



## Memorandum

**Date:** September 10, 2019

**To:** 588 Associates Tenants in Common ("588" or "TIC")  
Louis Barbarin, CEO, MMBB Financial Services

**From:** CSG Urban Partners ("CSG")

**Subject:** Update on the Sale of the Mission Center and Closing on the Transaction

---

The purpose of this Memorandum is to give an update on the sale of the Mission Center (the "Property") and provide the timeline for closing on the transaction and post-closing activities.

### **I. Transaction History and Status**

#### ***History and Status***

The Purchase and Sale Agreement (PSA) was executed in September 2018 and the Third Amendment to the PSA was executed in June 2019. The Third Amendment to the PSA was needed to address an easement issue with Brandywine, the adjacent property owner. Subsequent to execution of the Third Amendment, the Purchaser continues to address and resolve the easement issue. The Purchaser is hopeful that an Easement Agreement will be negotiated between the parties given it recently has had productive meetings with Brandywine and it appears that Brandywine is now working cooperatively to resolve the Easement issue.

#### ***Presser Early Lease Termination Status***

The TIC had successfully negotiated an Early Lease Termination Agreement with Presser the only remaining long-term lease holder at the Property. Presser vacated its space as of July 31, 2019 and now the Property no longer has any space leased to third party lease holders.

### **II. Status of Purchaser's Entitlement Approvals**

PPG has completed all of its due diligence activities and is in the process of obtaining all of the necessary entitlement approvals to develop the Topgolf project. To that end, PPG had presented the Topgolf Land Development Plan application to the Upper Merion Township ("UMT") Planning Commission for approval at an initial Planning Commission meeting on May 22, 2019. That meeting went very well but the Commissioner requested some additional information regarding the Topgolf plan.



Subsequent to receiving the additional information, the Planning Commission approved the Plan. The Plan was presented to the Upper Merion Township Board of Supervisors on August and received unanimous approval. PPG is now in the process of obtaining all of the other necessary public entitlement approvals which include, but are not limited to: Water/Sewerage; Department of Transportation; Storm Drainage; Environmental; Soil Conservation; Utilities; and Other Approvals.

### **III. ABC Timeframe to Vacate the Property**

All of the remaining ABC entities anticipate totally vacating the property by the end of October 2019. The TIC has retained the services of an Auctioneer to hold an auction at the Property to sell any remaining furniture, fixtures, equipment or other personal property. Given the PSA requirement that at Closing the Property remain in the same condition as it was at the end of the due diligence period, the TIC is currently working with the Purchaser to agree on which improvements and fixtures in the Building can be sold at the auction. It is anticipated that the Auction will be held in November 2019.

### **IV. Next Steps and Timeline to Close on the Proposed Transaction**

The necessary next steps to close on the sale of the Property and the proposed timeframes for completing such activities are detailed on the below chart. Please note that because of the longer than anticipated time for the Purchaser to obtain the UMT's Site Plan approval, which impacted its ability to obtain all of the other final and unappealable approvals of the other public entitlements before closing, it will be necessary for the Purchaser to exercise the Extension Option provision in the PSA. The provision provides for three (3) 1-month extensions of the Closing Date for the consideration of \$100,000 per extension. The extension option amount is applied to the Purchase Price at Closing if the Transaction Closes.



<b>MISSION CENTER CLOSING AND TOPGOLF DEVELOPMENT TIMELINE</b>		
<b>Milestone</b>	<b>Status</b>	<b>End Date</b>
<b>Feasibility Review Period</b>	Complete	05/30/19
<b>First Additional Deposit Due - \$150,000</b>	Complete	06/04/19
<b>Execute Third Amendment of the PSA</b>	Complete	06/14/19
<b>UMT Planning Commission Approval</b>	Complete	06/30/19
<b>UMT Board of Supervisors Site Plan</b>	Complete	08/15/19
<b>Execute Easement Agreement</b>	Purchaser and Brandywine are negotiating terms of the Agreement	10/30/19
<b>TIC Holds Auction of remaining Furniture, Fixtures, and Personal Property</b>	TIC has retained an Auctioneer to hold the Auction	11/15/19
<b>Closing Date</b>	Condition precedent to Closing is that all final and non-appealable Entitlement Approvals have been received. They may not all be received by the Closing Date	12/02/19
<b>All Necessary Entitlement Approvals including: Subdivision, Water/Sewerage; DDOT; Storm Drainage; Environmental; Soil Conversation; Utilities; Other Approvals</b>	Purchaser is working to obtain all other necessary entitlement approvals	01/31/20
<b>Second Additional Deposit Due - \$750,000 for Lease Termination Cost</b>	Upon all final and non-appealable Entitlement Approvals being received	01/31/20
<b>Outside Extension Option Closing Date - (Assumes three 1-month extension options)</b>	Purchaser may need to exercise options to receive all final and non-appealable Approvals prior to Closing	03/02/20
<b>Purchase Price Payments</b>		
<b>\$8,250,000 Upfront Purchase Price Payment</b>	Paid at Closing	03/02/20
<b>\$600,000 Annual Installment Payments</b>	Total \$6,000,000 Payments – March 2021 – March 2030	03/02/30
<b>\$9,750,000 Final Installment Payment</b>	Final Installment Payment	03/02/30
<b>Post-Closing Activity</b>		
<b>Mission Center Environmental Remediation/Demolition</b>	Post-Closing Activity	03/31/20
<b>Topgolf Construction Commencement</b>	Post-Closing Activity	06/30/20
<b>Topgolf Construction Completion</b>	Post-Closing Activity	12/31/21
<b>Topgolf Ground Opening</b>	Post-Closing Activity	06/30/22