

Draft LOI – TDR

2017-08-24

Re: Purchase of TDR Units – Los Altos School District

[_____] (“Buyer”) is pleased to submit this Letter of Intent (“LOI”) in order to express our interest in acquiring [] 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 facilitate the District’s acquisition of a new site for a school facility (the “School Site”), while enabling the creation of new public recreational facilities for the City on the School Site pursuant to a shared use program and allowing the District to sell TDRs to interested purchasers for use on certain sites designated by the City as appropriate receiving sites. 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.

We understand that this LOI may be relied upon by the City in determining whether to grant “gatekeeper” status for our proposed project located at _____ in the City, and desire to work with the District and the City in the coming months to submit a preliminary application and commence the entitlement process for a bonus density project that would rely upon TDRs purchased from the District.

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 Letter Of Intent.

The basic business terms are as follows:

1. Buyer. _____
2. Seller. Los Altos School District.
3. Receiving Property. Commercially zoned development site or sites within the corporate boundaries of the City of Mountain View and designated as a “TDR receiving site” by resolution of the City Council or other appropriate action undertaken by the City.
4. TDR Unit Price. Purchase Price for each unit of Transferable Development Rights (“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 _____ TDR units from the District for a total value of _____ dollars to be paid in cash at Closing.
6. Additional Terms. Close of escrow and conveyance of TDRs originating from a District-owned, school development site to the Buyer shall be subject to the following conditions:
 - (a) The District shall acquire property within the City of Mountain View sufficient to accommodate its mandate to develop a new school within the District’s service area. Additionally, the District is committed to the creation of significant recreational open space that would be available for the public pursuant to a Shared Use Agreement with the City. Upon taking title and pursuant to any requirements imposed by the City, the District shall record a covenant against the property restricting allowable development rights on the School Site. The District also shall comply with any additional requirements imposed by the City in order to document the creation of TDRs

originating from the School Site to the Property as well as document the transfer of TDRs to the Receiving Property.

- (b) Buyer shall not be required to secure all necessary government approvals and permits for development of the Receiving Property in order to enter into the TDR Purchase Agreement and acquire the TDRs.
 - (c) Buyer shall have the right to file a “gatekeeper” development application with the City upon submittal of this signed and accepted LOI to the City.
 - (d) Buyer shall be responsible for obtaining entitlements from the City for any development application that utilizes some or all of the purchased TDR’s on the Receiving Property.
7. Closing. The Closing shall occur no later than thirty days after execution of the TDR Purchase Agreement. The parties recognize that the preparation of a TDR Purchase Agreement may not commence until after the District secures the School Site and is contingent upon a variety of factors, including actions undertaken by the City to authorize a memorandum of understanding between the District and the City regarding the TDR program.
8. Commissions. Buyer and District hereby acknowledge that there are no brokerage commissions to be paid by either party.
9. Gatekeeper. The parties understand that there are many factors that will influence the District’s decision to proceed with the 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, the parties recognize that the City may revoke any “gatekeeper” authorization provided by the City in reliance on this letter.
10. Non-binding Letter of Intent. This non-binding Letter of Intent is intended to address a portion of the basic terms and conditions under which the undersigned would enter into a formal TDR Purchase Agreement to purchase the TDRs. This letter shall only serve to form part of the basis for the TDR Purchase Agreement which must be agreed upon and executed by all parties 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 letter does not give rise to any legally binding contractual obligations of Buyer or Seller. The preparation, negotiation, execution and delivery of a formal 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. Neither Buyer nor District shall be obligated to proceed in good faith or by any other standard whether reasonable or unreasonable to enter into a binding agreement based upon the terms set forth above.

Sincerely,

[Signature Block for Buyer]

AGREED TO BY DISTRICT: