



**MERIDIAN**  
development corp.  
REVIVE • RENEW • REDEFINE

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October 31, 2022

Honorable Mayor Simison and Members of the City Council  
City of Meridian  
33 East Broadway Avenue  
Meridian, ID 83642

**RE: Civic Block Time Extension Request by River Caddis**

Dear Mayor Simison and Meridian City Council Members:

At the October 26, 2022 Meridian Development Corporation board meeting, the board reviewed and discussed the one-year time extension request from River Caddis as related to the Civic Block project.

Upon review and discussion of the request, the Meridian Development Corporation recommends engaging in the re-negotiation of components of the Memorandum of Agreement (MOA) and the purchase and sale agreements between MDC, River Caddis, and the City. This renegotiation should include consideration of a potential extension of up to one-year on aspects of the River Caddis MOA and the corresponding purchase and sale agreements with the following conditions:

1. The Hunter Lateral will be commenced and completed by River Caddis before the irrigation water comes back in the system in the upcoming spring of 2023. MDC and City are to approve the estimated cost. If the overall project does not ultimately move forward then the City and MDC will work out reimbursement for River Caddis of the associated costs for relocating the lateral.
2. The due diligence period in the purchase and sale agreements should be modified. Need to set a specific date and eliminate the extensions. The new proposed date for completion of the due diligence is June 30, 2023.
3. The one-year extension would apply to closing and commencement of work on the project.
4. River Caddis referenced potential modification of the proposed development. If River Caddis desires to make a significant change to the project, then MDC believes that the development project should be put back out for proposal. If the proposed changes are not significant then the proposed changes need to be presented and approved by a mutually agreeable date certain.
5. The timeline to have a negotiated Owner Participation Agreement needs to be addressed and agreed upon.

Please don't hesitate to reach out to our Administrator if you have any questions.

Regards,



Dave Winder, Chairman  
Meridian Development Corporation

Attachments: Time Extension Request from River Caddis  
Proposed Revised Project Schedule from River Caddis  
Memo to the MDC Board of Commissioners  
Approved Civic Block Memorandum of Agreement  
Signed Purchase and Sale Agreement between MDC and River Caddis  
Signed Purchase and Sale Agreement between MDC and the City of Meridian



**October 13, 2022**

Ashley Squyres, Administrator  
Meridian Development Corporation  
104 East Fairview Avenue, #239  
Meridian, Idaho 83642  
meridiandevelopmentcorp@gmail.com

**RE: City of Meridian Civic Block Project Extension Request for RFP Submittal**

**Dear Ms. Squyres,**

We are writing this letter to request an extension to the Memorandum of Agreement between River Caddis Development, the Meridian Development Corporation, and the City of Meridian (the “MOA”), due to a multitude of factors out of our control. This letter will explain what we have done, what we have found, why we need an extension, and how we plan to proceed.

**WHAT** we have done and **WHAT** we have found:

After the RFP was released in 2021 and awarded early 2022, we set out to negotiate with both Meridian Development Corporation (“MDC”) and the City of Meridian (“CITY”) on legal terms memorializing our development plans in accordance with standards set forth in our presentations and the long- and short-term objectives of all parties. In a parallel path, we engaged the community and its stakeholders – seeking to understand concerns and integrating them into a feasible and exciting development. During this time, our delivery partners ran several estimated budgets and analyzed the capital markets to confirm we were still on path to a financially feasible project. Once we had negotiated these terms, heard the public, and integrated these concerns into our development, we memorialized terms into contracts to eventually acquire the municipally owned land.

As soon as these contracts were executed, River Caddis Development, (“RCD”) and its delivery partners immediately engaged subcontractors previously used in a project completed in Ada County at the end of 2021. When the preliminary numbers came in, which were astonishingly greater than expected, we had to re-run the numbers with other partners, including local, to confirm their findings, taking more time. We set a holistic meeting with all of our partners to discuss the findings and discuss the increase of estimated budget. To our shock and dismay, we learned that the current state of the construction market in the nation is especially compounded in the Valley. A project, in comparable size and scope, completed less than two years prior had increased in cost +77%.

While this was a shock, we swiftly engaged in a forensic audit of these costs to better understand the reasoning behind this astonishing escalation in budgetary numbers. RCD and its delivery partners were intentionally assembled and designed to leverage our national experience and wherewithal in the construction and design market. Our forensic audit in construction index of Ada County against other Counties across the United States demonstrated an abnormality in geographical construction costs. Ada



County is simply tracking way above where it typically would against other markets. Not only has the construction market costs, and supply chain been affected on a local stage, but interest rates have significantly increased nationally, substantially decreasing values across all commercial real estate.

RCD has continued to expend resources in attempts to identify a solution for this unusual situation. We have continued to engage consultants (Architects and Engineers, Construction Management, Designers, Legal) as well as expend travel and other costs in the continued pursuit of the Civic Block development. We have done everything we have said we were going to do but have been faced with challenges we could not have anticipated. Once we were enlightened to these findings, we immediately contacted the MDC and CITY to make known of our findings and look for a common solution.

**WHY** do we need this extension:

RCD is requesting to amend the MOA to provide for a 12 month of the term to allow time to find a solution to developing our proposed project, or a like project both MDC and CITY will approve and be proud of. We **KNOW** this is not a RCD issue, and any developer will be faced with these same issues. We also strongly believe that RCD was chosen as a development partner to the CITY as they were best suited to bring a transformational project to downtown Meridian. We would like the time to collaborate with the stakeholders over this extension to pursue a development that reflects the objectives and current market capabilities. We are invested in the City, County, and this project; and would appreciate the opportunity to pursue this partnership whether it be with our proposed project or something smaller in scale.

**HOW** we plan to proceed:

- a. RCD will continue to forensically analyze the areas of our budget that are in excess and unlock solutions;
- b. RCD will look for other subcontractors within the Treasure Valley Market as well as from outside markets to continue to close the gap;
- c. We would like to engage the development committee or a created entity to walk through solutions or potential changes to the design and scope of the development;
- d. We would like to engage same committee on other solutions to integrate or trade out with other amenities;
- e. Entire mission is to design and facilitate a desired development outcome short and long term; and
- f. We will cooperate with the CITY and MDC on the Hunter Lateral efforts in attempts to get this part of the project moving forward.

