

TDR Agreement with Merlone Geier: Key Deal Terms

Condition / Event	Timeframe	Outside Deadline
City Council Approval	TBD; targeting April 2021.	N/A
Deposit \$585,000 into escrow (3% of Purchase Price)	Within 3 days after PSA is fully executed.	Within 3 days after PSA is fully executed.
Final Council Approval	After the period to file a legal challenge expires (e.g., lawsuit, appeal or referendum), or if a legal challenge is filed, it is resolved. Generally 90 days after City Council Approval to initiate a challenge. We will have a better idea of the probability of a challenge closer to Council Approval.	TBD. If Council Approval is 04/01/2021, Final Council Approval would be 90 days later, or 07/01/2021 (unless a lawsuit or other challenge is filed, in which case Final Council Approval would follow resolution of the challenge).
Outside Closing Date	30 days after all conditions are satisfied, but no later than two years after the effective date of the PSA.	TBD. Possibilities: <ul style="list-style-type: none"> • 08/01/2021 (30 days after Final Council Approval) OR • 02/8/2023 (2 years after the effective date of the PSA).
Outside Closing Date Extension in Case of Legal Challenge	If a lawsuit, referendum or similar legal challenge is filed, the Outside Closing Date is automatically extended by 3 years, to allow time to resolve the challenge.	TBD. To illustrate, if a CEQA lawsuit is filed, the Outside Closing Date is automatically extended by 3 years to allow for resolution of the lawsuit.
Zoning Endorsement from Title Company	Satisfied – this was a request from Merlone Geier to appease its leadership re: use of the TDRs.	N/A
Certificate of Transfer	Must be signed by Merlone Geier and LASD prior to closing (formality).	N/A
Payment of the Balance	Balance of \$18,915,000 due at closing.	N/A
Secondary Market Restriction	Prior to selling any of its TDR units to another party, Merlone Geier must notify LASD in writing of the proposed sale, including the proposed sale price. Merlone Geier is restricted from selling TDR units at less than \$130/unit.	Post-closing obligation lasts through the term of the TDR MOU.