiliates) employees, attorneys, agents or representatives (including but not limited to any risk ratings or any other material prepared by Bank's officers or employees that is included in Bank's credit or collateral files for the Loan), other than the representations and warranties of Bank specifically set forth in Section 4 of this Agreement, nor has Buyer relied on any investment advice, credit information or opinion as to whether the purchase of the Loan and the Loan Documents is prudent. Buyer acknowledges that: (v) no employee or representative of Bank has been authorized to make, and Buyer has not relied upon, any statements or representations other than those specifically contained in Section 4 of this Agreement; (w) the sale of the Loan and the Loan Documents by Bank to Buyer is irrevocable, and Buyer shall have no recourse to Bank; (x) the Loan is or may have been in default, and/or may have been restructured or extended; (y) title defects, lack of perfection of liens and other defects may exist with respect to the collateral (if any) for the Loan; and (z) the consideration paid pursuant to this Agreement for the purchase of the Loan and the Loan Documents may differ both in kind and amount from any payments or distributions which may ultimately be received by Buyer with respect to the Loan and the Loan Documents. Buyer agrees that no claim may be made by Buyer against Bank or its shareholders, directors, officers, employees or agents for any special, indirect or consequential damages related to any breach or wrongful conduct (whether the claim therefore is based on contract, tort or duty imposed by law) in

connection with, arising out of or in any way related to the transactions contemplated and relationship established by this Agreement, any other document executed in connection herewith or any of the Loan Documents, or any act, omission or event occurring in connection therewith.

9. **Excluded Information.** Buyer acknowledges that Bank has but **will not** be giving Buyer access to nor transferring to Buyer certain documents and information on the Loan, the Borrower, or any pledgors or guarantors which may not be known to Buyer and that may be material to a decision to acquire the Loan and the Loan Documents, including, without limitation, documents and information that Bank is prohibited by law from disclosing, documents and information such as appraisals, opinions, estimates or other analysis of value, letters of intent or other correspondence relating to offers, proposals or expressions of interest in purchasing or selling the Loan, credit approvals, charge off, non-performing asset and rating change memoranda, written officer comments regarding Borrower, pledgors or guarantors character or credit issues, attorney-client correspondence or other information to or from attorneys or prepared in anticipation of litigation, and references to the “net to bank” or “net investment” balance on a Loan (collectively, the “Excluded Information”). Buyer has decided to buy the Loan and the Loan Documents notwithstanding its lack of knowledge of the Excluded Information, and Bank shall have no liability to Buyer for nondisclosure of any Excluded Information as long as such Excluded Information does not affect the truth or accuracy of any representation or warranty made by Bank in Section 4 of this Agreement.

10. **[Intentionally deleted.]**

11. **General Terms.** TIME IS OF THE ESSENCE WITH RESPECT TO ALL PROVISIONS OF THIS AGREEMENT. This Agreement shall be construed in accordance with and governed by the laws of the State of Minnesota. This Agreement may not be modified or amended except in writing and signed by all parties to this Agreement. Buyer may not assign its rights and obligations under this Agreement without the prior written consent of Bank; provided, however, Buyer may assign its rights and obligations under this Agreement to the City of Carson, California upon written notice to Bank. An assignee in which Buyer or a principal of Buyer has an interest or which is consented to in writing by Bank (a “Permitted Assignee”) shall be the purchaser of the Loans and the Loan Documents at Closing. For purposes of this Agreement, all references to Buyer in this Agreement shall be deemed to include such Permitted Assignee. Section headings in this Agreement are included for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. This Agreement may be executed in different counterparts with the same effect as if the signatures thereon were on the same instrument, and will be effective upon delivery of all such counterparts to Bank. Facsimiles or other photocopies or images of executed signature pages to this Agreement shall be considered originals. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties. Neither Borrower nor any other party (other than Bank or Buyer) shall be entitled to rely upon or enforce the provisions of this Agreement or to raise as a defense Bank’s or Buyer’s failure to comply with any of the provisions of this Agreement. After the Transfer Date, Buyer is authorized to file complete assignments of all UCC financing statements naming Bank as secured party and Borrower as debtor which exist as of the Transfer Date and were given to perfect Bank’s security interest in the assets pledged as collateral for the Loan. The Bank’s representations and warranties set forth in Section 4 of this Agreement shall expire on the earlier

of: (a) 180 days after the Transfer Date, and (b) the date that Buyer amends or otherwise modifies the terms of the Loan or the Loan Documents, releases any Borrower, collateral securing the Loan, pledgor or guarantor from liability therefore, subordinates any security interest or lien that secures the Loan to any security interest or lien of any party that was subordinate to Bank's lien or security interest on the Transfer Date, or causes or allows any security interest or lien securing the Loan to lapse or become unperfected in any matter or for any reason, after which time no claim for breach of the Bank's representations or warranties may be made.