**RECAP**

In light of the foregoing, we are graciously requesting an extension of 12 months (as further described in the attached Estimated Project Schedule) to the MOA and PSA. We are grateful for the continued support and partnership of both MDC and the CITY and appreciate the consideration of this letter's



intent. As stated in the past, we would be truly grateful for the opportunity to make a significant investment that will shape the future of the community for years to come.

Sincerely,

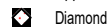
**RIVER CADDIS DEVELOPMENT, LLC**

John McGraw  
Director of Development



Line	Unique Task ID	Name	Duration	Start	Finish	Predecessors	2022												2023												2024												2025												2026											
							N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O												
	0020	Preconstruction	339d	12/1/2022	4/1/2024		Preconstruction																																																											
2	0030	Contract Extension	194d	12/1/2022	9/5/2023		Contract Extension																																																											
3	0040	Easements, Platting, Financing	65d	1/2/2024	4/1/2024	0030	Easements, Platting, Financing																																																											
4	0050	Land Closing	1d	4/1/2024	4/1/2024	0040 FF	Land Closing																																																											
	0051	Entitlements	125d	11/2/2023	4/30/2024		Entitlements																																																											
6	0060	City of Meridian Site Approval	64d	11/2/2023	2/5/2024		City of Meridian Site Approval																																																											
7	0070	Building Permit	22d	4/1/2024	4/30/2024		Building Permit																																																											
	0071	Design	209d	9/5/2023	6/28/2024		Design																																																											
9	0080	Design Development	82d	9/5/2023	1/2/2024		Design Development																																																											
10	0090	Construction Documents/Permit Set	65d	1/2/2024	4/1/2024	0080	Construction Documents/Permit Set																																																											
11	0100	Final Working Drawings	64d	4/1/2024	6/28/2024	0090	Final Working Drawings																																																											
	0101	Sitework	63d	5/3/2024	8/1/2024		Sitework																																																											
13	0110	Demolition and Site Prep	31d	5/3/2024	6/17/2024		Demolition and Site Prep																																																											
14	0130	Grading and Site Utilities	33d	6/17/2024	8/1/2024	0110	Grading and Site Utilities																																																											
	0131	Ramp and Community Center Construction	448d	8/5/2024	5/7/2026		Ramp and Community Center Construction																																																											
16	0140	Footings/Foundations	41d	8/5/2024	10/1/2024	0130	Footings/Foundations																																																											
17	0150	Concrete Podium and Ramp	149d	10/2/2024	5/2/2025	0140	Concrete Podium and Ramp																																																											
18	0160	Core and Shell Buildout	106d	5/5/2025	10/2/2025	0150	Core and Shell Buildout																																																											
19	0170	Shell Substantial Completion	0d	10/3/2025	10/3/2025	0160	Shell Substantial Completion																																																											
20	0180	Community Center Build Out	129d	11/4/2025	5/6/2026		Community Center Build Out																																																											
21	0190	Community Center Occupancy/Opening	0d	5/7/2026	5/7/2026	0180	Community Center Occupancy/Opening																																																											
	0191	Apartment Construction	276d	5/5/2025	6/2/2026		Apartment Construction																																																											
23	0200	Wood Framing	126d	5/5/2025	10/30/2025	0160 SS	Wood Framing																																																											
24	0210	Interior Build Out	128d	10/31/2025	5/1/2026	0200	Interior Build Out																																																											
25	0220	Inspections and Close Out	21d	5/4/2026	6/1/2026	0210	Inspections and Close Out																																																											
26	0230	Occupancy/Completion	1d	6/2/2026	6/2/2026	0220	Occupancy/Completion																																																											

Milestone Appearances



Diamond



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To: MDC Board Members  
From: Ashley Squyres, Administrator  
RE: Civic Block Time Extension Request  
Date: October 20, 2022

**Background:**

After two and a half months of uncertainty with the status of the Civic Block project, and given the looming end-of-the-year deadlines per the Civic Block Memorandum of Agreement (MOA), MDC leadership requested a formal status update from the River Caddis team as it pertains to the status of the project.

On Friday, October 14<sup>th</sup>, River Caddis submitted the attached letter to MDC requesting a project time extension of one year. The reasoning for the request is due to a variety of factors including current market conditions and escalating construction costs.

MDC leadership and City leadership met to review the letter and to discuss next steps. The sentiment was of some disappointment as there was no real project progress or new information since the meeting with the developer in mid-August, only the continued request for a time extension.

In discussions with leadership, the sentiment was strong that if a time extension were to be granted, there needed to be a commitment by the developer to move forward with the Hunter Lateral portion of the project.

The proposed process to evaluate the River Caddis request is thus:

- On October 26<sup>th</sup>, MDC will review the request and provide a formal recommendation action to the City Council. This recommendation will be considered at a future public meeting.
- If the City Council agrees with the recommendation, then the appropriate next steps will be taken depending on the outcome. For example, if approval of the time extension is granted, then the MOA and the Purchase and Sale Agreements (PSAs) will need to be updated accordingly. If the decision is to deny the time extension, it will be up to the developer as to whether or not they choose to meet the conditions of approval outlined in the MOA and PSAs by the specified timeframes or if they forego moving forward with the project.
- If the City Council does not agree with the recommendation and the two agencies cannot come to an agreement as to whether or not a time extension should be granted, the original dates as outlined in the MOA and PSAs are still in effect.

**Options for the Board's Consideration:**

Option A: Approve the time extension with no stipulations and recommend this option to the Meridian City Council for their consideration.

Option B: Deny the time extension and recommend this option to the Meridian City Council for their consideration.

Option C: Approve the time extension with conditions of approval and recommend this option to the Meridian City Council for their consideration. For example, a condition could be tied to the construction of the Hunter Lateral, by the River Caddis development team, during the winter/spring of 2022-2023.



