



SAND HILL PROPERTY COMPANY

December 11, 2017

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: Gatekeeper Application – 303 Ravendale Avenue (APN: 165-37-012)
City of Mountain View / Los Altos School District TDR Program

Dear Mr. Tsuda,

Please accept this letter as our Gatekeeper application for our proposed redevelopment plan for 303-311 Ravendale Avenue. Sand Hill Property Company is respectfully requesting Gatekeeper authorization from the City Council in order for staff to process applications for General Plan Amendment and environmental review for redevelopment of our property.

Sand Hill is considering the redevelopment of the 4.15-acre site with a new office building totaling approximately 180,000 square feet. The property would also be developed with a new parking garage and employee amenity recreation area. Parking will total +/- 550 spaces between the structure and surface parking spaces, per City code.

The property is currently developed with a one story 67,000 square foot office/R&D building built in the 1970's. While the space has been improved over time by various tenants, the building is not updated to current office or R&D standards. The property is located in the East Whisman Precise Plan area, immediately south of Highway 237. The area is developed primarily with older one and two-story office/R&D buildings with surface parking lots. There are no residential or other sensitive uses in the surrounding areas.

We believe our proposal is consistent with the current East Whisman Precise Plan which calls for office/R&D development in this area. The Precise Plan, that is currently being updated, is tentatively scheduled for public review in early 2019. We have been actively involved in the plan update and understand our redevelopment proposal will be consistent with the updated vision for the south Whisman plan area, which outlines similar land uses as currently allowed, except with higher floor area ratios.

Mr. Randy Tsuda
December 11, 2017
Page 2

Our Gatekeeper request is being submitted in conjunction with the City of Mountain View and Los Altos School District's Transfer of Development Rights (TDR) Program. Similar to other Gatekeeper requests under this TDR program, our request will require the City's discretionary approval of increased density above and beyond what is currently allowed, or anticipated to be allowed in the East Whisman Precise Plan area. We recognize that if the City authorizes our Gatekeeper request we would still need to proceed through the City's discretionary development review process.

Sand Hill Property Company has been a local developer in the community for decades and we appreciate the opportunity to engage the City and community at large on this new redevelopment proposal that furthers the City's vision for the area. We ask for your approval to continue our redevelopment efforts.

Thank you for considering our request. Please feel free to contact me at (650) 344-1500 or ppau@shpco.com if you have questions or need additional information.

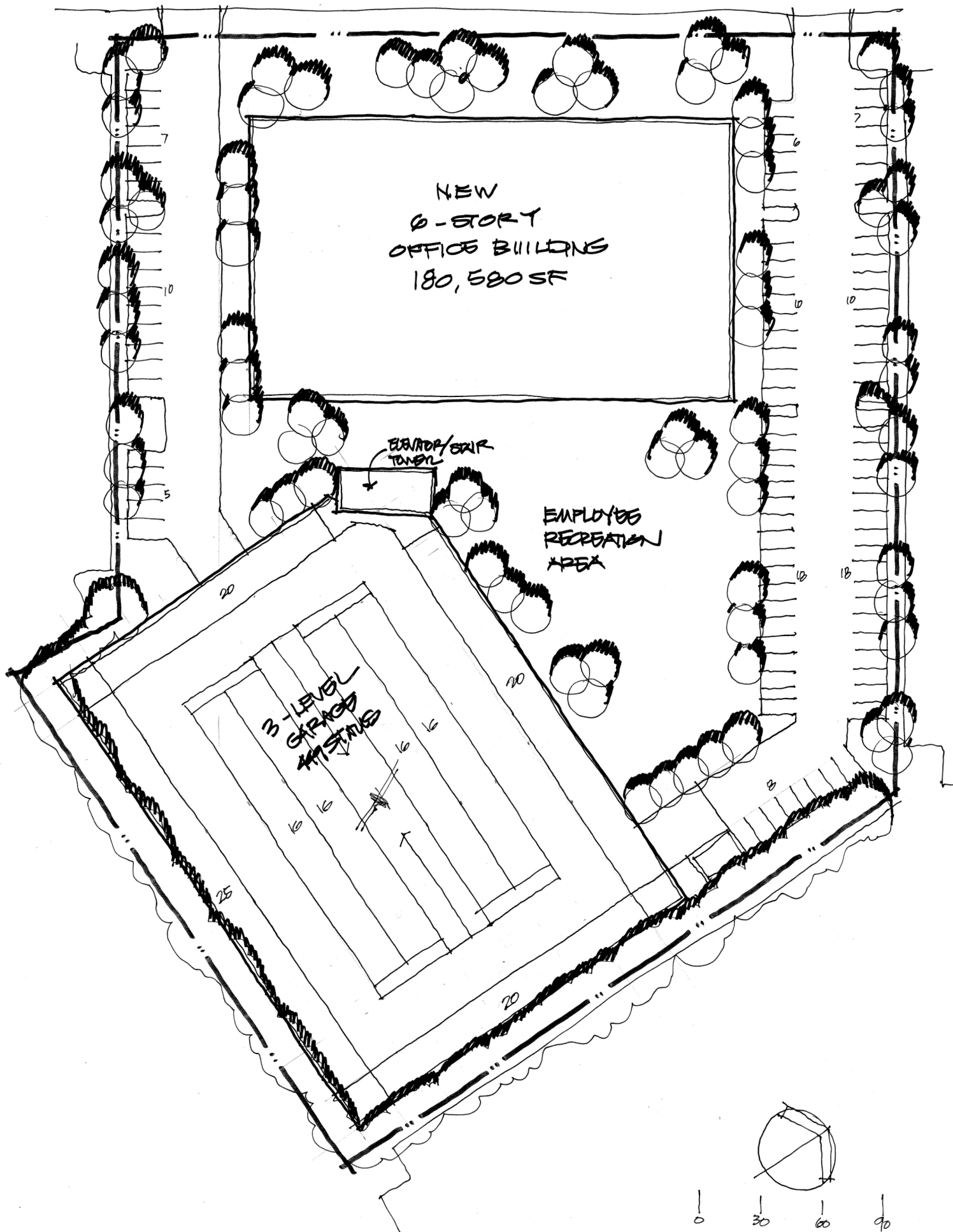
Sincerely,

By: _____


Peter Pau, Principal
Sand Hill Property Company

Attached: Conceptual Redevelopment Plan

RAVENDALE DRIVE



TABULATION

SITE AREA	180,905 SF (4.15 AC)
BUILDING AREA	180,580 SF
PARKING	510 STAIRS
SURFACE	91 STAIRS
GARAGE	441 STAIRS
RATIO	3/1000

303 RAVENDALE DRIVE

KRP ARCHITECTS 32.626
 SAND HILL PROPERTY CO. 1" = 60' - 0"



SAND HILL PROPERTY COMPANY

December 4, 2017

To: Los Altos School District

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units – Los Altos School District

Dear Mr. Baier,

303 MVRP LLC (“MVRP”) or its affiliated entity, hereinafter referred to as “Buyer”, is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring 45,000 square feet of Transferable Development Rights (“TDRs”) from the Los Altos School District (“District” or “Seller”).