**12. Entire Agreement.** This Agreement, together with all documents delivered pursuant to this Agreement, contains the entire understanding and agreement between the parties to this Agreement relating to the subject matter of this Agreement and supersedes and replaces any and all prior negotiations, discussions, understanding or agreements whether written or oral and all other writings with respect to the subject matter of this Agreement; provided, however, that any confidentiality or non-disclosure agreements between Seller and Buyer shall remain in full force and effect.

**13. Waiver of Jury Trial; Jurisdiction.** EACH OF BANK AND BUYER IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED IN THIS AGREEMENT. BUYER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITUATED IN HENNEPIN COUNTY, MINNESOTA, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS, WITH REGARD TO ANY ACTIONS, CLAIMS, DISPUTES OR PROCEEDINGS RELATING TO THIS AGREEMENT.

**OFAC.** Buyer is not now nor shall it be at any time until Closing an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "U.S. Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC ["Specially Designated Nationals and Blocked Persons"]) or otherwise. Neither Buyer nor any Person who owns a direct interest in Buyer (collectively, a "Buyer Party") is now nor shall be at any time until Closing a Person with whom a U.S. Person, including a United States Financial Institution as defined in 31 U.S.C. 5312, as periodically amended ("Financial Institution"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

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

**CARSON REDEVELOPMENT AGENCY,  
a public body corporate and politic**

By \_\_\_\_\_  
Chairman Jim Dear

ATTEST:

\_\_\_\_\_  
Agency Secretary Helen S. Kawagoe

APPROVED AS TO FORM;

\_\_\_\_\_  
Agency Counsel

**U.S. BANK NATIONAL ASSOCIATION**

By \_\_\_\_\_  
Kent M. Wheelock, Senior Vice President



**EXHIBIT "A"**  
(to Assignment Agreement)

**LOAN DOCUMENTS**

1. Revised Promissory Note dated March 29, 2006 in the original principal amount of \$6,370,000 made by The Altmanshofer Family Trust dated January 12, 1988 in favor of Mellon 1st Business Bank, N.A. (original)
  - a. Addendum to Promissory Note dated March 29, 2006 (original)
2. Deed of Trust dated March 29, 2006 granted by David John Altmanshofer and Marlene Clare Altmanshofer not personally but as Trustees on behalf of the Altmanshofer Family Trust dated January 12, 1988 in favor of Mellon 1st Business Bank, N.A. recorded on April 3, 2006 in the Official Records of the Los Angeles County, California Recorder as Document No. 06 0705694 (original)
3. Assignment of Rents dated March 29, 2006 granted by David John Altmanshofer and Marlene Clare Altmanshofer not personally but as Trustees on behalf of the Altmanshofer Family Trust dated January 12, 1988 in favor of Mellon 1st Business Bank, N.A. recorded on April 3, 2006 in the Official Records of the Los Angeles County, California Recorder as Document No. 06 0705695 (original)
4. Assignment of Leases dated March 29, 2006 granted by the Altmanshofer Family Trust dated January 12, 1988, vested as: David John Altmanshofer and Marlene Clare Altmanshofer, Trustees of the Altmanshofer Family Trust dated January 12, 1988 in favor of Mellon 1st Business Bank, N.A. recorded on April 3, 2006 in the Official Records of the Los Angeles County, California Recorder as Document No. 06 0705696 (original)
5. Subordination, Non-Disturbance and Attornment Agreement dated March 29, 2006 by and between Mellon 1st Business Bank, N.A., The Altmanshofer Family Trust u/d/t January 12, 1988 and Dave Altman's R.V. Centers, Inc. DBA Altmans Winnegabo recorded on April 3, 2006 in the Official Records of the Los Angeles County, California Recorder as Document No. 06 0705697 (original)
6. Consent to Assignment and Agreement dated March 30, 2006 of lease dated April 1, 2002 by The Altmanshofer Family Trust u/d/t January 12, 1988 and Dave Altman's R.V. Centers, Inc. DBA Altmans Winnegabo in favor of Mellon 1st Business Bank, N.A. (original)
  - a. Leasing Resolution and Incumbency Certificate dated March 30, 2006 (original)
  - b. Estoppel and Agreement dated March 30, 2006 (original)
7. Future Lease Agreement dated March 29, 2006 (original)

