



Via Email

April 24, 2020

Peter Dewan
Downtown Development Authority Chairperson
Thomas Fehrenbach
Planning, Building, and Development Director
City of East Lansing
410 Abbot Road
East Lansing, MI 48823

Re: Memorandum of Understanding (“MOU”) regarding the Response to Request for Qualification & Proposals (the “RFP Response”) offered by River Caddis Development, LLC (“RCD”) in connection with the Central Innovation and Technology District of East Lansing (CITADEL) (the “Project”)

Dear Mr. Fehrenbach:

Considering the extreme situation we are facing with COVID-19 and the actions taken by local and state government, RCD wishes to propose an arrangement that will allow our development proposal for the Project to move forward without undue delay. We believe the process outlined in this MOU will provide transparency and collaboration in a mutually beneficial path moving forward.

This MOU follows the RFP Response submitted by RCD to the Downtown Development Authority (“DDA”) of the City of East Lansing in connection with the Project. If RCD is selected as the purchaser/developer of the Project, this MOU shall serve to memorialize the initial steps each party will undertake towards the goal of eventually entering into a Purchase and Sale Agreement (“PSA”) regarding the Project. To that end, and upon execution of this MOU, the parties shall use reasonable efforts and due diligence to complete the outlined tasks within the timeframe provided with the goal of entering into a PSA at the earliest possible date.

For the time period commencing with the date of this MOU and ending at close of business in 90 days, as long as RCD continues to move forward with the development in substantially the same form as originally presented, the DDA grants RCD the exclusive

right to investigate and consider the development of the Project and negotiate the PSA (the "Due Diligence Period"). Unless the project changes substantially from its current form, during this time period the DDA will not entertain or enter into any discussions or agreements of like kind with any other entity expressing a like interest in developing the Project. This time period may be extended by mutual agreement of the parties.

During the Due Diligence Period:

1. The DDA will:

- Provide documents it has in assisting RCD in evaluating whether to enter into the PSA. These documents may include surveys, building schematics, environmental reports, etc;
- Permit RCD and their consultants access to the various parts of DDA properties for any inspections and/or testing as may be appropriate;
- Review and work with RCD to evaluate the development of the Project based upon the City initiatives; and
- Collaborate with RCD and necessary stakeholders to assist in drafting documents leading to a PSA.

2. RCD will:

- Explore, develop, and submit concepts for the Project, including project financials and proof of viability (subject to confidentiality agreements), and/or sources and uses of all outside financing, if outside financing is applicable (i.e. tentative proforma) in sufficient detail for the DDA and City to make an informed decision;
- Gather, meet, explore, and answer questions from all stakeholders chosen by DDA and City ("Review Committee"); and
- Take consideration into all ideas and direction from the Review Committee and potential implementation into design and programming of the Project.

3. The DDA and River Caddis together will:

- Identify members and establish a Project team to meet on a regular basis (i.e. weekly, bi-weekly, or monthly) to monitor the progress on the plans, documents, funding sources for the Project.

If, at the end of the Due Diligence Period and upon completion of the above tasks, both parties determine it is advantageous for RCD to proceed as the selected purchaser/developer for the Project, each party will work together to execute a mutually acceptable PSA. If, following the Due Diligence Period, either party determines it is no longer advantageous to continue, this MOU may be terminated by either party upon written notice.

RCD agrees that its sole and exclusive remedy against the DDA for any claim arising out of this Agreement shall be to seek and obtain specific performance of the terms of this

Agreement including temporary and permanent injunctive relief. All other claims arising out of this Agreement, whether for breach of contract, tort, or otherwise, including any misrepresentation or inaccuracy of the DDA's warranties are waived by Purchaser even if this Agreement is hereafter declared to be invalid.

If the foregoing conceptual understanding is satisfactory, please so indicate by signing and returning a copy of this MOU. We are pleased with the interest you have shown in working with RCD and exploring this opportunity in partnership with us.

Sincerely,

RIVER CADDIS DEVELOPMENT, LLC

John McGraw
Director of Development

ACCEPTED:


DATED: 4/24/2020

By: 

Peter Dewan

Its: Chairperson

DATED: 4-24-20

By: 

Kevin McGraw

Its: President