We appreciate the efforts the District has invested in partnering with the City of Mountain View (“City”) to develop a novel program that would (i) facilitate the District’s acquisition of a new site for a school facility (the “School Site”), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early “gatekeeper” approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the “TDR Purchase Agreement”) that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

1. Buyer.

303 MVRP LLC.

2. Seller.

Los Altos School District.

3. Receiving Property.

Address: 301-311 Ravendale Avenue, Mountain View, CA 94043

APN: 165-37-012

4. TDR Unit Price.

Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00).
One unit of TDR equals one square foot of gross floor area of improvements.

5. Purchase Price and Quantity.

Buyer shall purchase 45,000 TDR units from the District for a total value of 5,850,000 dollars to be paid in cash at Closing of the TDR Purchase Agreement.

6. Conditions Precedent to the Closing of the TDR Purchase Agreement.

The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:

- (a) The District shall acquire fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District's service area.
- (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.
- (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
- (d) The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.

7. Closing.

If all conditions precedent have been satisfied, the Closing of the TDR Purchase Agreement shall occur no later than thirty days after execution of the TDR Purchase Agreement. After the Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.

8. Additional Terms.

(a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.

(b) Buyer shall have the right to file a “gatekeeper” development application with the City any time after submittal of this signed and accepted LOI to the City.

(c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City to memorialize the use of TDRs.

(d) Buyer shall be responsible for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs on the receiving property or properties. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.

9. Commissions.

Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.

10. Gatekeeper.

The parties understand that there are many factors that will influence the District’s decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City’s willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any “gatekeeper” authorization provided by the City in reliance on this LOI.

11. Non-binding LOI.

This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR Purchase Agreement acceptable to the parties are conditions precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

Sincerely,

By: _____


Peter Pau, Manager
303 MVRP LLC.

Agreed to by District

By: _____

Jeffrey Baier, Superintendent



SAND HILL PROPERTY COMPANY

December 11, 2017

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: Gatekeeper Application – 189 Bernardo Avenue (APN: 165-36-004)
City of Mountain View / Los Altos School District TDR Program

Dear Mr. Tsuda,

Please accept this letter as our Gatekeeper application for our proposed redevelopment plan for 189 Bernardo Avenue. Sand Hill Property Company is respectfully requesting Gatekeeper authorization from the City Council in order for staff to process applications for General Plan Amendment and environmental review for development of our property.

Sand Hill is considering the addition of a new office building to the 3.83-acre site which will bring the total building area to approximately 153,000 square feet. The current +/-63,000 square foot office/R&D building will remain. The property would also be developed with a new parking garage and employee amenity recreation area. Parking will total +/-470 spaces between the structure and surface parking spaces, per City code.

The property is currently developed with a two-story +/-63,000 square foot office/R&D building built in the 1980's. The space has been recently upgraded and has a long-term tenant that will remain. The property is located in the East Whisman Precise Plan area, south of Highway 237. The area is developed primarily with older one and two-story office/R&D buildings with surface parking lots. While there are no residential or other sensitive uses in the immediate area, the Mary Manor Estates (a mobile home park in the City of Sunnyvale) is located to the east of our property but separated by Central Expressway. We will locate the new buildings to be sensitive to these neighbors.

We believe our proposal is consistent with the current East Whisman Precise Plan which calls for office/R&D development in this area. The Precise Plan, that is currently being updated, is tentatively scheduled for public review in early 2019. We have been actively involved in the plan

Mr. Randy Tsuda
December 11, 2017
Page 2

update and understand our development proposal will be consistent with the updated vision for the south Whisman plan area, which outlines similar land uses as currently allowed, except with higher floor area ratios.

Our Gatekeeper request is being submitted in conjunction with the City of Mountain View and Los Altos School District's Transfer of Development Rights (TDR) Program. Similar to other Gatekeeper requests under this TDR program, our request will require the City's discretionary approval of increased density above and beyond what is currently allowed, or anticipated to be allowed in the East Whisman Precise Plan area. We recognize that if the City authorizes our Gatekeeper request we would still need to proceed through the City's discretionary development review process.

Sand Hill Property Company has been a local developer in the community for decades and we appreciate the opportunity to engage the City and community at large on this new development proposal that furthers the City's vision for the area. We ask for your approval to continue our development efforts.

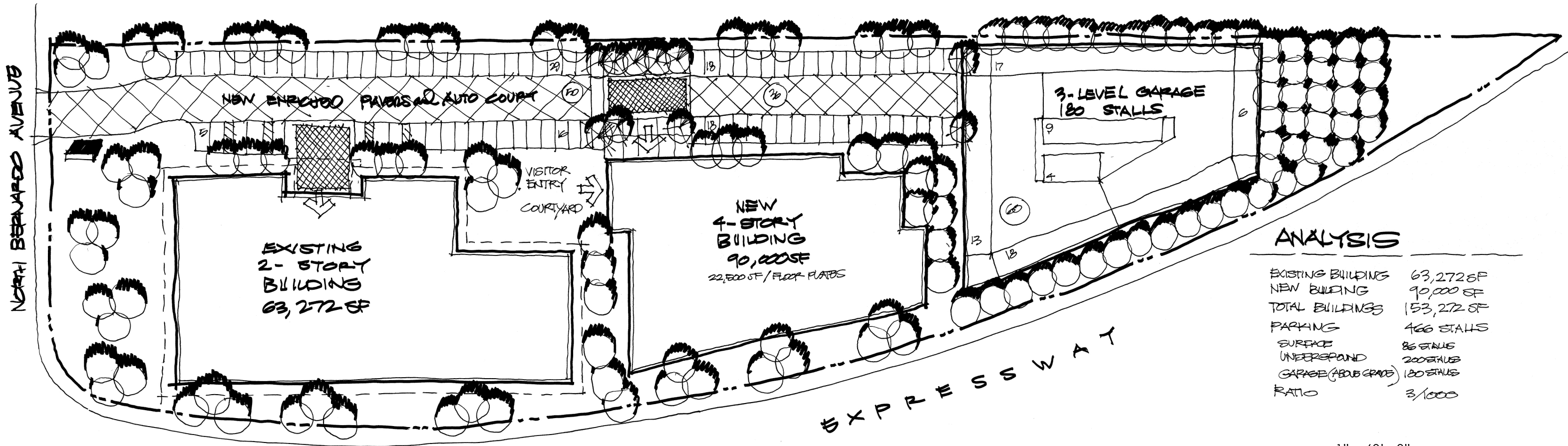
Thank you for considering our request. Please feel free to contact me at (650) 344-1500 or ppau@shpco.com if you have questions or need additional information.

