

**NOTICE OF A SPECIAL MEETING OF THE  
BOARD OF DIRECTORS OF THE  
SUCCESSOR AGENCY TO THE INDUSTRY  
URBAN-DEVELOPMENT AGENCY**

NOTICE is hereby given that pursuant to Section 54956 of the California Government Code, Chairman Tim Spohn hereby calls a special meeting of the Board of Directors of the Successor Agency to the Industry Urban-Development Agency to be convened in the City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744, on Thursday, May 28, 2015 at 8:30 a.m., for the purpose of discussing the following business:

1. Call to Order

2. Flag Salute

3. Roll Call

4. Public Comments

5. **BOARD MATTERS**

5.1 Consideration of the minutes of the May 5, 2015 special meeting of the Successor Agency to the Industry Urban-Development Agency.

*RECOMMENDED ACTION: Approve the minutes, with Vice Chairman Parriott and Board Member Ferrero abstaining.*

5.2 Consideration of an Exclusive Authorization to Offer for Sale the Tres Hermanos Ranch between the Successor Agency and The Scheel Dallape, Inc., dba The Hoffman Company.

*RECOMMENDED ACTION: Approve the Agreement, subject to approval from the Oversight Board of the Successor Agency to the Industry Urban-Development Agency and the California Department of Finance.*

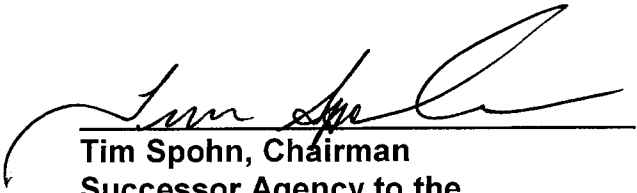
5.3 Consideration of an Assignment of Lease between Puente Hills Automotive, LLC, and Puente Hills Automotive Services, Inc., for Agency-owned located at 17723 Gale Avenue.

*RECOMMENDED ACTION: Approve the Amendment.*

6.1 **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One Case

7. Adjournment. Next regular Successor Agency meeting will be on Wednesday, June 24, 2015 at 9:00 a.m.

A handwritten signature in black ink, appearing to read "Tim Spohn", is written over a horizontal line. The signature is fluid and cursive, with a large loop at the end.

**Tim Spohn, Chairman  
Successor Agency to the  
Industry Urban-Development Agency**

**Dated: May 22, 2015**



# SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

## SPECIAL MEETING AGENDA MAY 28, 2015 8:30 A.M.

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Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California

### **Addressing the Agency:**

- ▶ **Agenda Items:** Members of the public may address the Successor Agency on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called and prior to the individual being heard by the Successor Agency.
- ▶ **Public Comments (Non-Agenda Items):** Anyone wishing to address the Successor Agency on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the Successor Agency from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the Successor Agency is asked to complete a Speaker's Card which can be found at the back of the room and at each podium. The completed card should be submitted to the Secretary prior to the Agenda item being called by the Secretary and prior to the individual being heard by the Successor Agency.

### **Americans with Disabilities Act:**

- ▶ In compliance with the ADA, if you need special assistance to participate in any meeting (including assisted listening devices), please contact the Office of the Secretary to the Successor Agency (626) 333-2211. Notification of at least 72 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

### **Agendas and other writings:**

- ▶ In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the Secretary of the Successor Agency during regular business hours, Monday through Friday, 9:00 a.m. to 5:00 p.m.
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1. Call to Order
  2. Flag Salute
  3. Roll Call
  4. Public Comments
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5. **BOARD MATTERS**

- 5.1 Consideration of the minutes of the May 5, 2015 special meeting of the Successor Agency to the Industry Urban-Development Agency.

*RECOMMENDED ACTION: Approve the minutes, with Vice Chairman Parriott and Board Member Ferrero abstaining.*

- 5.2 Consideration of an Exclusive Authorization to Offer for Sale the Tres Hermanos Ranch between the Successor Agency and The Scheel Dallape, Inc., dba The Hoffman Company.

*RECOMMENDED ACTION: Approve the Agreement, subject to approval from the Oversight Board of the Successor Agency to the Industry Urban-Development Agency and the California Department of Finance.*

- 5.3 Consideration of an Assignment of Lease between Puente Hills Automotive, LLC, and Puente Hills Automotive Services, Inc., for Agency-owned located at 17723 Gale Avenue.

*RECOMMENDED ACTION: Approve the Amendment.*

6.1 **CLOSED SESSION**

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One Case

7. Adjournment. Next regular Successor Agency meeting will be on Wednesday, June 24, 2015 at 9:00 a.m.

*SUCCESSOR AGENCY*

ITEM NO. 5.1

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SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY  
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**CALL TO ORDER**

The Special Meeting of the Successor Agency to the Industry Urban-Development Agency was called to order by Chairman Spohn at 9:00 a.m., in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Chairman Spohn.

**ROLL CALL**

PRESENT: Tim Spohn, Chairman  
Roy Haber, Board Member  
Pat Marcellin, Board Member

ABSENT: Jeff Parriott, Vice Chairman  
John P. Ferrero, Board Member

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO GRANT VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO AN EXCUSED ABSENCE. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

STAFF PRESENT: Kevin Radecki, Executive Director; William L. Strausz, Legal Counsel; John Ballas, Agency Engineer; and Diane M. Schlichting, Assistant Secretary.

**PUBLIC COMMENTS**

There were no public comments.

**CONSIDERATION OF THE MINUTES OF THE FEBRUARY 24, 2015 SPECIAL MEETING OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE MINUTES. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION OF A PURCHASE AGREEMENT BETWEEN THE SUCCESSOR AGENCY AND NORTHROP GRUMMAN SYSTEMS CORPORATION FOR THE SALE**

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**AND DISPOSITION OF AGENCY-OWNED PROPERTY LOCATED AT 111 HUDSON STREET**

Mr. Reg Bottger of CNC Engineering presented a report.

MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY BOARD MEMBER HABER TO APPROVE THE AGREEMENT, SUBJECT TO APPROVAL FROM THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY AND THE CALIFORNIA DEPARTMENT OF FINANCE. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION TO SELECT THE HOFFMAN COMPANY TO SERVE AS THE SUCCESSOR AGENCY'S BROKER TO MARKET AND SALE THE TRES HERMANOS PROPERTY, PROPERTY NO. 68 IN THE LONG RANGE PROPERTY MANAGEMENT PLAN**

Executive Director Radecki presented a report and responded to questions from Members of the Successor Agency.

Mr. Reg Bottger of CNC Engineering responded to questions from Members of the Successor Agency.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE SELECTION OF THE HOFFMAN COMPANY, AND AUTHORIZE THE EXECUTIVE DIRECTOR TO PROCEED WITH FINALIZING AN AGREEMENT WITH THE HOFFMAN COMPANY. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION OF RESOLUTION NO. SA 2015-06 - A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY APPROVING THE SALE OF TWO TRUCKS OWNED BY THE SUCCESSOR AGENCY TO THE CITY OF INDUSTRY AND TAKING CERTAIN RELATED ACTIONS**

Executive Director Radecki presented a staff report.

MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY BOARD MEMBER HABER TO ADOPT RESOLUTION NO. SA 2015-06. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

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**CONSIDERATION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF INDUSTRY AND SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY FOR FUNDING THE IMPROVEMENTS AT THE INTERSECTION OF GRAND AVENUE AT GOLDEN SPRINGS DRIVE AS PHASE IIA OF THE 57/60 CONFLUENCE PROJECT**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE MEMORANDUM OF UNDERSTANDING. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**APPROVAL OF CHANGE ORDER NO. 3 TO KASA CONSTRUCTION, IN THE AMOUNT OF \$17,684.00 FOR CLOSE OUT CHANGE ORDER IN CONJUNCTION WITH THE LANDSCAPING OF THE BAKER PARKWAY SLOPES, CONTRACT NO. GCD-0377R, AS IDENTIFIED IN LINE ITEM NO. 102 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY BOARD MEMBER HABER TO APPROVE CHANGE ORDER NO. 3. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**APPROVAL OF CHANGE ORDER NO. 2 TO C.A. RASMUSSEN, INC., IN THE AMOUNT OF \$174,489.22 FOR ADDITIONAL COSTS FOR EXTRA WORK DUE TO PLAN REVISIONS ISSUED IN CONJUNCTION WITH THE INDUSTRY BUSINESS CENTER PHASE 1 MASS GRADING FAR WEST SIDE, CONTRACT NO. IBC-0379, AS IDENTIFIED IN LINE ITEM NO. 270 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE CHANGE ORDER NO. 2. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.



