AGREEMENT FOR CREDITS RELATING TO

TRANSPORTATION IMPROVEMENT FEES

(Long Beach Hilton Development)

29354

This Agreement is entered, in triplicate, as of November 4, 2005, between LBWTC Real Estate Partners and the City of Long Beach, a California municipal corporation ("City"), pursuant to Ordinance No. ORD-05-0021, approved by the City Council of the City of Long Beach on August 9, 2005, relating to the realignment of Golden Avenue within the City of Long Beach.

Recitals

The City adopted Ordinance No. C-6836 on December 18, 1990, to establish a transportation improvement fee for roadway, parking and transit improvements for certain developments in specified areas as a condition of development approval.

The Transportation Element of the Long Beach General Plan includes priority Capital Improvement Projects (CIPs). The City's Department of Public Works prepared and the City Council approved the City of Long Beach Traffic Mitigation Program 13th Annual Report (October 1, 2003-September 30, 2004) detailing updated and revised traffic improvements and proposed CIPs city-wide.

IDM World Trade Center Corporation ("Developer") built, or caused to be built, the Long Beach Hilton Hotel. Pursuant to Long Beach Municipal Code Chapter 18.17, Developer was required to pay a Transportation Improvement Fee (also referred to as "TIF" or "Impact Fee") in the amount of $589,320.

Developer applied for a credit of $624,844 against the Transportation Improvement Fee for construction costs incurred by it in the realignment of Golden Avenue (the Road Improvements), but, after review of the request, the Director of Public Works found support for a credit against Impact Fees in the amount of $190,460. Payment of that TIF was deferred in light of Section 18.17.1110A of the Long Beach Municipal Code which would have allowed a further credit against the TIF for the fees that would be owed by

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

Developer when the then-anticipated creation of a Central Business District assessment district occurred. Developer obtained a faithful performance bond guaranteeing payment of $589,320 in TIF. The Central Business District assessment district was never formed and the TIF was never paid.

LBWTC Real Estate Partners, successor owner of the Long Beach Hilton Hotel development, filed an application and supporting documentation for an TIF credit in the amount of $190,460. The City Council of the City of Long Beach, on August 9, 2005, determined that a credit in the amount of $190,460 was due to LBWTC Real Estate Partners for eligible expenses related to Road Improvements and adopted Ordinance No. ORD-05-0021 confirming that action.

Therefore:

It is mutually agreed between LBWTC Real Estate Partners and the City of Long Beach as follows:

1. RECITALS. The above recitals are true and correct and are incorporated herein by this reference.

2. CONTRACT CONSIDERATION. In consideration for Developer's performance of the Road Improvements, City shall allow a credit of $190,460 toward the Transportation Improvement Fee that is owed by LBWTC Real Estate Partners pursuant to Long Beach Municipal Code Chapter 18.17. Except as expressly set forth herein, City

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

opposite their signatures.

LBWTC REAL ESTATE PARTNERS LLC
by ENSEMBLE REAL ESTATE SERVICES

Dated: 10/24/05

Michael Moskowitz

Dated: 10/

Randy McGrane

Dated: 10/20/05

Kambiz Babaoff

"Developer"

CITY OF LONG BEACH, a municipal corporation

11/4/, 2005

By

City Manager

"City"

Approved as to form this 26th day of October, 2005.

ROBERT E. SHANNON, City Attorney

By

Deputy City Attorney

Robert E. Shannon
City Attorney of Long Beach
333 West Ocean Boulevard
Long Beach, California 90802-4664
Telephone (562) 570-2200

LPM:et
06/28/05; Revised 10/19/05
05-01500
L:\APPS\CtyLaw32\WPDOCS\D019\P005\00081140.WPD