

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

Members of the Council:

SUBJECT: Community Development – Approve a Partial Assignment and Assumption of a Development Agreement (C2005-191) by and between Standard Pacific Corporation and Asset Management Solutions, LLC for a residential project located at 1800 Oak Street

RECOMMENDATION

Recommendation of the Community Development Director that City Council approve a Partial Assignment and Assumption of a Development Agreement (C2005-191) by and between Standard Pacific Corporation and Asset Management Solutions, LLC for a residential project located at 1800 Oak Street.

FUNDING

None

BACKGROUND

On October 23, 2003, the City Council approved a series of entitlements to allow the construction of a 217-unit townhome and 59-unit senior condominium development on properties located on Oak Street and Jefferson Street. On August 23, 2005, the City Council adopted an Ordinance allowing the City to enter into a Development Agreement with Standard Pacific governing the development of this townhome and senior condominium development. In 2007 due to housing market conditions, the developer voluntarily decided to postpone the construction of 24 townhome units on a portion of the project site currently occupied by the Rolling Hills Prep School gymnasium. The developer, Standard Pacific Corporation, is in the process of selling the gymnasium property to Asset Management Solutions, LLC.

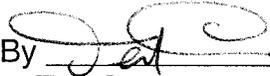
ANALYSIS

This Partial Assignment and Assumption of a Development Agreement will allow Standard Pacific to sell the gymnasium property and transfer the Development Agreement rights to Asset Management Solutions, LLC. This Assignment outlines the responsibilities and obligations of the developer and the new owner in satisfying the remaining conditions of the entitlements and Development Agreement.

The Development Agreement vests the right to develop the project site in accordance with the terms of the approved entitlements and the Agreement for a period of ten years from the date of adoption. The Development Agreement will expire on August 23, 2015. The Agreement ensures the orderly development of the project site and that all off-site improvements will be constructed. Under this Partial Assignment and Assumption of the Development Agreement, the new property owner assumes the remaining obligations of the Development Agreement should he exercise his right to develop the gymnasium property for a residential use prior to the expiration date and the developer is relieved of certain responsibilities.

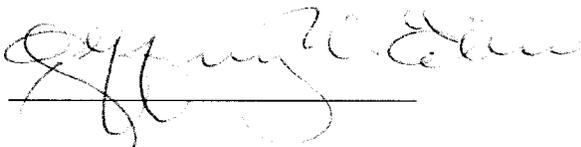
Respectfully submitted,

JEFFERY W. GIBSON
Community Development Director

By 

Ted Semaan, Division Manager
Redevelopment & General Plan Division

CONCUR:



Jeffery W. Gibson
Community Development Director



LeRoy Jackson
City Manager

Attachments:

A. Partial Assignment and Assumption of a Development Agreement

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Greenberg Traurig
2450 Colorado Avenue, Suite 400 E
Santa Monica, CA 90404
Attention: Carol Perrin

(Space Above for Recorder's Use)

PARTIAL ASSIGNMENT AND ASSUMPTION
OF DEVELOPMENT AGREEMENT

THIS PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT AGREEMENT (this "Assignment") is made and entered into as of _____, 2008 (the "Assignment Date"), by and between Standard Pacific Corp., a Delaware corporation ("Assignor"), and Asset Management Solutions, LLC ("Assignee").

RECITALS

A. Assignor is the owner of real property known as "Village on the Oak" located in the City of Torrance, County of Los Angeles (the "Community").

B. Assignor is a party to that certain Development Agreement No. C2005-191 (0-0374), recorded on October 7, 2005, as Instrument No. 05-2425644, in the Official Records of the County Recorder of Los Angeles, California (Collectively, the "Development Agreement"), between Assignor, West Millennium Homes, a California corporation, and the City of Torrance ("City"). The Development Agreement relates to, among other things, the development of the Community.

C. Assignor is selling to Assignee certain land within the Community, as more particularly described on Exhibit "A" attached hereto (the "Property"), and Assignor desires to assign to Assignee all of its rights and obligations under the Development Agreement relating to the Property, and Assignee wishes to accept such assignment as more particularly set forth below.

Agreement

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assignment. Assignor does hereby transfer and assign to Assignee all of its right, title and interest in and to, and obligations under, the Development Agreement (and all documents and instruments relating to or implementing the Development Agreement) with respect to the Property. Assignee hereby accepts the assignment and agrees to keep, perform and be bound by all the terms, covenants and conditions contained in the Development Agreement (and all documents and instruments relating to or implementing the City Development Agreement) relating to the Property, on the part of the “Developer” therein, as though Assignee were an original “Developer” under the Development Agreement.