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**CONSIDERATION OF A FACILITIES RELOCATION AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR THE 12KV DISTRIBUTION AND TELECOMMUNICATION FACILITIES (PHASE 1) TO BE RELOCATED TO A NEW UNDERGROUND LOCATION AT THE INDUSTRY BUSINESS CENTER, AS IDENTIFIED IN LINE ITEM NO. 202 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE AGREEMENT. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION OF A GRANT OF EASEMENT TO SOUTHERN CALIFORNIA EDISON FOR THE 12KV UNDERGROUND DISTRIBUTION AND TELECOMMUNICATION FACILITIES (PHASE 1) AT THE INDUSTRY BUSINESS CENTER**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY BOARD MEMBER HABER TO APPROVE THE GRANT OF EASEMENT. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION OF A BILL OF SALE TO SOUTHERN CALIFORNIA EDISON FOR THE 12KV DISTRIBUTION AND TELECOMMUNICATION UNDERGROUND DUCTS AND SUBSTRUCTURES (PHASE 1) AS PART OF THE INDUSTRY BUSINESS CENTER**

Agency Engineer Ballas presented a staff report.

MOTION BY BOARD MEMBER HABER, AND SECOND BY BOARD MEMBER MARCELLIN TO APPROVE THE BILL OF SALE. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**CONSIDERATION OF AUTHORIZATION TO ADVERTISE FOR SOLICITATION OF PUBLIC BIDS FOR CONTRACT NO. IBC-0383, INDUSTRY BUSINESS CENTER 66KV TRANSMISSION LINE RELOCATION PROJECT, FOR AN ESTIMATED COST OF \$600,000.00 AS IDENTIFIED IN LINE ITEM NO. 217 OF THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE**

Agency Engineer Ballas presented a staff report.

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MOTION BY BOARD MEMBER MARCELLIN, AND SECOND BY BOARD MEMBER HABER TO APPROVE THE PLANS AND SPECIFICATIONS, AND AUTHORIZE THE ADVERTISING FOR RECEIPT OF SEALED BIDS. MOTION CARRIED 3-0, WITH VICE CHAIRMAN PARRIOTT AND BOARD MEMBER FERRERO ABSENT.

**ADJOURNMENT**

There being no further business, the Successor Agency to the Industry Urban-Development Agency adjourned.

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Tim Spohn, Chairman

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Diane M. Schlichting, Assistant Secretary

*SUCCESSOR AGENCY*

ITEM NO. 5.2



*SUCCESSOR AGENCY TO THE*  
***INDUSTRY URBAN - DEVELOPMENT AGENCY***

## **MEMORANDUM**

**TO:** Board Members of the Successor Agency to the Industry Urban-  
Development Agency

**FROM:** Kevin Radecki, Executive Director

**DATE:** May 22, 2015

**SUBJECT:** Contract with The Hoffman Company to Act as the Broker Representing  
the Successor Agency for the Sale of the Tres Hermanos Ranch (Property  
No. 68)

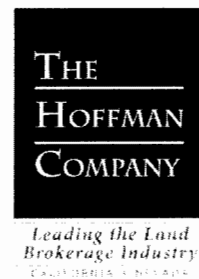
Staff, with the concurrence of the Advisory Committee, is recommending that the Board of the Successor Agency approve the selection of The Hoffman Company to serve as the Agency's broker in the sale of the Tres Hermanos Ranch, Property No. 68. Attached is the Exclusive Authorization to Offer for Sale between the Successor Agency, and The Scheel Dallape, Inc., dba The Hoffman Company, for the Tres Hermanos Ranch.

The process utilized to select a broker to recommend to the Agency Board included sending request for proposals to seven firms deemed to be qualified. Staff received five proposals in response to the RFP. The Advisory Committee met and reviewed each of the five proposals received and decided upon interviewing three firms to make their final determination. After interviewing the firms, the Advisory Committee was in agreement that The Hoffman Company was best suited to represent the Agency. The compensation is on a sliding scale as follows:

For that portion between \$0 and \$10,000,000 - a 2% fee.

For that portion between \$10,000,000 and \$20,000,000 - a 1.5% fee.

For that portion over \$20,000,000 - a 1% fee.