**MEMORANDUM OF AGREEMENT  
CIVIC BLOCK DEVELOPMENT PROPOSAL**

This MEMORANDUM OF AGREEMENT (“Agreement”) is made this 12<sup>th</sup> day of April, 2022 (“Effective Date”), by and between the City of Meridian, a municipal corporation organized under the laws of the State of Idaho (“City”), and Meridian Development Corporation, an urban renewal agency organized under the laws of the State of Idaho (“MDC”) and Meridian Caddis, LLC, a Michigan limited liability company registered to do business in Idaho (“Respondent”). The foregoing may be collectively referred to as “Parties” or individually as a “Party.”

**WHEREAS**, MDC in cooperation with the City issued a Request for Proposals (“RFP”) seeking proposals from interested parties for the development or redevelopment of the Civic Block property (the “Project”) containing parcels owned by the City and MDC;

**WHEREAS**, River Caddis Development, LLC, a Michigan limited liability company (the “Original Respondent”) submitted one of three proposals received and was selected by MDC and the City subject to certain contingencies;

**WHEREAS**, Respondent is wholly owned by Original Respondent or its principals and was formed by Original Respondent for purposes of entering into this Agreement and the Definitive Agreements (as defined in Article 2, below) and pursuing the Project;

**WHEREAS**, the Parties desire to describe the process necessary for the Respondent’s proposal to move forward;

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, and in consideration of the mutual promises and covenants herein contained, the Parties agree as follows:

1. MDC and the City’s acceptance of the Original Respondent’s proposal was conditioned upon the attached list of contingencies which includes RFP and RFP addendum content, the Original Respondent’s proposal and presentations, as well as conditions discussed at MDC and City joint public meetings where Original Respondent was present (See Exhibit A attached hereto and incorporated by reference herein). The Parties acknowledge and agree to these contingencies and that they will be incorporated into the Definitive Agreements or survive the execution of the Definitive Agreements, as applicable.
2. The Respondent agrees that its Proposal will remain valid until the completion of negotiations and possible execution of (i) a purchase and sale agreement for the City property between the City, as seller, and MDC, as purchaser (the “City/MDC Purchase Agreement”); (ii) a purchase and sale agreement between MDC as seller, and Respondent, as purchaser, for the MDC property and the City property (the MDC/Respondent Purchase Agreement”); and (iii) an owner participation agreement for the entire Project property between MDC and Respondent, as developer (the “OPA”) (all of the aforementioned agreements in this paragraph are collectively referred to as the “Definitive Agreements”). The Parties acknowledge that the sale of the City property to MDC is subject to a public process and is a necessary component of the Definitive Agreements. The Parties acknowledge that the City cannot guarantee an outcome and/or commit to transfer of the city

property to MDC in advance of that public process.

3. This Agreement is governed by the laws of the State of Idaho, constitutes the entire understanding between the Parties and may not be modified except by written consent of all the Parties. The Parties agree to participate in the negotiation of the Definitive Agreements in good faith. This Agreement will automatically terminate if the Definitive Agreements acceptable to all parties are not executed by City, MDC and Respondent as applicable on or before 5:00 pm on December 31, 2022 (the "Negotiation Period Expiration Date"). If this Agreement is in effect, then between the Effective Date and the Negotiation Period Expiration Date, City and MDC shall deal exclusively with the Respondent in connection with the Project and shall not negotiate, discuss or enter into any purchase agreement, owner participation agreement or similar agreement with respect to the Project or the Project property as referenced above with any other party. The Parties may extend the Negotiation Period Expiration Date by mutual written amendment to this Agreement. Upon the execution of the Definitive Agreements by the Parties, this Agreement shall be of no further force or effect, except for those obligations set forth herein that expressly survive the execution of the Definitive Agreements.

4. Either Party may terminate this Agreement upon thirty (30) days written notice of default regarding the terms and conditions of this Agreement or for lack of substantial progress in the negotiations of the Definitive Agreements. If the defaulting Party cures the default or lack of substantial progress within the thirty (30) day period described in the notice, then the notice shall be deemed withdrawn and this Agreement will remain in effect. Any notices, demands or requests required or permitted to be given hereunder must be in writing and shall be deemed to be given (i) when hand delivered; or (ii) one (1) business day after delivery to FedEx or similar overnight service for next business day delivery; or (iii) three (3) business days after deposit in the U.S. mail first class postage prepaid; or (iv) when sent by facsimile or electronic (pdf) transmission during normal business hours (i.e., 8:00 a.m. to 6:00 p.m., Monday through Friday), if such transmission is immediately followed by any of the other methods for giving notice. For communication purposes the contact information for the Parties is as follows:

Ashley Squyres  
Meridian Development Corporation  
104 E. Fairview #239  
Meridian, ID 83642  
208-830-7786  
Email: [\\_meridiandevelopmentcorp@gmail.com](mailto:_meridiandevelopmentcorp@gmail.com)


John McGraw  
Director of Development  
River Cadis Development, LLC  
1038 Trowbridge Road  
East Lansing, Michigan 48823  
Email: [jmcgraw@rivercaddis.com](mailto:jmcgraw@rivercaddis.com)

Bruce Freckleton  
City of Meridian  
33 E. Broadway Ave  
Meridian, ID 83642  
Email: [bfreckleton@meridiancity.org](mailto:bfreckleton@meridiancity.org)

[SIGNATURES ON FOLLOWING PAGE]

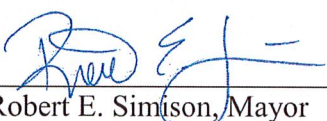
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective as of the date first noted above.

**MERIDIAN DEVELOPMENT CORPORATION:**

  
By: Dave Winder, Chairman

  
Attest: Steve Vlassek, Secretary


**CITY OF MERIDIAN:**

  
Robert E. Simison, Mayor 4-12-2022

  
Attest: Chris Johnson, City Clerk 4-12-2022



**MERIDIAN CADDIS, LLC**

  
By: Kevin T. McGraw, 4-15-22

## EXHIBIT A

**Civic Block Project  
Development Contingencies**

MDC and the City recommend approval of the Respondent's proposal with the contingencies cited below, which will be incorporated into the Definitive Agreements as applicable. It is important to note that the OPA will place all of the risk on the Respondent as to whether the tax increment generated by the Project will be sufficient to cover the reimbursable costs of the Project and corresponding improvements. If the required contingencies are not met, the Project will not move forward, and the City and MDC will not have expended any funds.

- The final Project must address the Guiding Principles and Basis for Selection criteria outlined in the RFP and incorporated herein by this reference. To the extent that the list set forth below contains additional requirements beyond what is specified in the RFP, the more specific requirements shall prevail. Specifically:
  - a. Preferred projects should feature a mixed-use development with active street level uses that will bring visitors to the area, service downtown residents and workers, and contribute to the vitality of Downtown Meridian.
  - b. The Project should “substantially conform with the vision, goals, and objectives of Destination Downtown, the Meridian Revitalization and Union District Plans, and the Comprehensive Plan for the City of Meridian.”
  - c. Economic benefits include...broadening and enhancing the economic base of the downtown, stimulating new growth and other private development and investment, tax revenue generated, increased property values, long term economic opportunities, employment and job creation, and attraction of visitors and residents to support downtown businesses.
  - d. Preferred projects will include outdoor spaces that encourage public gathering.
  - e. Respondent timelines and cost breakdowns should include all visioning, community outreach and engagement, design, Ada County Highway District (“ACHD”) approvals, and construction for East 2nd Street improvements.” Preferred projects are “encouraged to capitalize on” the enhanced streetscapes and pedestrian-friendly downtown corridor on East 2<sup>nd</sup> Street “and create pedestrian connections to the proposed project.
  - f. Regarding the public alley vacation, the proposed project must include one-way vehicular access from East 2<sup>nd</sup> Street. Respondent will obtain the approval for the location of the one-way vehicular access from the adjoining landowners (unBound and COMPASS/VRT).

- g. Prior to the execution of the Definitive Agreements, Respondent shall provide City and MDC representatives with an opportunity to meet with Respondent's proposed financing provider to discuss and verify the Respondent's financial ability and financing plan to complete the project in a timely manner and verify the liquidity and net worth of the guarantor entity.
- Respondent should begin stakeholder outreach and engagement as soon as practical. Public notification should include all property owners, residents, and businesses within 500 feet of the Project site. A minimum of three public meetings are expected.
  - Prior to City's execution of the City/MDC Purchase Agreement, City must be satisfied with the Project elements, including but not limited to the mix of uses on the site, number of parking spaces dedicated to the Project and to the public, public gathering spaces, general site plan and renderings showing height and mass of the Project, and the Festival Street. The above information will be included in the OPA as attachments describing the Project and the OPA will state that any substantial change to these items will require the approval of MDC. The OPA will also require that the Respondent consult with the City prior to requesting any substantial changes to the above attachments and that MDC will consider the input from the City in regard to the proposed substantial changes.
  - To ensure that the Respondent actually closes on the Property in accordance with the terms of this Agreement and the MDC/Respondent Purchase Agreement, the City shall not be required to close under the City/MDC Purchase Agreement until the MDC shall have entered into the MDC/Respondent Purchase Agreement in accordance with the terms hereof and the Respondent shall have satisfied or waived all of its contingencies and conditions to closing thereunder.
  - Due to the substantial costs that Respondent will incur in connection with the negotiation of the Definitive Agreements, due diligence investigations of the Project site and the design, planning, financing and obtaining approvals for the Project, including without limitation the planning and approvals required in connection with the relocation of the Hunter Lateral (as discussed below) (collectively, the "Pre-Closing Expenses"), it is agreed by City and MDC that (i) the City/MDC Purchase Agreement, after execution by such parties, shall not be terminable by either the City or MDC for any reason other than the Financing Condition (as defined herein), or a default by Respondent under the MDC/Respondent Purchase Agreement beyond all applicable notice and cure periods set forth therein; and (ii) Respondent shall be named as an express and intended third-party beneficiary of the City/MDC Purchase Agreement, such that if the City fails to close the transaction contemplated by the City/MDC Purchase Agreement, Respondent shall be permitted to either seek the remedy of specific performance to ensure that both the City and MDC perform their respective obligations under the City/MDC Purchase Agreement or Respondent shall be permitted to seek damages against the City equal to Respondent's Pre-Closing Expenses. The MDC/Respondent

Purchase Agreement shall also permit Respondent the remedy of specific performance to ensure that the MDC performs its obligations under the MDC/Respondent Purchase Agreement and to recover its Pre-Closing Expenses from MDC in the event of a default by MDC under either the MDC/Respondent Purchase Agreement or the City/MDC Purchase Agreement.

- The MDC/Respondent Purchase Agreement shall contain the following contingencies benefiting Respondent: (a) all site conditions, including without limitation, soils, geotechnical and environmental conditions shall be acceptable to Respondent; (b) all matters of title and survey shall be acceptable to Respondent; (c) Respondent shall have determined that the Project is economically feasible in Respondent's sole discretion, including without limitation the costs associated with the relocation of the Hunter Lateral and Respondent's ability to recover such costs under the OPA; (d) Respondent shall have received such approvals as are deemed by Respondent as necessary for the development and construction of the Project; (e) Respondent shall have obtained financing commitments and such other incentives as are deemed necessary for the Project by Respondent, all of which shall be on terms and conditions that are acceptable to Respondent; and (f) MDC shall have acquired the City property from the City pursuant to the terms of the City/MDC Purchase Agreement. Other than the Respondent's costs and expenses incurred in connection with the potential relocation of the Hunter Lateral, which shall include without limitation the cost of all investigations, feasibility studies, plans, applications and approvals procured or prepared by Respondent in connection with such relocation (the "Lateral Relocation Expenses"), which shall be reimbursed by the City as provided in this MOA, if the Respondent decides not to proceed with the Project based upon the foregoing contingencies, then the Respondent shall bear all of its costs, expenses and fees related to the Project and MDC shall have no obligation to reimburse Respondent in any manner. The Respondent/MDC Purchase Agreement shall also provide that if Respondent waives all contingencies and thereafter defaults in its obligation to purchase the Property (after all applicable notice and cure periods as may be set forth in the Respondent/MDC Purchase Agreement), then MDC may terminate the Respondent/MDC Purchase Agreement and recover from Respondent all of MDC's actual, out of pocket attorney fees associated with the transactions contemplated hereunder.
- If the Definitive Agreements are entered into in accordance with the terms of this Agreement and the Respondent thereafter incurs Lateral Relocation Expenses but does not ultimately proceed with the Project for any reason other than the Respondent's default under a Definitive Agreement (including without limitation a failure of a contingency under the MDC/Respondent Purchase Agreement or a failure to perform by the City or MDC under the City/MDC Purchase Agreement or the MDC/Respondent Purchase Agreement), then the City shall be responsible for, and hereby agrees to reimburse the Respondent on demand for, all of the Lateral Relocation Expenses incurred by Respondent. Following such reimbursement,