Sincerely,



By: _____
Peter Pau, Principal
Sand Hill Property Company

Attached: Conceptual Development Plan



NORTH BERNARDO AVENUE

NEW ENRICHED PAVED AUTO COURT

EXISTING 2-STORY BUILDING
63,272 SF

VISITOR ENTRY
COURTYARD

NEW 4-STORY BUILDING
90,000 SF
22,500 SF / FLOOR PLATS

3-LEVEL GARAGE
180 STALLS

CENTRAL

EXPRESSWAY

ANALYSIS

EXISTING BUILDING	63,272 SF
NEW BUILDING	90,000 SF
TOTAL BUILDINGS	153,272 SF
PARKING	466 STALLS
SURFACE	86 STALLS
UNDERGROUND	200 STALLS
GARAGE (ABOVE GRADE)	180 STALLS
RATIO	3/1000

SITE STUDY
189 BERNARDO AVENUE

1" = 60' - 0"

11.16.17
32.625

HPP ARCHITECTS
SAND HILL PAPER CO.



SAND HILL PROPERTY COMPANY

December 4, 2017

To: Los Altos School District

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units – Los Altos School District

Dear Mr. Baier,

SHP Saratoga II LLC (“SHP”) or its affiliated entity, hereinafter referred to as “Buyer”, is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring 28,000 square feet of Transferable Development Rights (“TDRs”) from the Los Altos School District (“District” or “Seller”).

We appreciate the efforts the District has invested in partnering with the City of Mountain View (“City”) to develop a novel program that would (i) facilitate the District’s acquisition of a new site for a school facility (the “School Site”), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early “gatekeeper” approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the “TDR Purchase Agreement”) that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

1. Buyer.

SHP Saratoga II LLC.

2. Seller.

Los Altos School District.

3. Receiving Property.

Address: 189 North Bernardo Avenue, Mountain View, CA 94043

APN: 165-36-004

4. TDR Unit Price.

Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00). One unit of TDR equals one square foot of gross floor area of improvements.

5. Purchase Price and Quantity.

Buyer shall purchase 28,000 TDR units from the District for a total value of 3,640,000 dollars to be paid in cash at Closing of the TDR Purchase Agreement.

6. Conditions Precedent to the Closing of the TDR Purchase Agreement.

The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:

- (a) The District shall acquire fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District's service area.
- (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.
- (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
- (d) The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.

7. Closing.

If all conditions precedent have been satisfied, the Closing of the TDR Purchase Agreement shall occur no later than thirty days after execution of the TDR Purchase Agreement. After the Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.

8. Additional Terms.

(a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.

(b) Buyer shall have the right to file a “gatekeeper” development application with the City any time after submittal of this signed and accepted LOI to the City.

(c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City to memorialize the use of TDRs.

(d) Buyer shall be responsible for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs on the receiving property or properties. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.

9. Commissions.

Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.

10. Gatekeeper.

The parties understand that there are many factors that will influence the District’s decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City’s willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any “gatekeeper” authorization provided by the City in reliance on this LOI.

11. Non-binding LOI.

This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR Purchase Agreement acceptable to the parties are conditions precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

Sincerely,



By: _____

Peter Pau, Manager
SHP Saratoga II LLC

Agreed to by District

By: _____

Jeffrey Baier, Superintendent

December 5, 2017

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: Gatekeeper Application 465 Fairchild / 636 Ellis
City of Mountain View / Los Altos School District TDR Program

Dear Mr. Tsuda,

Please accept this letter as our “Gatekeeper” application for the City’s consideration of the redevelopment of the properties at 465 Fairchild Dr. and 636 Ellis St. with APN numbers 160-54-022 and 160-54-023 / 160-54-024 respectively.

The development site is 4.46 acres located just west of highway 101 near the intersection of Ellis Street and Fairchild Drive in the East Whisman neighborhood. The project site consists of (2) two-story concrete tilt up multi-tenant office buildings totaling approximately 63,216 square feet built 30 plus years ago that are to be removed and a two-story steel office building consisting of 14,621 square feet that is to remain. The subject properties are surrounded by light industrial and office uses today.

The Sobrato Organization is interested in redeveloping and intensifying the development of the Project site consistent with the City of Mountain View’s recently adopted General Plan. The GP articulates a vision for the East Whisman Change Area and established development policies that encourage high-intensity innovative transit-oriented developments with a strong connection to transit and the rest of the City. The Project Site is ideal for such intensification and redevelopment particularly due to its gateway location and close proximity to two transit stations.

The East Whisman Change Area precise plan currently calls for our site to be developed at a 1.0 FAR with the potential for additional FAR with City Approvals. Our proposal is to add 80,000 square feet of TDRs to our existing FAR allowance to develop a new six story 260,000 square foot office building that best utilizes its proximity to two light rail stops, incorporates Smart Growth and Sustainable design concepts, the vision, goals and design guidelines of the Mountain General Plan and the specific policies articulated in the Goal LUD-19 and its subsets. Additionally, we will design a new state of the art LEED building that will continue to retain and attract new jobs to the City of Mountain View.

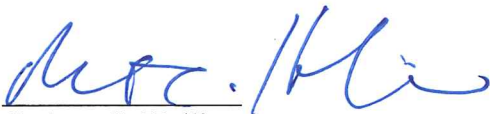
Similar to other Gatekeeper requests under this TDR program, our request will require the City’s discretionary approval of increased density above and beyond what is currently

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allowed in the General Plan and Zoning Ordinance, or anticipated to be allowed in the East Whisman Precise Plan area.