## Exclusive Authorization to Offer for Sale

**1. Exclusive Authorization to Offer for Sale.** The undersigned seller/owner, SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY (“Seller”), by this Exclusive Authorization to Offer for Sale (“Agreement”) dated as of \_\_\_\_\_, 2015 (“Effective Date”) hereby employs and grants THE SCHEEL DALLAPE, INC., d.b.a. THE HOFFMAN COMPANY (“Broker”), the exclusive and irrevocable right to offer for sale on behalf of the Seller the hereinafter described real property (“Property”) from the period commencing on the Effective Date and terminating nine (9) months thereafter (“Term”), as more fully described as follows:

### ± 2,465.98 Acres of Vacant Land, known as Tres Hermanos Ranch

<u>City of Diamond Bar, County of Los Angeles</u>	<u>City of Chino Hills, County of San Bernardino</u>
8701-022-270     3.44 Acres	1000-011-019     158.84 Acres
8701-022-271     627.08 Acres	1000-011-020     156.92 Acres
8701-022-273 <u>82.11 Acres</u>	1000-011-021     59.9 Acres
712.63 Acres	1000-011-022     98.78 Acres
	1000-021-013     319.74 Acres
	1000-021-014     477.97 Acres
	1000-031-014     160.2 Acres
	1000-031-015 <u>321 Acres</u>
	1,753.35 Acres

**2. Terms of Sale.** Cash or other agreed written terms acceptable to Seller, subject in all events, to Seller’s consent, review and approval as to all terms in its sole and absolute discretion, including without limitation, price and method of payment and the terms and conditions upon which any such sale shall be consummated. In addition, Broker acknowledges and agrees that the Seller’s approval of the sale of the Property (and the terms and conditions of any such sale) shall be subject to prior review and approval by the Oversight Board of the Successor Agency to the Industry Urban-Development Agency and the California Department of Finance, each in the exercise of their respective discretion as provided by applicable law.

(a) Seller warrants that it is the owner of the Property, and has the authority to execute this Agreement. Broker, at Broker’s option, shall have the exclusive right to place a FOR SALE sign on the Property, subject to the Seller’s reasonable prior approval of the content, size and location of such sign.

(b) Seller represents that Seller has not entered into a concurrent listing Agreement with another broker regarding the Property involving Seller and a buyer, prospective buyer or other transferee.

**3. Compensation to Broker.** Upon the close of escrow for the purchase of the Property, Seller agrees to pay Broker (solely from funds to be received by Seller on the close of escrow), and as total compensation for its services provided under this Agreement, a percentage of the selling price if the Property is sold during the Term (or as otherwise herein expressly provided) by Broker, on the terms and conditions set forth herein, or on any other mutually agreed price and terms Seller may accept in writing; pursuant to the following cumulative fee schedule:

<u>Sale Price Range</u>	<u>Commission Percentage</u>
Up to \$10,000,000	Two Percent (2%) of the sales price (less the amount of all closing costs paid by Seller, the “Sales Price”)
\$10,000,001-\$20,000,000	One and One Half Percent (1.5%) of the Sales Price
Over \$20,000,000	One Percent (1%) of the Sales Price

(a) Broker shall cooperate with other brokers and subagents, and shall divide with such other brokers and subagents its compensation under this Agreement in any manner that is commercially reasonable and shall not increase the amount to be paid by Seller hereunder.

(b) Broker shall be entitled to compensation as provided in this Agreement if during the Term the Property is sold, conveyed, leased, or otherwise transferred by Seller without the consent of the Broker.

(c) Broker shall be entitled to the compensation as provided in this Agreement if the Property is sold within 180 calendar days following the termination date of the Term to a buyer or authorized agent/entity to whom Broker has shown the Property, or has negotiation(s) with such entities concerning the purchase of the Property, provided that such buyer or authorized agent/entity to whom Broker has shown the Property, or otherwise negotiated with respect thereto, has been clearly and expressly identified in good faith in writing to the Seller prior to the termination date of the Term.

**4. Assignment.** Seller hereby irrevocably assigns during the Term of this Agreement the above described compensation from Seller's proceeds in escrow. Broker may submit this Agreement, as instructions to compensate Broker pursuant to and in compliance with paragraph 3, to any escrow regarding the Property involving Seller and a buyer.

**5. Cooperation.** During the Term, Seller agrees to reasonably cooperate with Broker in effecting the sale of the Property, and to refer to Broker, and/or, notify Broker of all individual/entity Property inquiries at no cost to Seller. Seller's agent is Reg Bottger, who is designated by Seller to receive any and all cooperation requests.