Respondent shall turn over to the City all plans, studies, applications and other work product procured or prepared by Respondent in connection with the Lateral Relocation Expenses. The City's obligation under this paragraph shall be binding on the City and survive the execution of the Definitive Agreements and any subsequent termination of the Definitive Agreements.

- The Purchase Price payable by Respondent for the entire Project property (including both the City property and the MDC property) under the MDC/Respondent Purchase Agreement shall be equal to the current fair market value of the City property, as determined by a licensed, MAI real estate appraiser reasonably acceptable to the City, MDC and Respondent. Specifically, the appraiser shall take into account the current location of the Hunter Lateral on the City property in determining the City property's fair market value. After Closing, it will become necessary to relocate the Hunter Lateral in order to develop and construct the Project. If Respondent proceeds to closing under the MDC/Respondent Purchase Agreement, Respondent will assume responsibility for relocation of the Hunter Lateral from design through construction and acceptance of improvements by Nampa Meridian Irrigation District and ACHD. Actual, audited costs are eligible for TIF reimbursement with the details to set forth in the final OPA. MDC and the City will continue current efforts to coordinate such relocation with relevant entities prior to finalizing the Definitive Agreements.
- The MDC/Respondent Purchase Agreement shall also require, as the sole condition to MDC's obligation to perform thereunder, that Respondent provide to MDC, prior to closing, the following: (a) a financing commitment from an established financial institution in order to demonstrate that Respondent has the financial ability and viable plan to complete the Project in a timely manner; and (b) copies of loan documentation between Respondent and its lender that set forth an affirmative obligation for Respondent to substantially complete the Project within a definitive construction schedule (but in no event shall Respondent be required to share its construction budget, operating proforma or other financial documentation) (collectively, the "Financing Condition")
- The final Project must include funded, adequate parking. Any off-site parking must be at a specified, approved, alternate location before the Subject Property will be transferred for development. The Parties may negotiate additional public parking.
- Respondent shall cover all Project design costs, up to and including without limitation construction documents, for all buildings, site improvements, parking, and required public infrastructure improvements.
- Audited, verified costs of reimbursable public improvements would be eligible for tax increment financing ("TIF") reimbursement, with the details to be set forth in the final OPA.
- Project funding for reimbursable public improvements will be based on a TIF performance-based reimbursement model. Reimbursement will be made upon successful completion of the Project and reimbursable public

improvements and only from an agreed upon portion of the tax increment dollars received by MDC from the subject property.

- Respondent agrees that its proposal will remain valid for sufficient time to allow for entitlement approvals and execution of the Definitive Agreements.
- The OPA shall contain liquidated damages provisions whereby if Respondent fails to construct the Project in accordance with the requirements of the OPA, subject to force majeure and applicable notice and cure periods set forth therein, MDC shall be permitted to recover from Respondent liquidated damages for Respondent's failure to perform. The liquidated damages recoverable by MDC shall be equal to \$25,000/month (\$835.00/day) for each delay day as to key milestone dates for the commencement and completion of the Project (which shall be more particularly set forth in the OPA); provided, however, the cumulative liquidated damages payable by Respondent under the OPA shall in no event exceed the Purchase Price paid by Respondent for the Property. The OPA will provide that these liquidated damages are to be waived by MDC in the event that Respondent has shown to MDC's reasonable satisfaction that it has made good faith progress toward achieving such key milestone dates for the commencement and completion of the Project and/or if any such delays were for reasons beyond the reasonable control of Respondent. In no event shall any type of liquidated damages exceed the fair market value of the MDC property.



## PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (this “**Agreement**”), is made and entered into effective as of the 20th day of July, 2022 (the “**Effective Date**”), by and between Meridian Caddis, LLC, a Michigan limited liability company (the “**Purchaser**”), and the Meridian Development Corporation, an urban renewal agency organized under the laws of the State of Idaho (“**Seller**”). Purchaser and Seller may also be referred to individually and collectively as “**Party**” and “**Parties**” herein.

### RECITALS:

**WHEREAS**, the City of Meridian and the Seller selected a proposal to redevelop portions of downtown Meridian, commonly known as the Civic Block property (the “**Project**”), including approximately one-point-two (1.2) acres located at 201, 223, 231 and 237 East Idaho Ave, and 226, 234, and 242 East Broadway Ave, City of Meridian, State of Idaho, being more particularly described on Exhibit A attached hereto and incorporated by reference herein, and which shall be further and more particularly described by the Survey (defined herein) (the “**Real Estate**”);

**WHEREAS**, the Seller has acquired a portion of the Real Estate from the City of Meridian pursuant to that certain Real Estate Purchase Agreement between the City of Meridian and Seller relating to the Real Estate (the “**City/MDC Purchase Agreement**”), and, independent from that certain acquisition under the City/MDC Purchase Agreement, Seller owned, and continues to own, all additional portions of the Real Estate described above;

**WHEREAS**, Seller desires to sell the Real Estate and all improvements, if any, located thereon to Purchaser for the purposes in furtherance of the Project and Seller’s mission to stimulate redevelopment and expand the City of Meridian’s downtown into a thriving area that provides opportunities in which to live, work and play; and

**WHEREAS**, the Purchaser desires to purchase the Real Estate and all improvements, if any, located thereon in furtherance of the Project.