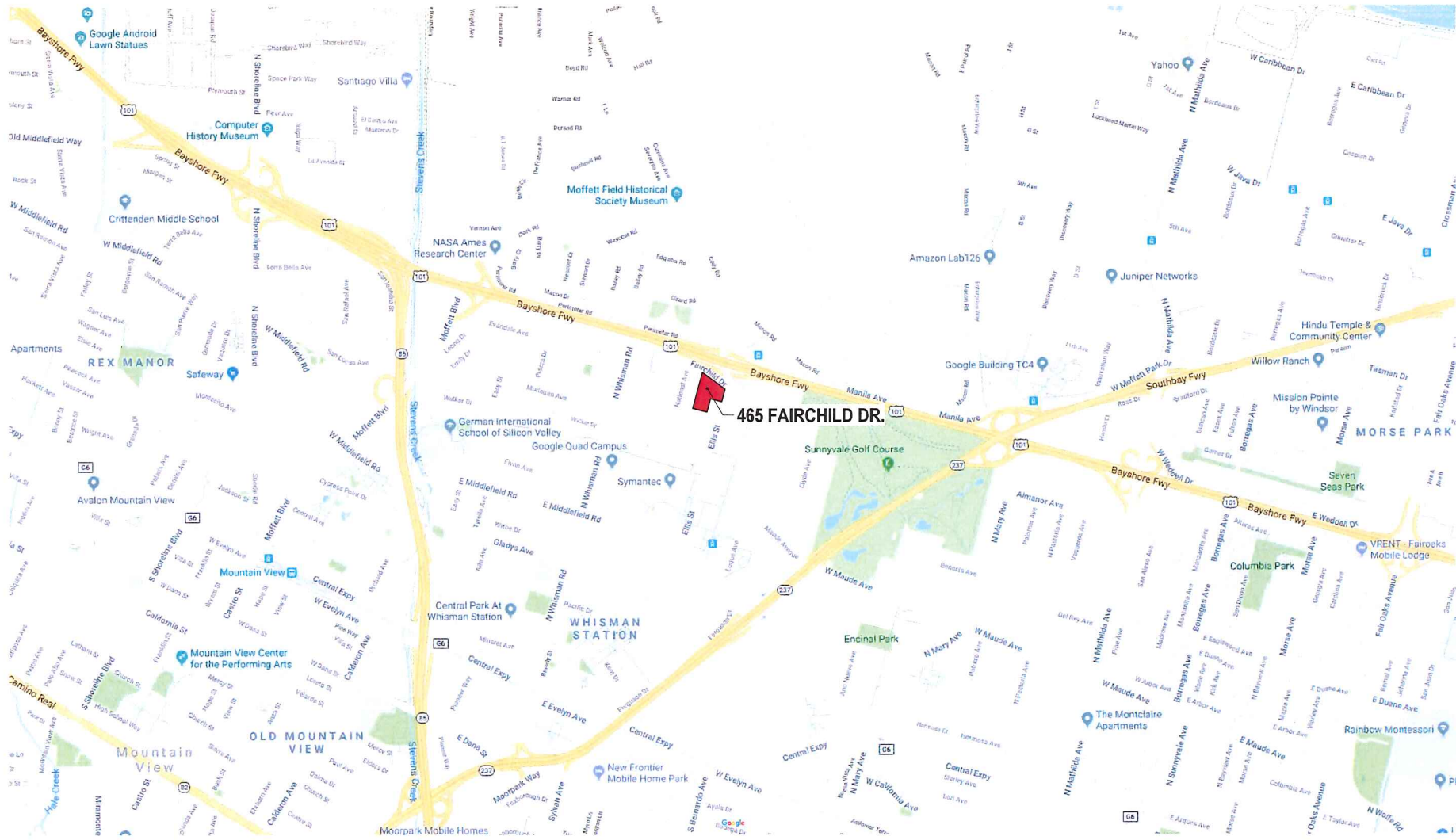
The Sobrato Organization appreciates your review and positive consideration of this request and look forward to working with the City of Mountain View and its staff towards designing and redeveloping this site.

Sincerely,

A handwritten signature in blue ink, appearing to read "Robt. Hollister".

Robert C. Hollister
President, Real Estate
The Sobrato Organization

Attached area map / aerial photo with site highlighted



465 FAIRCHILD - VICINITY MAP
THE SOBATO ORGANIZATION

12/04/17 Scale: 1" = 1'-0"

To: LOS ALTOS SCHOOL DISTRICT

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units – Los Altos School District

The Sobrato Organization (“Buyer”) is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring 80,000 square feet of Transferable Development Rights (“TDRs”) from the Los Altos School District (“District” or “Seller”).

We appreciate the efforts the District has invested in partnering with the City of Mountain View (“City”) to develop a novel program that would (i) facilitate the District’s acquisition of a new site for a school facility (the “School Site”), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early “gatekeeper” approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the “TDR Purchase Agreement”) that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

1. Buyer. The Sobrato Organization or affiliate
2. Seller. Los Altos School District.
3. Receiving Properties. 465 Fairchild (APN: 160-54-022) and/or 636 Ellis (APNs: 160-54-023/024)
4. TDR Unit Price. Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00). One unit of TDR equals one square foot of gross floor area of improvements.

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5. Purchase Price and Quantity. Buyer shall purchase 80,000 TDR units from the District for a total value of \$10,400,000 dollars to be paid in cash at Closing of the TDR Purchase Agreement.
6. Conditions Precedent to the Closing of the TDR Purchase Agreement. The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:
 - (a) The District shall acquire fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District's service area.
 - (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.
 - (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
 - (d) The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.
7. Closing. If all conditions precedent have been satisfied, the Closing of the TDR Purchase Agreement shall occur no later than thirty days after execution of the TDR Purchase Agreement. After the Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.
8. Additional Terms:
 - (a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.
 - (b) Buyer shall have the right to file a "gatekeeper" development application with the City any time after submittal of this signed and accepted LOI to the City.
 - (c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City to memorialize the use of TDRs.
 - (d) Buyer shall be responsible for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs on the receiving property or properties. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.

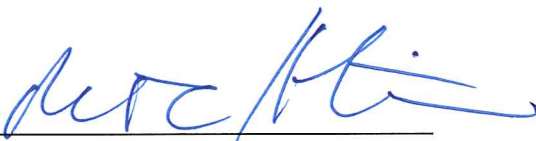
pet

9. Commissions. Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.

10. Gatekeeper. The parties understand that there are many factors that will influence the District's decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City's willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any "gatekeeper" authorization provided by the City in reliance on this LOI.

11. Non-binding LOI. This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR Purchase Agreement acceptable to the parties are conditions precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

Sincerely,

By: 
Robert C. Hollister
President of Real Estate

AGREED TO BY DISTRICT:

By: _____
Jeffrey Baier, Superintendent

December 22, 2017

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: SummerHill Gatekeeper Application
City of Mountain View / Las Altos School District TDR Program

Dear Randy:

Please accept this letter as our "Gatekeeper" application for the City's consideration of the redevelopment of the properties at 355, 365, 401 and 415 E. Middlefield Road (APN 160-52-013 & 160-52-021).