2. Assumption. Assignee hereby assumes and agrees to perform, for the benefit of both Assignor and the City, all of Assignor’s obligations under the Development Agreement with respect to the Property, regardless of whether accruing or arising before or after the Assignment Date, including, but not limited to the items listed in Exhibit B, attached hereto (the “Assumed Obligations”), and Assignee agrees to indemnify, defend (with counsel reasonably acceptable to the indemnified party) and hold harmless Assignor, Assignor’s successors and assigns, and its and their shareholders, officers, directors, asset managers, employees, partners, and owners, from and against all claims, demands, liabilities, costs, expenses, penalties, damages and losses (including reasonable attorneys’ fees and court costs), resulting or arising from or in connection with the Assumed Obligations.

3. Attorneys’ Fees. In the event of any litigation between the parties hereto, or their successors or assigns, arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the prevailing party’s costs and expenses of such litigation, including without limitation, reasonable attorneys’ and experts’ fees and court costs.

4. Governing Law. This Assignment shall be governed by and construed in accordance with the laws of the State of California.

5. Miscellaneous. This Assignment can only be amended only by an amendment in writing signed by all the parties, and any term herein can be waived only by a written waiver signed by the party against whom such waiver is to be asserted. This Assignment is intended to be the final expression of the parties’ agreement and supersedes any and all prior restrictions, promises, representations, warranties, agreements, understandings and undertakings between the parties with respect to the within subject matter. There are no restrictions, promises, representations, warranties, agreements, understandings or undertakings with respect to such subject matter other than those set forth or referred to herein. This Assignment may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same document.

[Signatures begin on following page]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Agreement as of the date first above written.

“Assignor”

“Assignee”

Standard Pacific Corp.,
A Delaware corporation

Asset Management Solutions, LLC,
a California limited liability company

By: _____
Name: _____
Title: Authorized Representative

By: Alan Schwartz, Trustee of the Alan
M. Schwartz Inter Vivos Trust
Dated September 19, 1996, its sole
Member

By: _____
Name: _____
Title: Authorized Representative

By: _____
Alan Schwartz, Trustee

{Signatures continued on following page.}

The City hereby consents to the above assignment and confirms that: (i) Development Agreement remains in full force and effect in accordance with its terms; and (ii) in accordance with Section 2.4.2 of the Development Agreement, Assignor is hereby released from all liabilities and obligations under the Development Agreement in any way related to (or to be performed on) the Property including, without limitation, the Assumed Obligations.

The City of Torrance,
A municipal corporation

By: _____

Name: _____

Title: _____

ATTEST:

Sue Herbers, City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By: _____
Heather K. Whitham, Deputy City Attorney

EXHIBIT "A"
LEGAL DESCRIPTION
APN 7359-039-006
PARCEL 1

THE LAND REFERRED TO HEREIN IS SITUATED IN THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA.

PARCEL 3 OF PARCEL MAP NO. 19681, IN THE CITY OF TORRANCE, AS PER MAP FILED IN BOOK 271 PAGES 53 TO 56 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THEREFROM ANY PORTION OF SAID LAND LYING WITHIN TRACT NO. 54266-01 AS PER MAP RECORDED IN BOOK 1317 PAGES 90 THROUGH 94, INCLUSIVE OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM A PORTION OF SAID LAND ALL OIL AND MINERAL RIGHTS DESCRIBED AND RESERVED IN THE DEED FROM DOMINGUEZ LAND CORPORATION, RECORDED SEPTEMBER 16, 1925 IN BOOK 5114 PAGE 260, IN BOOK 6170 PAGE 256 AND IN BOOK 9514 PAGE 97 ALL OF OFFICIAL RECORDS.

THE SURFACE RIGHTS THEREIN TO A DEPTH OF 100 FEET WERE QUITCLAIMED TO THE RECORD OWNER BY DEED FROM REMCO-REAL ESTATE MANAGEMENT COMPANY, RECORDED OCTOBER 26, 1956 IN BOOK 52690 PAGE 392 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM A PORTION OF SAID LAND ALL MINERALS, PETROLEUM, OIL, ASPHALTUM, GAS AND/OR OTHER HYDROCARBON SUBSTANCES, INCLUDING HELIUM, WITHIN OR UNDERLYING THAT CERTAIN PORTION OF SAID LAND AT A DEPTH OF MORE THAN 100 FEET BELOW THE SURFACE, TOGETHER WITH THE RIGHT OF PROSPECTING AND/OR DRILLING FOR, PRODUCING AND/OR REMOVING THE SAME THEREFROM OR THEREUNDER, WITHOUT THE RIGHT TO ENTER UPON THE SURFACE OF SAID LAND FOR THE SAID PURPOSE EXTRACTING AND REMOVING SAID OIL, GAS AND/OR OTHER HYDROCARBON AND MINERAL SUBSTANCES NOR FOR ANY PURPOSE IN CONNECTION THEREWITH, AS DESCRIBED AND RESERVED IN DEED FROM CHANSLOR-CANFIELD MIDWAY OIL COMPANY, RECORDED DECEMBER 22, 1950 IN BOOK 35150 PAGE 333 OF OFFICIAL RECORDS.