**NOW, THEREFORE**, in consideration of the promises, covenants, representations and warranties set forth in this Agreement, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Purchaser and Seller agree as set forth below.

### AGREEMENT:

IN CONSIDERATION of the mutual covenants and agreements herein contained and of the benefits to be derived herefrom, receipt whereof is hereby acknowledged, Seller and Purchaser hereby agree as follows:

1. Offer. Purchaser hereby offers and agrees to purchase the Real Estate, together with the improvements thereon and all right, title, and interest of Seller in and to: (a) any land lying in or under any body of water or the bed of any street or road, open or proposed, adjacent to such tract; (b) all easements appurtenant to the foregoing tract; (c) all oil, gas, sulphur and other minerals (whether similar or dissimilar) in, on, under and that may be produced from such tract; (d) all strips or gores, if any, between such tract and adjoining properties; and (e) all other rights, privileges and appurtenances in any way related to or for the benefit of the foregoing tract (collectively, the “**Property**”).

2. Acceptance. Seller hereby accepts the said offer of the Purchaser. Such offer and acceptance are subject to and in accordance with the terms and conditions hereinafter set forth.

3. Purchase Price. The purchase price for the Property is Three Hundred Thirty-Five Thousand and 00/100 Dollars (\$335,000) (the “**Purchase Price**”). The Purchase Price shall be paid as follows:

A. Deposit. Within ten (10) business days after the Effective Date, Purchaser shall deposit in escrow with First American Title and Escrow Company, whose address is 2150 S. Bonito Way, Suite 100, Meridian, ID 83642, Attn: Ruth Rubel (“**Escrow Agent**”), an earnest money deposit in the amount of Thirty Thousand and 00/100 Dollars (\$30,000.00) (the “**Deposit**”), which shall become non-refundable if Purchaser fails to terminate this Agreement prior to the expiration of the Due Diligence Period in accordance with Section 7.B(iii) hereof. The Deposit shall be invested by Escrow Agent in an interest bearing account as Purchaser shall direct, so long as it is deposited in an account of a federally insured bank or savings and loan association. All interest accruing on the Deposit shall be paid to Purchaser. If the sale of the Property is consummated pursuant to the terms of this Agreement, the Deposit shall be paid to Seller and applied to the payment of the Purchase Price, or it shall be returned to Purchaser, at Purchaser’s election.

B. Balance. The balance of the Purchase Price or the Purchase Price, as applicable, shall be paid, plus or minus closing prorations and adjustments as contemplated herein, in wire transferred funds to Seller at Closing (as defined herein).

4. Evidence of Title.

A. Title Commitment. As evidence of title, Seller shall obtain and provide to Purchaser within ten (10) days of the Effective Date, a Commitment for an ALTA Standard Owner’s policy of title insurance for the Property in the amount of the total Purchase Price (the “**Commitment**”), which Commitment shall be issued by Escrow Agent with First American Title Insurance Company as the underwriter under the policy to be issued (“**Title Company**”), the same to bear an effective date later than the date hereof, wherein the Title Company shall agree to insure the title in the condition required hereunder and as marketable title subject only to those encumbrances to which Purchaser has not objected or if objected to which Purchaser has waived in writing. Seller shall, at the time of Closing, cause the Title Company to issue to Purchaser an owner’s policy of title insurance pursuant to said Commitment (the “**Title Policy**”). The Title Policy shall include a tax parcel endorsement insuring that the Property is its own separate tax parcel(s) and such other endorsements as Purchaser may request. The cost of the Commitment and Title Policy excluding all endorsements thereto shall be paid for by Seller. The cost of the aforementioned endorsements required by the Purchaser shall be paid by the Purchaser. The Title Policy to be issued to Purchaser at Closing shall be free of all mechanic’s lien exceptions, and Seller shall be responsible for taking such actions as may be required including, without limitation, providing an indemnity to the Title Company to insure that the Title Policy is issued without any mechanic’s lien exceptions.

B. Survey. Purchaser may obtain a current ALTA land title survey of the Real Estate (the “**Updated Survey**”), at Purchaser’s sole expense. If the Survey or Updated Survey disclose any deviation in the legal description for the Property with what is shown by the Commitment, the Commitment shall be revised to include the surveyed description of the Property as an additional insured parcel and such surveyed description shall be included, along with the historical description, in the warranty deed to be delivered to Purchaser at Closing.

C. Objections. Purchaser shall give Seller written notice on or before the expiration of the Due Diligence Period (as defined herein), of any condition of title as set forth in the Commitment and/or matters disclosed by the Survey or Updated Survey that is not satisfactory to Purchaser in Purchaser’s