8. UCC Financing Statement filed on April 3, 2006 in the Official Records of the Los Angeles County, California Recorder as Document No. 06 0705698
9. Environmental Indemnity (Unsecured) dated March 26, 2006 made by The Altmanshofer Family Trust dated January 12, 1988, David J. Altmanshofer, Individually, and Marlene C. Altmanshofer, Individually in favor of Mellon 1st Business Bank, N.A. (original)
10. Real Estate Guaranty dated March 30, 2006 by David J. Altmanshofer (original)
11. Real Estate Guaranty dated March 30, 2006 by Marlene C. Altmanshofer (original)
12. Policy of Title Insurance dated April 3, 2006 issued by First American Title Insurance Company as Policy No. 2301107 (photocopy)

**EXHIBIT "B"**

(to Assignment Agreement)

**FORM OF ASSIGNMENT**

In accordance with the Assignment Agreement (the "Agreement") dated as of December 6, 2011 between U.S. Bank National Association, as Bank ("Bank"), and Carson Redevelopment Agency, as Buyer ("Buyer"), Bank does transfer, convey and assign, set over and otherwise convey to Buyer WITHOUT RECOURSE, "AS-IS" AND WITHOUT REPRESENTATION OR WARRANTY OTHER THAN AS EXPLICITLY PROVIDED IN THE AGREEMENT, all of Bank's right, title, and interest in and to: (a) the Loan; (b) the Loan Documents; (c) all of Bank's rights and privileges available under the Loan and the Loan Documents on and after the Transfer Date; (d) all amounts owing to Bank as of the Transfer Date under the Loan and the Loan Documents, including but not limited to all accrued and unpaid interest and amounts payable under any insurance policies maintained by the Borrower. The following terms have the meanings given below:

"Borrower" means The Altmanshofer Family Trust dated January 12, 1988.

"Loan" means the credit facilities extended to Borrower by Mellon 1<sup>st</sup> Business Bank, N.A. evidenced by the notes identified on the attached Exhibit "A".

"Loan Documents" mean all of those contracts, agreements, payment records and notices given to or received from Borrower, or instruments relating to the Loan, identified on Exhibit "A" which is attached hereto and made a part hereof (but the Loan Documents do not include, and Bank is not assigning any rights under any (i) insurance policies maintained by Bank, or (ii) any ISDA Master Agreement between the Borrower and Mellon Bank, N.A., or between the Borrower and any other party).

"Transfer Date" means December \_\_, 2011.

IN WITNESS WHEREOF, the undersigned has caused this Assignment to be duly executed and delivered as of December \_\_, 2011.

U.S. BANK NATIONAL ASSOCIATION

By \_\_\_\_\_  
Kent M. Wheelock, Senior Vice President

**EXHIBIT "C"**

(to Assignment Agreement)

**FORM OF ESCROW INSTRUCTION LETTER  
ON U.S. BANK LETTERHEAD**

December \_\_, 2011

**By E-Mail and Overnight Courier**

Ms. Natalie Priestley  
Fidelity National Title Insurance Company  
Major Accounts Division  
1300 Dove Street, Suite 310  
Newport Beach, CA 92660

**Re: Sale of Loan by U.S. Bank National Association ("U.S. Bank") to Carson  
Redevelopment Agency**

Dear Ms. Priestley:

Enclosed are originals of the following (collectively, the "Escrow Documents"): (i) Revised Promissory Note dated March 29, 2006 in the original principal amount of \$6,370,000 made by The Altmanshofer Family Trust dated January 12, 1988 in favor of Mellon 1st Business Bank, N.A., as supplemented by that certain Addendum to Promissory Note dated March 29, 2006 attached thereto, together with an Allonge attached thereto executed by U.S. Bank; **[describe the Assignments of Real Estate Documents]**. You are instructed to hold the Escrow Documents in trust for U.S. Bank until you receive written direction from me.

Please confirm Fidelity National Title Company's agreement with the terms of this letter by having it sign the Acceptance and Agreement set forth below, and return it to me by email or fax. If Fidelity National Title Company is unable to agree to the terms of this letter, please contact me immediately.