The development site of approximately six (6) acres is located within the future East Whisman Precise Plan Area of the City. The site currently includes two single story office buildings and is generally surrounded by similar office and light industrial uses. With the City's decision to prepare a Precise Plan, this area is planned to transform into a mix of medium to high density housing, parks and office.

Our proposal is to construct 250 residential units, offering two different product types and living styles, along with a new .4 acre public park. The resulting density is approximately 41 dwelling units per acre and rises from four stories (Flat buildings) to seven stories (Condominiums) in total. Unit sizes range from approximately 745 square feet (Junior 1 bedroom units) to 1,890 square feet (3 bedrooms + den or mezzanine). Nearly all residences have two parking spaces available. The condominium building is well amenitized, including a clubroom, a landscaped podium level with a pool and spa, and a fitness center.

Similar to other Gatekeeper requests under this TDR program, our request will require the City's discretionary approval of increased density above and beyond what is currently permitted by General Plan and Zoning Ordinance, or what may be anticipated to be allowed in the East Whisman Precise Plan Area.

We look forward to Staff and Council input in January, with the goal of delivering more ownership housing to the City of Mountain View.

Sincerely,



Katia Kamangar
Executive V.P. / Managing Director

Attachment: Area map

355/365 East Middlefield
APN: 160-52-013

401/415 East Middlefield
APN: 160-52-021



LETTER OF INTENT

To: LOS ALTOS SCHOOL DISTRICT

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units - Los Altos School District

SummerHill Homes LLC ("Buyer") is pleased to submit this Letter of Intent ("LOI") in order to express our interest in acquiring 10,000 square feet of Transferable Development Rights ("TDRs") from the Los Altos School District ("District" or "Seller").

We appreciate the efforts the District has invested in partnering with the City of Mountain View ("City") to develop a novel program that would (i) facilitate the District's acquisition of a new site for a school facility (the "School Site"), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early "gatekeeper" approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant "gatekeeper" status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the "TDR Purchase Agreement") that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

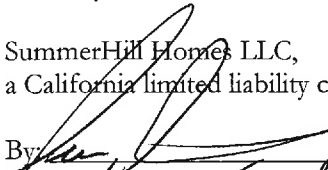
1. Buyer. SummerHill Homes LLC, or its assigns.
2. Seller. Los Altos School District.
3. Receiving Properties. 401 and 415 East Middlefield Road, Mountain View, CA (APN: 160-52-021) and 355-365 East Middlefield Road, Mountain View, CA (APN: 160-52-013).
4. TDR Unit Price. Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00). One unit of TDR equals one square foot of gross floor area of improvements (including residential improvements).
5. Purchase Price and Quantity. On the terms and conditions set forth in the TDR Purchase Agreement, Buyer shall purchase 10,000 TDR units from the District for a total value of One Million Three Hundred Thousand dollars (\$1,300,000) to be paid in cash at Closing of the TDR Purchase Agreement.
6. Conditions Precedent to the Closing of the TDR Purchase Agreement. The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:

- (a) The District shall acquire fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District's service area.
 - (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.
 - (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
 - (d) The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.
 - (e) Buyer shall have closed escrow on or shall be in contract to purchase the Receiving Properties.
7. Closing. If all conditions precedent have been satisfied, the Closing of the TDR Purchase Agreement shall occur no later than thirty days after execution of the TDR Purchase Agreement. At the Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.
8. Additional Terms:
 - (a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.
 - (b) Buyer shall have the right to file a "gatekeeper" development application with the City any time after submittal of this signed and accepted LOI to the City.
 - (c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City (if required) to memorialize the use of TDRs.
 - (d) Buyer shall be responsible for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs on the receiving property or properties. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.
9. Commissions. Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.
10. Gatekeeper. The parties understand that there are many factors that will influence the District's decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City's willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any "gatekeeper" authorization provided by the City in reliance on this LOI.
11. Non-binding LOI. This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR

Purchase Agreement acceptable to the parties are conditions precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

Sincerely,

SummerHill Homes LLC,
a California limited liability company

By:  _____

Name: Lance Freed

Its: VP of Land Acquisition

By:  _____

Name: Jason Biggs

Its: Secretary

AGREED TO BY DISTRICT:

By: _____
Jeffrey Baier, Superintendent

NOOTBAAR

Real Estate • Development Management

December 12, 2017

Via Email and Hand Delivery

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street, First Floor
Mountain View, CA 94039

Re: Gatekeeper Authorization Request
City of Mountain View / Los Altos School District TDR Program
301–381 East Evelyn Avenue

Dear Mr. Tsuda:

On behalf of MV Campus Owner LLC (“Owner”), I am pleased to submit this request for gatekeeper authorization for the project described below. We believe that the proposed Transferable Development Rights program with the Los Altos School District is an innovative solution to the School District’s needs and we are pleased to participate. MV Campus Owner LLC, which is owned and managed by Rockwood Capital, owns the real property located at 301 – 381 East Evelyn Avenue in Mountain View, California (APN 160-63-005) (the “Property”). As described below, we propose to add a building with 125,000 square feet, which would increase the total FAR for the Property to 0.53, including the existing buildings (the “Proposed Project”).

Owner has submitted a signed letter of intent to the Los Altos School District to purchase the 125,000 square feet of Transferable Development Rights allocated to it by the School District.

I. Existing Property Description

The Property is a 16.5 acre site bounded by East Evelyn Avenue, South Whisman Road, and SR 237. The Property currently has four 2-story office buildings and one 3-story office building constructed in 1980’s and totaling 252,400 square feet, with an existing FAR of 0.35. The buildings are clustered towards the center of the site and

arranged around shared open space that forms a series of landscaped courtyards for use by the building tenants. The buildings are surrounded by asphalt surface parking landscaped with planters and trees and containing 944 parking spaces.

II. Proposed Project

The Proposed Project would retain and improve all of the existing buildings, but allow us to replace a portion of the existing surface parking with up to 125,000 additional square feet of office space, in one new 4 story building. The displaced surface parking will be relocated into a new above-grade parking structure, which will allow us to provide parking to maintain the appropriate code requirements. Owner also intends to continue its program of renovating the existing buildings and improving the open space by introducing sustainable landscaping and improving the quality of the shared landscaped areas.

