

OFFICE OF THE CITY ATTORNEY  
ROBERT E. SHANNON, City Attorney  
333 West Ocean Boulevard, 11th Floor  
Long Beach, CA 90802-4664

1 AGREEMENT TO NEGOTIATE EXCLUSIVELY

2 **30294**

3 THIS AGREEMENT is made and entered, in duplicate, as of May 16, 2007  
4 for reference purposes only, pursuant to a minute order adopted by the City Council of  
5 the City of Long Beach at its meeting on May 15, 2007, by and between LONG BEACH  
6 AIRPARK LLC, a California limited liability company ("Developer") and the CITY OF  
7 LONG BEACH, a municipal corporation ("City").

8 1. NEGOTIATIONS. City and Developer agree (for the period stated  
9 below) to negotiate in good faith pursuant to the terms of this Agreement with respect to  
10 the development and operation of certain real property more particularly depicted in  
11 Exhibit "A" attached hereto (the "Property"). The terms and conditions of such  
12 development negotiated by City and Developer will be reflected in certain development  
13 agreements and/or a lease agreement to be executed between Developer and City  
14 (collectively, the "Development Agreements"). City agrees (for the period stated below)  
15 not to negotiate with any other person or entity regarding development of the Property  
16 without the consent of Developer. Nothing in this Agreement shall be deemed a  
17 covenant, promise or commitment by City, or any agency of City, with respect to the  
18 acquisition or leasehold of the Property or the approval of development. City's  
19 acceptance of this Agreement is merely an agreement to enter into a period of exclusive  
20 negotiations according to the terms hereof, reserving final discretion and approval by City  
21 as to any actions required of City.

22 2. NEGOTIATION PERIOD. City and Developer agree to negotiate for  
23 a period of one (1) year after the Execution Date of this Agreement in order to enter into  
24 the Development Agreements. For purposes hereof, the "Execution Date" of this  
25 Agreement shall be the date upon which the Agreement is fully executed by both parties.  
26 If, upon the expiration of such period of time, City and Developer have not each approved  
27 and executed the Development Agreements, then this Agreement shall automatically  
28 terminate and Developer shall have no further rights regarding the subject matter of this

1 Agreement or the Property, and City shall be free to negotiate with any other persons or  
2 entities with regard to the Property; provided, however, that the City Manager and  
3 Developer may mutually agree in writing to further extend the exclusive negotiation  
4 period for an additional ninety (90) days. The Airport Bureau Manager, or designee, shall  
5 negotiate the terms and conditions of the development of the Property subject to the City  
6 Council's final approval, and said Manager shall have authority to extend the time periods  
7 for actions required to be taken by Developer under Section 4.

8 3. ONGOING OBLIGATIONS OF DEVELOPER

9 A. Within forty-five (45) days of the Execution Date, Developer  
10 shall formulate a revised development plan, including conceptual drawings, and  
11 shall submit the same to City for its approval. The City acknowledges that such  
12 revised development plan shall be subject to further revision after the term of this  
13 Agreement has expired and the Development Agreements have been executed. If  
14 Developer fails to deliver its development plan and supporting documentation to  
15 City within said time period, this Agreement shall automatically terminate, unless  
16 otherwise agreed by the parties hereto in writing. Within forty-five (45) days of the  
17 submission of the development plan, City shall either approve of the plan or send  
18 suggested revisions to Developer, and thereafter Developer shall have forty-five  
19 (45) days to re-submit a revised development plan. After submission of said  
20 development plan to City, Developer shall thereafter use reasonable efforts to  
21 submit updated drafts of supporting documentation to City in a timely manner.  
22 After finalization of the development plan pursuant to the Development  
23 Agreements, Developer shall submit the same to the Federal Aviation  
24 Administration for 7460-1 approval.

25 B. Within two hundred seventy (270) days of the Execution Date,  
26 Developer shall provide City updated copies of "evidence of a financing program",  
27 which was previously submitted to City with Developer's response to City's  
28 "request for proposals", from the same or equivalent financial institutions. If

1 Developer fails to deliver the updated "evidence of a financing program" to City  
2 within said time period, this Agreement shall automatically terminate, unless  
3 otherwise agreed by the parties hereto in writing.

4 C. Developer and City shall meet monthly during the term of this  
5 Agreement to discuss pre-development progress and to address any other issues  
6 which may exist with respect to the development of the Property. City and  
7 Developer may mutually agree to cancel any monthly meeting which is deemed by  
8 the parties to be unnecessary.

9 D. Prior to the actual development of the Property (which may  
10 begin after the termination of the term of this Agreement), Developer, at its own  
11 cost and expense, shall commission the preparation of an environmental review  
12 pursuant to the California Environmental Quality Act by a consultant selected by  
13 City in its reasonable discretion.

14 4. FEES. All fees and expenses incurred by Developer for preparation  
15 and fulfillment of the terms of this Agreement and associated with engineers, architects,  
16 financial consultants, lawyers, planning consultants and all other consultants and  
17 contractors retained by Developer shall be the sole responsibility of Developer, unless  
18 otherwise agreed in the Development Agreements. Under no circumstances shall City be  
19 obligated to pay or reimburse any costs or fees incurred by Developer in performance of  
20 any obligations of Developer under this Agreement.

21 5. NOTICES. All notices given pursuant to the provisions hereof may  
22 be served either by: (1) enclosing the same in a sealed envelope addressed to the party  
23 intended to receive the same at the address indicated herein and deposited postage  
24 prepaid, in the U.S. Postal Service as certified mail, return receipt requested, or (2)  
25 personal service. Such notices shall be effective on the date personal service is effected  
26 or the date of the signature on the return receipt. For the purposes hereof, the address of  
27 City and the proper party to receive any such notices on its behalf is City of Long Beach  
28 Airport Bureau Manager, Long Beach Airport, 4100 Donald Douglas Drive, Long Beach,

1 California 90808; and Developer's address for service of any such notices shall be Long  
2 Beach Airpark LLC, 3481 Airport Drive, suite 200, Torrance, California 90505.

3 THE PARTIES have executed this Agreement as of the date  
4 first written above.

5 CITY OF LONG BEACH ASSISTANT

6 EXECUTED PURSUANT  
7 TO SECTION 301 OF  
8 THE CITY CHARTER.

9 By: Christine F. Shippey  
10 City Manager

11 CITY

12 LONG BEACH AIRPARK LLC,  
13 a California limited liability company

14 By: Hassan Izad  
15 Name: HASSAN IZAD  
16 Title: MANAGING MEMBER  
17 Tax ID #: 45-0562718

18 DEVELOPER

19 Approved as to form this 31 day of May, 2007.

20 ROBERT E. SHANNON, City Attorney  
21 of the City of Long Beach

22 By: [Signature]  
23 Deputy

24 OFFICE OF THE CITY ATTORNEY  
25 ROBERT E. SHANNON, City Attorney  
26 333 West Ocean Boulevard, 11th Floor  
27 Long Beach, CA 90802-4664  
28



Attachment



s.smith/public works/engineering 5-1-07

CITY OF LONG BEACH - CALIFORNIA  
DEPARTMENT OF PUBLIC WORKS - CHRISTINE F. ANDERSEN, DIRECTOR

# AIRPORT PARCEL "X-2"

North of San Diego (405) Freeway and East of Cherry Avenue