sole discretion (the “**Title Review Period**”). Any title exceptions which are set forth in the Commitment and/or matters disclosed by the Survey or Updated Survey to which Purchaser does not object within the Title Review Period shall be deemed to be permitted exceptions to the status of Seller’s title (the “**Permitted Exceptions**”). With regard to items to which Purchaser does object (“**Objections**”) within the Title Review Period, Seller shall provide Purchaser with notice of Seller’s election to either cure or not cure the Objections within ten (10) days after the receipt of Purchaser’s Objections (the “**Seller’s Response Period**”). If Seller fails to provide a written response electing to cure or not cure any of Purchaser’s Objections prior to the expiration of the Seller’s Response Period, Seller shall be deemed to have elected to cure all such Objections. As to any Objections that Seller elects to cure or is deemed to have elected to cure, Seller shall use its best efforts to cure the Objections on or before the Closing Date (as defined herein). In the event that Seller elects not to cure some or all Objections, then Purchaser may either (i) cancel this Agreement and recover the Deposit; or (ii) proceed to close this sale subject to such Objections which will be deemed waived by Purchaser and considered Permitted Exceptions. In the event that Seller elects or is deemed to have elected to cure any Objections but Seller fails or is unable to cure any such objections on or before the Closing Date, then Purchaser may, in its sole and absolute discretion elect to: (i) terminate this Agreement and recover the Deposit and any expenses permitted under Section 16.B of this Agreement; (ii) waive such Objections and proceed to Closing; or (iii) cure such Objections on its own accord in which case any amounts expended therefor shall be credited against the Purchase Price payable by Purchaser. Notwithstanding the foregoing, Seller shall cure or satisfy all objections which are liens, judgments and assessments on the Property and remove from the public records any mortgage, security interest or other monetary encumbrance affecting or encumbering the Property and which can be satisfied by monetary payment otherwise at or prior to Closing, and failing the same, Purchaser shall be entitled to pay for and release such items and any amounts expended therefor shall be credited against the Purchase Price. In addition, with respect to any exception(s) first appearing on the Commitment and/or Survey or any update thereto after the effective date of the Commitment and/or Survey delivered to Purchaser pursuant to this Section, such as additional exception(s), shall not be deemed to be a “Permitted Exception” hereunder unless and until Purchaser has reviewed same and approved same in writing. Seller shall remove all encumbrances that are placed on the Property by Seller after the Effective Date.

5. Possession. Exclusive possession of the Property shall be delivered to Purchaser at the time of Closing.

6. Representations, Warranties and Covenants.

A. Seller: Seller represents and warrants unto Purchaser, as of the date hereof and as of the date of Closing, as follows:

(i) If the purchase and sale of the portion of the Property owned by the City transfers that city owned portion of the Property to Seller, then Seller, as to its portion of the Property, has and, as to the entire Property, will convey good and indefeasible market title to the Property, free and clear of any liens or encumbrances except for the Permitted Exceptions. Seller has full right, power and authority to enter into this Agreement and to consummate the sale contemplated hereby without the joinder of any other person, and the party(ies) signing on behalf of Seller has been duly authorized to sign on behalf of Seller. The execution of this Agreement has been duly authorized and no other action, consent, or approval of Seller or any other person or entity is necessary. This Agreement has been duly executed and delivered by Seller, and this Agreement is a valid and binding obligation of Seller, enforceable against it in accordance with its terms.

(ii) To the best of Seller’s knowledge, Seller has not received notice of claims, lawsuits, condemnation proceedings, administrative proceedings or environmental investigations which are

either pending or threatened affecting the Property or Seller's ability to convey the same and has not received any notices of special assessments, charges or other obligations affecting the Property.

(iii) Except as disclosed to Purchaser in writing or acknowledged herein, there are no parties in possession of any portion of the Property as lessees, licensees or tenants at sufferance and there are no other occupancy agreements or other contracts, written or oral, express or implied, with respect to the Property. Seller and Purchaser acknowledge that a portion of the Real Estate, including improvements, is currently used by the City of Meridian in the ordinary course of its business, and that such use will continue until Closing and shall not constitute a breach of this section nor any other provision of this Agreement. Buyer agrees that if it will not be commencing construction on the portion of the Property containing the community center within thirty (30) days after Closing then immediately after Closing it will enter into a standard month to month lease with the City of Meridian for said property which includes a thirty (30) day termination clause. This lease is to enable the City to continue its normal use of the portion of the Property containing the community center until Buyer needs to occupy and commence construction work on that portion of the Property.

(iv) Seller is not a "foreign person" as defined in §1445(f)(3) of the Internal Revenue Code; Seller shall so certify at Closing.

(v) To the best of Seller's knowledge, there are no pending or threatened violations of any applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property.

(vi) To the best of Seller's knowledge, there is no hazardous material, substance or waste, whether liquid, solid, gaseous or otherwise, located in, upon, under or adjacent to the Property or any ground or surface waters or water courses thereon or thereunder, and the Property and any adjacent properties are not now nor were they previously used for storage, disposal, manufacture, generation, whether as a by-product or otherwise, of any hazardous or toxic substance;

(vii) Seller has full power and authority to enter into this Agreement and complete the Transaction.

(viii) Upon Seller's execution of this Agreement, this Agreement will be binding and enforceable against Seller in accordance with its terms, and upon Seller's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Seller in accordance with their terms.

B. Purchaser: Purchaser represents and warrants unto Seller, as of the date hereof and as of the date of Closing, as follows:

(i) Purchaser has full power and authority to enter into this Agreement and complete the Transaction.

(ii) Upon Purchaser's execution of this Agreement, this Agreement will be binding and enforceable against Purchaser in accordance with its terms, and upon Purchaser's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Purchaser in accordance with their terms.

(iii) Purchaser has been or will be permitted access to the Real Estate and will have actually inspected the Property prior to Closing. Purchaser's consummation of the purchase and sale of the Real Estate is based upon such inspection and not on any representations or warranties of Seller other than those contained in this Agreement or other written documents entered into with the Seller and Purchaser as parties or contemplated by and described in this Agreement.

(iv) Other than those contained in this Agreement, other written documents entered into with the Seller and Purchaser as parties or contemplated by and described in this Agreement, Purchaser hereby acknowledges that neither Seller nor any person acting on behalf of Seller has made any oral representation, warranty, guaranty or promise concerning the Real Estate.

C. Mutual:

(i) Seller and Purchaser warrant, each to the other, that they have not dealt with any broker, realtor or finder in connection with the purchase and sale of the Real Estate.

If at any time either Party determines that any of the representations and warranties set forth above are incorrect or untrue or in the event that a Party fails to perform any of the covenants contained in this Agreement, then, in such event, and notwithstanding anything contained herein to the contrary, the compliant non-defaulting Party shall have the right to terminate this Agreement upon written notice and opportunity to cure to the defaulting Party under Section 16. If the defaulting Party is the Seller, then the Deposit shall be returned to Purchaser in addition to any other rights or remedies available to the Parties. If the defaulting Party is the Purchaser, then the Seller shall retain the Deposit. These rights are not exclusive but are in addition to any other rights and remedies available to the Parties as provided in this Agreement. Further, each of Parties representations and warranties contained in this Section 6 shall be true and correct upon the execution of this Agreement and shall be deemed to be remade on and as of the Closing Date.