**6. Extension for Pending Transaction.** The Term of this Agreement shall be extended by a term equal to the period of time for which an offer to purchase the Property is accepted by Seller during the Term, from the day such offer is accepted until such time as such purchase may be cancelled.

**7. Attorney Fees.** In any action or proceeding between Seller and Broker regarding the obligation to pay compensation under this Agreement, the prevailing Seller or Broker shall be entitled to reasonable attorney fees and costs from the non-prevailing Seller or Broker.

**8. Successors and Assigns.** This Agreement shall be binding upon Seller and Broker and their respective successors and assigns. The Broker may not assign this Agreement in whole or in part without the prior written consent of the Seller, which consent may be granted or withheld in Seller's sole and absolute discretion.

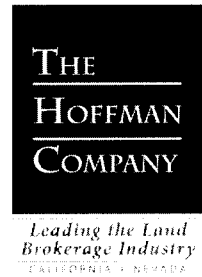
**9. "AS IS".** The Broker understands and agrees that the Property will be offered for sale solely on an "AS IS" basis, and the Seller will make no representations or warranties with respect to the condition of the Property (or its suitability for the purpose for which it may be required), and Seller will undertake no obligation to assist or participate with any buyer in connection with the development or use of the Property prior to or following the close of escrow.

**10. Entire Agreement.** All prior discussions, negotiations and agreements between the parties concerning the subject matter of this Agreement are superseded by this Agreement, which constitutes the entire contract and a complete and exclusive expression of their agreement, and may not be contradicted by evidence of any prior agreement, or contemporaneous oral agreement. If any provision of this agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. This Agreement and any supplement, addendum or modification, including any photocopy or facsimile, may be executed in counterparts.

**11. Brokerage Team:** The Lead Broker and Principal is Tom Dallape, and Victor Grady and Graham Gilles are Senior Vice Presidents at The Hoffman Company and will assist Mr. Dallape in representing the Seller. Tom Dallape will be directly involved in the final presentations to all potential buyers that Seller has identified as the finalists to acquire the Property.

**12. Governing Law.** This Agreement shall be construed, enforced and interpreted in accordance with the laws of the State of California.

**13. Waivers and Amendments.** No amendment to this Agreement shall be of any effect unless it is in writing and is executed by the parties hereto. No person is authorized to make, and by execution hereof the Seller and the Broker acknowledge that no person has made, any representation, warranty, guaranty or promise except as set forth herein; and no agreement, statement, representation or promise made by any such person which is not contained herein shall be valid or binding on the Seller or the Broker.



**By signing below, Seller and Broker acknowledge that they have read, understand, accept and have received a copy of this Agreement.**

Seller \_\_\_\_\_ Date \_\_\_\_\_  
**SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

By \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

Broker \_\_\_\_\_ Date \_\_\_\_\_  
**SCHEEL DALLAPE, INC., d.b.a. THE HOFFMAN COMPANY / CA Lic# 01473762 / NV Lic# B.1000466**

By \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_

*SUCCESSOR AGENCY*

ITEM NO. 5.3





*SUCCESSOR AGENCY TO THE*  
***INDUSTRY URBAN - DEVELOPMENT AGENCY***

**MEMORANDUM**

**TO:** Board Members of the Successor Agency to the Industry Urban-Development Agency

**FROM:** Kevin Radecki, Executive Director

**DATE:** May 22, 2015

**SUBJECT:** Assignment of the Lease for Agency-Owned Property Located at 17723 Gale Avenue

Staff has received a request from Puente Hills Automotive, LLC, to assign their lease to Puente Hills Automotive Services, Inc., involving Agency-owned property located at 17723 East Gale Avenue. Attached for your review is the Assignment of Lease. Mr. David Martin, of Puente Hills Automotive Services, Inc., currently owns and operates four auto dealerships in Southern California, and staff believes this entity is an acceptable new tenant.