ALSO EXCEPT FROM A PORTION OF SAID LAND ALL MINERALS IN OR UNDER THAT CERTAIN PORTION OF SAID LAND WITHOUT SURFACE RIGHTS, DESCRIBED AND RESERVED IN DEED BY DOMINGUEZ LAND CORPORATION, RECORDED IN BOOK 4720 PAGE 227 OF OFFICIAL RECORDS.

EXHIBIT "A"
LEGAL DESCRIPTION
APN 7359-039-006
PARCEL 1

ALSO EXCEPT THEREFROM A PORTION OF SAID LAND ALL MINERALS, INCLUDING, WITHOUT LIMITING THE GENERALITY THEREOF, OIL, GAS AND OTHER HYDROCARBON SUBSTANCES, AS WELL AS METALLIC OR OTHER SOLID MINERALS, PROVIDED THAT SANTA FE SHALL NOT HAVE THE RIGHT TO GO UPON OR USE THE SURFACE OF SAID LAND, OR ANY PART THEREOF, FOR THE PURPOSE OF DRILLING FOR, MINING, OR OTHERWISE REMOVING, ANY OF SAID MINERALS, SANTA FE MAY, HOWEVER, AND HEREBY RESERVES THE RIGHT TO REMOVE ANY OF SAID MINERALS FROM SAID LAND BY MEANS OF WELLS, SHAFTS, TUNNELS, OR OTHER MEANS OF ACCESS TO SAID MINERALS WHICH MAY BE CONSTRUCTED, DRILLED OR DUG FROM OTHER LAND, PROVIDED THAT THE EXERCISE OF SUCH RIGHTS BY SANTA FE SHALL IN NO WAY INTERFERE WITH OR IMPAIR THE USE OF THE SURFACE OF THE LAND HEREBY CONVEYED OR OF ANY IMPROVEMENTS THEREON AS RESERVED BY THE ATCHISON TOPEKA AND SANTA FE RAILWAY COMPANY, IN DEED RECORDED MARCH 3, 1985 AS INSTRUMENT NO. 85-247283 OF OFFICIAL RECORDS.

HAVING AN AREA OF 48,959 SQUARE FEET OR 1.12 ACRES MORE OR LESS

PREPARED BY ME OR UNDER MY DIRECTION

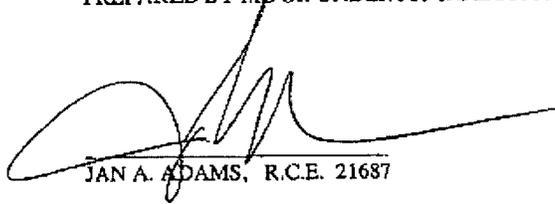

JAN A. ADAMS, R.C.E. 21687



EXHIBIT B

PARTIAL ASSIGNMENT AND ASSUMPTION OF DEVELOPMENT
AGREEMENT NO. C2005-191 (O-3674) DATED JULY 2008

1. Construct and integrate the public water system to public standard for the water line (8") through the Rolling Hills Prep Gym property in accordance with the approved Water Improvement Plan (WP-268). The future construction of the water line will connect/loop the Village on Oak water system to Oak Street pursuant to City standards and approved Water Improvement Plan (WP-268).
2. Complete the following off-site improvements:
 - Pave and reconstruct, and re-stripe, damage or deteriorated sections of Oak Street and Jefferson Street along the Assignor's project frontage in accordance with the approved Signing and Striping plans (C2005-001). This will be done on a tract by tract basis with Tract Numbers 54266 & 54266-01. Assignor will complete 90 percent of this work, with the remainder to be completed by Assignee. Assignor shall complete all pavement, signing & striping, and sidewalk work, except for curb and gutter work along Tract 54266, Assignor will complete such work adjacent to its property.
3. Construct and integrate vehicular and pedestrian circulation per approved site plan as part of phased development of the gym property for residential use in conformance with originally approved complete site plan.
4. Construct and integrate storm drain improvements per approved Storm Drain Plan (SD-3070) and Grading Plan (GRD04-00031) as part of the phased development of the gym property for residential use in conformance with originally approved complete site plan.
5. Construct and integrate sewer improvement per approved Sewer Plan (SS-3119) as part of the phased development of the gym property for a residential use in conformance with originally approved complete site plan.
6. Plant street trees per approved Landscape Plans as part of the phased development of the gym property for a residential use.
7. Remove all existing structures prior to Phase 2 (gym property) final map approval.
8. Record Final phased map prior to occupancy of the phased development of the gym property for a residential use.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, _____
(here insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person whose name is
subscribed to the within instrument and acknowledged to me that he/she executed the same in
his/her authorized capacity, and that by his/her signature on the instrument the person, or the
entity upon behalf of which the person 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)

STATE OF CALIFORNIA

COUNTY OF _____

On _____, _____, before me, _____
(here insert name and title of the officer)

personally appeared _____
who proved to me on the basis of satisfactory evidence to be the person whose name is
subscribed to the within instrument and acknowledged to me that he/she executed the same in
his/her authorized capacity, and that by his/her signature on the instrument the person, or the
entity upon behalf of which the person 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)