Very truly yours,

Thomas A. Pantalion

Encls.

ACCEPTANCE AND AGREEMENT

The undersigned hereby agrees to all of the provisions of the foregoing letter as of December \_\_, 2011.

Fidelity National Title Company

By \_\_\_\_\_  
Print Name \_\_\_\_\_  
Print Title \_\_\_\_\_



## ASSIGNMENT AND ACCEPTANCE

This Assignment and Acceptance, is dated as of December \_\_, 2011, between Carson Redevelopment Agency, having an address at One Civic Plaza Drive, Suite 500, Carson, CA 90745 (the "**Assignee**") and The Bank of New York Mellon, successor to Mellon Bank, N.A., having an office at One Wall Street, New York, New York 10286 (the "**Bank**").

**WHEREAS**, the Bank and The Altmanshofer Family Trust dated as of January 12, 1988 (the "**Counterparty**") are parties to an ISDA Master Agreement, dated as of December 14, 2005, and a Schedule Credit Support Annex and Confirmation evidencing the transaction thereunder (together with all amendments thereto, the "**ISDA Agreement**");

**WHEREAS**, pursuant to a letter from the Bank to the Counterparty, dated as of July 20, 2011 (the "**Early Termination Notice**"), the Bank designated July 20, 2011 as the Early Termination Date under the ISDA Agreement pursuant to Section 6(a) of the ISDA Agreement, and set forth the calculations required by Section 6(d)(i) of the ISDA Agreement, demanding payment in the amount off \$906,361.15, plus interest at the Default Rate set forth in the Early Termination Notice (the "**Assigned Debt**"); and

**WHEREAS**, the obligations of the Counterparty to the Bank under the ISDA Agreement, including the Assigned Debt (as defined therein), are secured by a mortgage (the "**Mortgage**") encumbering certain real property located at 22020 Recreation Road, Carson, CA (the "**Property**")

**NOW, THEREFORE**, in consideration of the mutual covenants contained in this Agreement, the foregoing recitals (which are incorporated in the operative provisions of this Agreement by this reference), and other good and valuable consideration the receipt and adequacy of which are hereby conclusively acknowledged, the parties to this Agreement agree as follows:

Upon the receipt by the Bank of the Purchase Price as set forth on Exhibit A attached hereto, the Bank hereby sells and assigns, without recourse, to the Assignee, and the Assignee hereby purchases and assumes, without recourse from the Bank, effective as of the Assignment Date, the Assignor's rights and obligations under the ISDA Agreement and the Early Termination Notice, including, without limitation, the Assigned Debt on the Assignment Date, including accrued interest and fees to and excluding the Assignment Date, and, to the extent of the Assigned Debt, the Bank's rights and obligations under the Mortgage. The Assignee hereby acknowledges receipt of a copy of the ISDA Agreement, the Early Termination Notice, and the Mortgage. From and after the Assignment Date, (a) the Assignee shall be a party to and be bound by the provisions of the ISDA Agreement, the Early Termination Notice and the Mortgage and have the rights and obligations of the Bank thereunder (to the extent of the Assigned Debt) and (b) the Assignor shall relinquish its rights and be released from its obligations under the Assigned Documents.

The Bank represents and warrants that it is the legal and beneficial owner of the interest being assigned and that such interest is free and clear of adverse claim and that it may assign the interest being assigned herein without the consent of the Counterparty.

**THIS ASSIGNMENT AND ACCEPTANCE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDNCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

The terms set forth above are hereby agreed to:

THE BANK OF NEW YORK MELLON

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CARSON REDEVELOPMENT AGENCY,  
public body corporate and politic

By: \_\_\_\_\_  
Chairman Jim Dear

ATTEST:

\_\_\_\_\_  
Secretary Helen Kawagoe

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

\_\_\_\_\_  
Agency Counsel

EXHIBIT A

Date of Assignment: \_\_\_\_\_

Effective Date of  
Assignment (the "*Assignment Date*"): \_\_\_\_\_

Principal amount of Assigned Debt: \$906,361.15

Interest through November 9, 2011<sup>1</sup> \$3,003.17

Purchase Price: \$909,364.32

Wire Instructions:

The Bank of New York Mellon

ABA: 021000018

Account: 8900068175

Reference: Altmanshofer Assignment

<sup>1</sup> Interest from November 10, 2011 through the Assignment Date has been waived.