An Assignment of the Lease to a new tenant does not affect the terms of the existing lease. Agency Counsel has reviewed and approved the attached Assignment

## ASSIGNMENT OF LEASE

This Assignment of Lease (“Assignment”) dated June 1, 2015 between Puente Hills Automotive, LLC, a California limited liability company (“Assignor”) and Puente Hills Automotive Services, Inc. (“Assignee”), who agree as follows:

1. Recitals. This Assignment is made with reference to the following facts and objectives:
  - a. Assignor as tenant on September 22, 2011 took assignment of a written Lease dated October 20, 2010 (“the Lease”), in which the Industry Urban-Development Agency, a public body, corporate and politic (the “Agency”) leased the premises commonly known as 17723 Gale Avenue, City of Industry, California as legally described in Exhibit A attached hereto (hereinafter referred to as “Premises”).
  - b. The Successor Agency to the Industry Urban-Development Agency, is the successor-in-interest by operation of law to the Agency as the “Landlord” under the Lease.
  - c. Assignor desires to assign all of its right, title and interest in the Lease to Assignee, and Assignee desires to accept all of Assignor’s right, title and interest in and to the Lease upon the terms and conditions set forth in this Assignment.
2. Assignee Acceptance of Premises. Assignee acknowledges that Assignee has made such investigation as it deems necessary to satisfy itself with respect to the condition of the Premises and accepts the Premises in its current condition.
3. Effective Date of Assignment. This Assignment shall take effect upon the closing (the “Closing”) of that certain Dealership Asset Purchase Agreement (“DAPA”) dated April 1, 2015 by and between Puente Hills Automotive, LLC and Puente Hills Automotive Services, Inc. (as assignee of New Age Investments, Inc.) (“Effective Date”) and Assignor shall give possession of the Premises to Assignee on that date. In the event the Closing does not occur on or before July 1, 2015, this Assignment shall terminate and be of no further force and effect.
4. Assignment and Assumption. Assignor hereby assigns and transfers to Assignee all of its right, title, and interest in the Lease, including the options to extend the term thereof contained in Section 2.2 of the Lease and the option to purchase the premises contained in Article 22 of the Lease, and Assignee accepts the assignment and assumes and agrees to perform, from the Effective Date of this Assignment, all of the terms, provisions and obligations of the tenant under the Lease. Assignor represents and warrants to Assignee that the Lease is in full force and effect, has not been modified, and that no default exists on the part of any party to the Lease.
5. Landlord’s Consent. This Assignment shall be of no force or effect unless and until Landlord executes the attached Landlord’s Consent to Assignment and Release of Assignor.
6. Assignor Representations. Assignor represents and warrants to Assignee that Assignor is the owner of the entire leasehold estate under the Lease, free and clear of all liens, encumbrances, and adverse claims.

7. Assignee/Assignor Hold Harmless. Assignee shall indemnify, defend and hold Assignor harmless from and against all damages, liabilities, losses, claims, expenses and attorneys' fees arising out of, involving, or in connection with all obligations of Assignee under the Lease arising after the Effective Date of this Assignment, or the use or occupancy by Assignee of the Premises arising, after the Effective Date of this Assignment. Assignor shall indemnify, defend and hold Assignee harmless from and, against all damages, liabilities, losses, claims, expenses and attorneys' fees arising out of, involving, or in connection with all obligations of Assignor under the Lease arising prior to the Effective Date of this Assignment, or the use or occupancy by Assignee of the Premises arising prior to the Effective Date of this Assignment.

8. Miscellaneous.

a. Attorneys' Fees. If any Party brings an action or proceeding to enforce the terms hereof or declare rights hereunder, the Prevailing Party (as hereafter defined) in any such proceeding, action or appeal thereon, shall be entitled to reasonable costs, attorney, accountant, expert witness, and paralegal fees. Such fees may be awarded in the same suit or recovered in a separate suit, whether or not such action or proceeding is pursued to decision or judgment. The term "Prevailing Party" shall include, without limitation, a Party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, settlement, judgment, or the abandonment by the other of its claim or defense. The attorneys' fee award shall not be computed in accordance with any court fee schedule, but shall be such as to fully reimburse all attorneys' fees reasonably incurred. Such fees and costs shall also include any post judgment attorney fees and costs incurred in enforcing any judgment. If allowed by law at the time of trial, the parties waive trial by jury. This means that the trial will be held before a judge, and not a jury.

b. Notice. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and shall be given in the manner provided for in Paragraph 21.5 of the Lease and shall be addressed to Landlord at the address set forth in Paragraph 21.5 of the Lease. Notice to Assignor and Assignee shall be addressed as provided for in Section 16.7 of the DAPA. Any party may change its address by notifying the other party of the change of address.

c. Successors. This Assignment shall be binding on and inure to the parties and their successors.

d. No Prior or Other Agreements. This Assignment contains all agreements between the parties with respect to any matter mentioned herein, and no other prior or contemporaneous agreement or understanding shall be effective.

e. Counterparts. This Assignment may be executed in several counterparts, each of which shall be deemed an original, and all of such counterparts together shall constitute one and the same instrument.