III. Reasons Supporting the Request

The Proposed Project is an excellent example of transit-oriented, sustainable development that will further the City's land use policies and goals. The General Plan encourages greater land use intensity and transit-oriented developments within a half-mile of light rail transit (LUD 3.1); provides incentives to encourage highly sustainable development (Goal LUD 10); and encourages well-designed work environments (LUD 13.1) and attracting innovative businesses to the city (LUD 14.3).

The Proposed Project will accomplish these goals. The Property, less than one-half mile (10 minute walk) to the Whisman VTA Light Rail Station, has excellent access to public transit. In addition, the Property is very convenient to downtown Mountain View and the Transit Center by direct access on Evelyn Avenue, thereby providing excellent opportunities for bicycle and shuttle access. Several bus lines operate nearby, including the Community Shuttle on Whisman Road and the 32, 34 and 53 bus lines. The Proposed Project design will incorporate sustainable strategies for building performance and will implement Transportation Demand Management strategies to reduce traffic generation.

The Proposed Project is consistent with the General Plan High-Intensity Office land use designation, which promotes higher-intensity, sustainable, transit-oriented development. Under the General Plan, the Property is designated as "High-Intensity Office", which permits density up to 1.0 FAR and height up to 8 stories. The Proposed Project is well within these limits.

IV. Conclusion

Similar to other gatekeeper authorization requests under the TDR program, Owner's request will require the City's discretionary approval of increased density above that

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which is currently allowed in the Ferry – Morse Precise Plan.

We therefore request gatekeeper authorization to proceed with a development application to amend the Ferry – Morse Precise Plan to increase the maximum FAR up to 0.53 to accommodate the Proposed Project, consistent with the land use policies set forth in the General Plan.

Thank you for your consideration of this request. Please don't hesitate to contact me at (415) 322-0401.

Yours truly,



Joe Nootbaar
Nootbaar Real Estate, LLC
Development Manager

Attachment

cc: Mitch Menzer - Paul Hastings LLP
Mike Hegseth – Rockwood Capital

MOUNTAIN VIEW
TRANSIT CENTER



WHISMAN STATION



HWY 85

HWY 237

SITE



LETTER OF INTENT

To: LOS ALTOS SCHOOL DISTRICT

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units – Los Altos School District

MV Campus Owner, LLC (“Buyer”) is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring 125,000 square feet of Transferable Development Rights (“TDRs”) from the Los Altos School District (“District” or “Seller”).

We appreciate the efforts the District has invested in partnering with the City of Mountain View (“City”) to develop a novel program that would (i) facilitate the District’s acquisition of a new site for a school facility (the “School Site”), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early “gatekeeper” approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the “TDR Purchase Agreement”) that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

1. Buyer. MV Campus Owner, LLC
2. Seller. Los Altos School District.
3. Receiving Properties. 301 – 381 E. Evelyn Avenue/APN 160-63-005.
4. TDR Unit Price. Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00). One unit of TDR equals one square foot of gross floor area of improvements.
5. Purchase Price and Quantity. Buyer shall purchase 125,000 TDR units from the District for a total value of \$16,250,000 dollars to be paid in cash at Closing of the TDR Purchase Agreement.
6. Conditions Precedent to the Closing of the TDR Purchase Agreement. The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:
 - (a) The District shall acquire fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District’s service area.
 - (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.

- (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
 - (d) The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.
7. Closing. If all conditions precedent have been satisfied, the Closing of the TDR Purchase Agreement shall occur no later than thirty days after execution of the TDR Purchase Agreement. After the Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.
8. Additional Terms:
- (a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.
 - (b) Buyer shall have the right to file a "gatekeeper" development application with the City any time after submittal of this signed and accepted LOI to the City.
 - (c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City to memorialize the use of TDRs.
 - (d) Buyer shall be responsible for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs on the receiving property or properties. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.
9. Commissions. Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.
10. Gatekeeper. The parties understand that there are many factors that will influence the District's decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City's willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any "gatekeeper" authorization provided by the City in reliance on this LOI.
11. Non-binding LOI. This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR Purchase Agreement acceptable to the parties are conditions precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

Sincerely,

MV Campus Owner, LLC

By: 

Andrew Blanchard
Authorized Signatory

AGREED TO BY DISTRICT:

By: _____
Jeffrey Baier, Superintendent



December 18, 2017

Mr. Randy Tsuda
Community Development Director
City of Mountain View
500 Castro Street
Mountain View, CA 94041

Re: Gatekeeper Application
San Antonio Precise Plan
Block 3 of Phase II of San Antonio Village
Implementation of City of Mountain View / Los Altos School District TDR Program

Dear Mr. Tsuda,

Please accept this letter as Merlone Geier Partners IX, L.P.'s ("MGP IX") "Gatekeeper" application for City consideration of proposed redevelopment of properties at the SW corner of San Antonio Road and California Street within what is known as Block 3 of Phase II of San Antonio Village and consisting of two (2) parcels controlled by MGP IX totaling approximately 25,000 square feet (the "Development Site").

MGP IX proposes the Development Site as a recipient site for Transferred Development Rights (TDRs) pursuant to a proposal by MGP IX to the Los Altos School District that would facilitate the District's development of a new school. [Attachment 1](#) to this letter identifies the location of the Development Site. [Attachment 2](#) to this letter is the proposed TDR Letter of Intent from MGP IX to the District.

The Development Site. The Development Site of approximately 0.58 acres is located at the SW corner of San Antonio Road and California Street within what is known as Block 3 of Phase II of San Antonio Village. It consists of grade level unimproved parking areas. The properties are surrounded by Blocks 1, 2, 4, 5 and 6 of Phase II of San Antonio Village, which have been developed by MGP IX with nearly 2,500 parking spaces (both below grade and an 8-level above-grade structure, two (2) 6-story office buildings leased in their entirety to We Work, an Icon Theater and a Hyatt Centric hotel, together with approximately 65,000 square feet of ground floor retail. In addition, Block 3 is integrated into an internal street grid system that provides access and circulation to both Phase II and Phase I, which includes another 135,000 square feet of retail anchored by a 65,000 square foot Safeway and 330 residential rental units. Block 3 is the only remaining portion of the San Antonio street frontage between

137784897.7

California Street and El Camino Real to have not been upgraded and densified in conformity with the San Antonio Precise Plan (the "SAPP").

Adjacent to the Development Site are two additional parcels, owned by Steve Rasmussen and David Pilling, respectively, that are improved with non-conforming single story structures. The Rasmussen and Pilling parcels are not part of this request.

Development Proposal & San Antonio Precise Plan. MGP IX proposes to construct an office building of approximately 250,000 FAR square feet on the Development Site. Approximately 100,000 square feet of development is already permitted on Block 3 under the SAPP. Similar to other Gatekeeper requests under this TDR program, our request will require the City's discretionary approval of increased density above and beyond what is currently allowed in the General Plan and Zoning Ordinance, or anticipated to be allowed in the SAPP. Specifically, our proposal includes amendments to existing maximum FAR density and use restrictions to allow development of 250,000 square feet of office development on the Development Site (including deletion of requirements for residential development or ground floor commercial/retail), an increase in building heights to eight (8) floors, and a reduction of required building setbacks to permit the requested density.

The existing Phase II parking for San Antonio Village was designed to be integrated with Block 3 uses, specifically with underground parking for Blocks 1 and 2 extended into Block 3 and a further integration of shared parking, autonomous driving vehicles and valet services. The proposed increase in density for the Development Site will be accompanied by a shared parking program integrated with Blocks 1 and 2 incorporating valet and autonomous driving vehicle considerations.

Prior Studies Relevant to the Project: The Development Site and adjacent lands have been the subject of significant environmental analysis under CEQA, including in the San Antonio Precise Plan Environmental Impact Report (certified by the City Council on December 2, 2014) and the Village at San Antonio Center (Phase II) Environmental Impact Report (certified by the City Council on December 2, 2014). While our proposal introduces certain changes to the program for the Development Site, we anticipate significantly streamlined environmental review of our proposal through reliance on the existing, previously-approved environmental documents.

Fiscal Impact. As noted by staff when the SAPP was adopted in 2014, projected office development within the SAPP "is not expected to negatively impact the City's net fiscal balance because it would result in comparable increases in revenue and would not result in significant new costs, such as maintenance of new public streets or increased emergency services due to increased City population." (San Antonio Precise Plan Staff Report, December 2, 2014, at page 16).

We appreciate your consideration.

Sincerely,

Merlone Geier Partners IX, L.P.

By: MGGP IX, L.P.
a California limited partnership

By: Merlone Geier IX, LLC
a California limited liability company

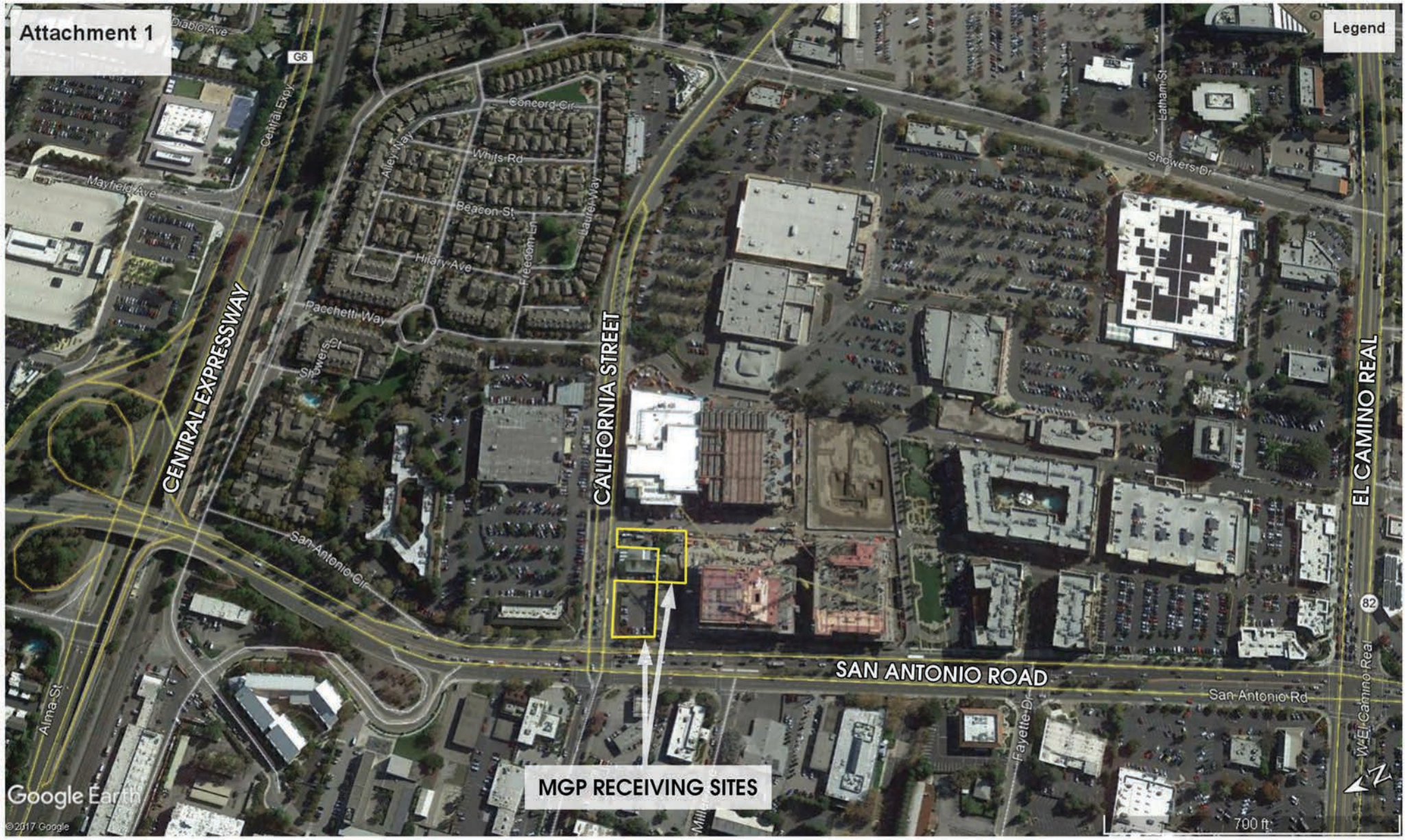
By: 

Scott A. McPherson
Executive Managing Director

Attachment 1: Location of Development Site
Attachment 2: MGP IX's Proposed TDR Letter of Intent with Los Altos School District

cc: Peter Merlone
Brad Geier

Attachment 1



Attachment 1

Legend

MGP RECEIVING SITES

Google Earth

©2017 Google

700 ft.

LETTER OF INTENT

To: LOS ALTOS SCHOOL DISTRICT

December 21, 2017

Attn: Jeffrey Baier, Superintendent
201 Covington Road
Los Altos, CA 94024
Fax: 650-947-0118
E-mail: jbaier@lasdschools.org

Re: Purchase of TDR Units – Los Altos School District

Merlone Geier Partners IX, L.P. or affiliate (“Buyer”) is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring 150,000 FAR square feet of Transferable Development Rights (“TDRs”) from the Los Altos School District (“District” or “Seller”).