[Signatures Follow on Next Page]

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date set forth above.

ASSIGNOR

Puente Hills Automotive, LLC, a  
California limited liability company

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

Title: Managing Member

ASSIGNEE

Puente Hills Automotive Services, Inc., a  
California corporation

By: \_\_\_\_\_  
Name: David A. Marvin

Title: President

**LANDLORD CONSENT TO ASSIGNMENT AND RELEASE OF ASSIGNOR**

Landlord hereby consents to the assignment of the Lease to Assignee, effective as of the Effective Date, and agrees to recognize Assignee as the "Tenant" under the Lease from and after the Effective Date. Furthermore, Landlord hereby releases Assignor, its successors and assigns, from any liability or obligation under the Lease accruing after the Effective Date.

LANDLORD

Successor Agency to the Industry Urban-  
Development Agency, as successor-in-interest by  
operation of law to the Industry Urban-  
Development Agency, a public body, corporate and  
politic

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

## EXHIBIT A

### Legal Description of Land

THOSE PORTIONS OF PARCELS 17, 18 AND 19 OF PARCEL MAP No. 234, IN THE CITY OF INDUSTRY, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS SHOWN ON MAP RECORDED IN BOOK 188, PAGES 74 THROUGH 77, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF PARCEL 9, OF SAID PARCEL MAP No. 234, SAID POINT OF BEGINNING ALSO BEING ON THE NORTHERLY LINE OF GALE AVENUE, 62.00 FOOT WIDE; THENCE ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 466.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE CONTINUING ALONG SAID NORTHERLY LINE, NORTH 81° 31' 24" WEST, 150.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 70.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 16° 33' 42", AN ARC DISTANCE OF 20.23 FEET; THENCE TANGENT TO THE LAST MENTIONED CURVE, NORTH 64° 57' 42" WEST, 22.45 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 65.00 FEET; THENCE WESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 16° 33' 42", AN ARC DISTANCE OF 18.79 FEET; THENCE TANGENT TO THE LAST MENTIONED CURVE, NORTH 81° 31' 24" WEST, 140.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 17.00 FEET; THENCE NORTHWESTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 90° 00' 00", AN ARC DISTANCE OF 26.70 FEET; THENCE TANGENT TO THE LAST MENTIONED CURVE, NORTH 08° 28' 36" EAST, 10.00 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 44.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 36° 52' 12", AN ARC DISTANCE OF 28.31 FEET TO THE BEGINNING OF A REVERSE CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 46.00 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 44° 39' 12" EAST; THENCE NORTHERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 103° 50' 03", AN ARC DISTANCE OF 83.36 FEET; THENCE NORTH 08° 28' 36" EAST, 368.75 FEET TO ITS INTERSECTION WITH THE SOUTHERLY LINE OF THE UNION PACIFIC RAILROAD RIGHT-OF-WAY, 100.00 FEET WIDE, FORMERLY LOS ANGELES AND SALT LAKE RAILROAD, SAID POINT OF INTERSECTION ALSO BEING IN A NON TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 5779.60 FEET, A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 18° 12' 39" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 03° 46' 33", AN ARC DISTANCE OF 380.87 FEET; THENCE SOUTH 08° 28' 36" WEST, 452.09 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPT THEREFROM FIFTY PERCENT (50%) OF ALL OIL OR BY-PRODUCTS THEREFROM WHICH MAY BE PRODUCED FROM SAID PROPERTY, AS RESERVED BY JOHN L. FLEMING IN THE AGREEMENT TO CONVEY, RECORDED DECEMBER 9,

1948 AS INSTRUMENT NO. 1594, IN BOOK 28910 PAGE 285 OF SAID OFFICIAL RECORDS, AND AS RESERVED BY JOHN L. FLEMING, ALSO KNOWN AS J.L. FLEMING, IN DEED RECORDED SEPTEMBER 15, 1953 AS INSTRUMENT NO. 751, IN BOOK 42683 PAGE 163 OF SAID OFFICIAL RECORDS.