We appreciate the efforts the District has invested in partnering with the City of Mountain View (“City”) to develop a novel program that would (i) facilitate the District’s acquisition of a new site for a school facility (the “School Site”), (ii) enable the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program, (iii) allow the District to sell TDRs to interested purchasers for use on specific sites and (iv) allow purchasers to pursue early “gatekeeper” approval for proposed projects seeking to apply TDR to the receiving site.

We further understand and acknowledge that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for any proposed project or projects seeking to use TDRs purchased from the District. Over the course of the coming months, we look forward to working with the District and the City to help bring this vision forward and make it a success.

In furtherance of the objectives outlined above, Buyer is prepared to enter into a purchase and sale agreement with the District for the acquisition of TDRs (the “TDR Purchase Agreement”) that would include the terms and conditions contained in this LOI.

The basic business terms are as follows:

1. Buyer. Merlone Geier Partners IX, L.P. or affiliate (“MGP IX” or “Buyer”).
2. Seller. Los Altos School District (“District” or “Seller”).
3. Receiving Properties. Two (2) parcels owned by Buyer within what is known as Block 3 of Phase II of San Antonio Village located generally at the SW corner of San Antonio Road and California Street. Buyer’s obligation to close on the TDRs purchase would be conditioned upon the City of Mountain View granting approvals requested by MGP IX for office development utilizing 150,000 TDR units and such approvals becoming final and vested pursuant to a Development Agreement (Govt. Code § 65864 et seq.) for at least 15 years. MGP IX may elect at any time, subject to the required future land use approvals by the City, to reallocate some or all of the TDRs to other properties, subject to Section 8(e) below.
4. TDR Unit Price. Purchase Price for each unit of TDRs shall be One Hundred and Thirty dollars (\$130.00). One unit of TDR equals one square foot of gross floor area of improvements.

5. Purchase Price and Quantity. Buyer shall purchase 150,000 TDR units from the District for a total value of \$19.5 million. Purchase price to be paid in cash at Closing of the TDR Purchase Agreement.
6. Conditions Precedent to the Closing of the TDR Purchase Agreement. The Closing of the TDR Purchase Agreement shall be subject to the following conditions precedent:
 - (a) The District shall have acquired fee title to the School Site property within the City sufficient to accommodate its mandate to develop a new school within the District's service area.
 - (b) Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the School Site property restricting allowable development rights on the School Site.
 - (c) The District shall comply with any additional requirements imposed by the City in order to document the creation of TDRs originating from the School Site as well as document the transfer of TDRs to the receiving property or properties.
 - (d) Developer shall have obtained all City approvals required for development on the receiving property or properties that is reliant upon at least the number of TDR units identified in Section 3 above. Such City shall authorize MGP IX to develop only office uses on any receiving properties. The City's approvals shall have become final approvals no longer subject to appeal, referendum, or legal challenge under CEQA or the Planning & Zoning Law.
 - (e) The parties recognize that execution of a TDR Purchase Agreement may not occur until after the District acquires the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding or other similar agreement between the District and the City regarding the TDR program.
7. Closing. The TDR Purchase Agreement shall provide that Closing on the transfer of TDR units shall occur within thirty (30) after all conditions precedent have been satisfied. Upon Closing of the TDR Purchase Agreement, the District shall convey the TDRs to Buyer and Buyer shall pay the TDR Unit Price to the District. Notwithstanding the foregoing, in no case shall Buyer be required to execute the TDR Purchase Agreement prior to February 1, 2019, unless Buyer elects to proceed prior to that date.
8. Additional Terms:
 - (a) Buyer shall not be required to secure any government approvals or permits for a development using the TDRs in order to enter into the TDR Purchase Agreement and acquire the TDRs.
 - (b) Buyer shall have the right to file a "gatekeeper" development application with the City any time after submittal of this signed and accepted LOI to the City.
 - (c) Buyer may use the purchased TDRs on one receiving property or multiple receiving properties and for one or multiple development projects subject to securing any necessary City approvals and subsequently entering into a Development Agreement with the City to memorialize the use of TDRs.
 - (d) The TDRs shall be conveyed in perpetuity to Buyer, without expiry and shall be freely transferable to other landowners within the City of Mountain View, subject to the limitations that may be imposed by the City upon transfer of the TDRs from the District to the Buyer.
 - (e) Buyer shall be responsible at its own cost for obtaining approvals from the City for any development application that utilizes some or all of the purchased TDRs. If the City does not grant the required approvals for a development or if Buyer decides to not proceed with a City approved development, Buyer may propose a different development using the TDRs on the same receiving property or different receiving property if authorized by approval of a subsequent Gatekeeper application.
9. Commissions. Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.

10. Gatekeeper. The parties understand that there are many factors that will influence the District's decision to proceed with the TDR program, including, but not limited to, selection and acquisition of a School Site as well as the City's willingness to partner with the District to provide a funding contribution in exchange for recreational improvements that would be available to the public. In the event that either the District or the City elect not to proceed with the TDR program for any reason prior to the Closing of the TDR Purchase Agreement, the parties recognize that the City may revoke any "gatekeeper" authorization provided by the City in reliance on this LOI.
11. Non-binding LOI. This non-binding LOI is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a TDR Purchase Agreement to purchase the TDRs. This LOI shall only serve to form part of the basis for the TDR Purchase Agreement, which must be agreed upon and executed by the District and Buyer and which, in addition to the above, would include all of the terms and conditions for the sale of the TDRs. It is the express intention of the parties and despite any subsequent negotiations, actions taken hereafter by any party, or any actual or claimed reliance, this LOI does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a TDR Purchase Agreement (or other binding agreement) acceptable to the parties is a condition precedent to the creation of any legally binding contractual relationship with respect to the purchase and sale of any TDRs.

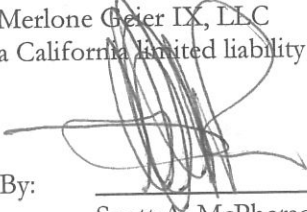
Please feel free to contact me with any questions you may have. We look forward to working with the Los Altos School District to implement this innovative plan.

Sincerely,

Merlone Geier Partners IX, L.P.

By: MGGP IX, L.P.
a California limited partnership

By: Merlone Geier IX, LLC
a California limited liability company

By: 

Scott A. McPherson
Executive Managing Director

AGREED TO BY DISTRICT:

By: _____
Jeffrey Baier, Superintendent