7. Conditions Precedent to Obligations of Purchaser. The obligation of Purchaser to close on the transaction contemplated herein shall be conditioned upon each of the following conditions precedent:

A. Title and Survey. Satisfaction of the title and survey conditions of Section 4 hereof including, without limitation, Purchaser's receipt and approval of the Updated Survey.

B. Due Diligence.

(i) Purchaser is satisfied with the condition of the Property on or before the expiration of the Due Diligence Period as defined below. Purchaser and its agents shall have a period commencing on the Effective Date and expiring at 5:00 p.m. Eastern Time one hundred eighty (180) days following the Effective Date (the "**Initial Due Diligence Period**") in which to inspect the Property and all aspects pertaining to the Property and Purchaser's proposed construction thereon of the Project, review the Due Diligence Information (as herein defined) and the Commitment, procure various municipal approvals, and otherwise conduct the Inspections (as herein defined) contemplated in this Agreement and satisfying the other conditions set forth in this Section 7. Access to the Property shall be freely granted to Purchaser and/or Purchaser's agents, representatives, employees, and independent contractors at all times to conduct such studies and inspections. Such inspections shall be paid for by the Purchaser and shall be scheduled in cooperation with Seller so as to avoid any unreasonable interference with Seller's operations on the Real Estate. Without limiting the generality of the foregoing, Purchaser's inspections (the "**Inspections**") may include, but shall not be limited to:

(a) confirming that sanitary sewer service of adequate capacity and depth by gravity flow is located contiguous to the Property and that all necessary licenses and permits will

be available or, if not contiguous, can be made available to the Property under terms and conditions acceptable to Purchaser;

(b) confirming that a water main of adequate size, pressure and capacity to serve the proposed development is located contiguous to the Property and that permission will be granted by appropriate authorities to connect to and use the same, or if a water main is not contiguous, one can be made available on terms and conditions acceptable to Purchaser;

(c) confirming that electric, gas and communications technologies with adequate capacities are located contiguous to the Property and available to Purchaser, or if not available or contiguous, such utilities can be made available to the Property on terms and conditions acceptable to Purchaser;

(d) confirming that the soil and ground water conditions of the Property are acceptable to Purchaser;

(e) confirming that the environmental condition of the Property is acceptable to Purchaser, including but not limited to a Phase I and Phase II environmental study and a wetland delineation study;

(f) confirming that the Property shall have full, free and uninterrupted access to and from all streets and rights of way adjacent to the Property;

(g) confirming that the market conditions will allow for an economically viable development on the Property and, in all other respects, the development of the Property will be feasible as determined by Purchaser, including without limitation the relocation of the Hunter Lateral; and

(h) obtaining all necessary governmental, quasi-governmental and third party final approvals needed to develop the Property and permit the use of the Property for the Project, including, by way of example and not limitation, a special use permit, all necessary plat approvals, site plan approvals, subdivision mapping, platting, vacations, dedications, zoning and rezoning, parking, surface water management permits, drainage permits, demolition permits, building permits, and any and all other permits, consents and final approvals and authorizations necessary to develop, construct and utilize the Property for the Project (collectively, “**Approvals**”). All Approvals shall be final, with all time for further appeal being expired, with no appeal being then pending, no appeal instituted and no petition filed. Seller hereby authorizes Purchaser to begin proper proceedings to obtain any necessary change of the existing zoning classification and to secure all such other Approvals as Purchaser deems necessary or appropriate to permit Purchaser’s intended use.

(ii) The Due Diligence Period shall automatically extend for three (3) periods of sixty (60) days each (each, an “**Extension Option**” and collectively, the “**Extension Options**”) at the end of the then-current Due Diligence Period, unless the Purchaser delivers written notice to Seller on or before the expiration of the then-current Due Diligence Period that the current Due Diligence Period shall not be extended in which case the Due Diligence Period shall not be extended. The “**Due Diligence Period**”, as used herein, shall mean the Initial Due Diligence Period as it may be extended by one or more Extension Options.

(iii) Termination during the Due Diligence Period. If Purchaser is not satisfied in its sole and exclusive discretion with the results of the Inspections, or for any reason whatsoever, or if Purchaser has not obtained the Approvals prior to the expiration of the Due Diligence Period on terms and

conditions acceptable to Purchaser in its sole and exclusive discretion, then Purchaser may rescind this transaction and terminate this Agreement by mailing written notice to Seller at any time on or prior to the expiration date of the Due Diligence Period and shall thereupon receive a refund of the Deposit and be relieved of any and all liability hereunder. Purchaser shall have no obligation to notify Seller of any reasons for such rescission. Purchaser and Seller hereby acknowledge that, pursuant to that certain Memorandum of Agreement between Purchaser, Seller and the City of Meridian, dated April 12, 2022, the City of Meridian has agreed to reimburse Purchaser for all of the Lateral Relocation Expenses incurred by Purchaser under certain circumstances as more specifically set forth therein. If the Agreement is terminated by Purchaser and the Deposit returned to Purchaser pursuant to this Subsection (iii), then both parties shall be relieved of any and all obligations and liabilities hereunder under this Agreement except Purchaser shall be entitled to payment of Pre-Closing Expenses including Lateral Relocation Expenses as described in Section 16 which requirement survives the termination of this Agreement, and/or other obligations and liabilities in the Agreement to survive termination.

(iv) Due Diligence Information. Within ten (10) days following the Effective Date, Seller shall provide Purchaser with copies of each of the due diligence materials identified on Exhibit "B" attached hereto if they are in Seller's possession or control. In the event Purchaser exercises its right to terminate this Agreement under Section 7.B(iii) above, upon Seller's request, Purchaser shall return to Seller copies of any due diligence materials provided to Purchaser by Seller.

C. Material Adverse Changes. There shall be no material changes in the physical or economic condition of the Property from the date hereof to the date of Closing.

D. Representations and Warranties. All of Seller's representations, warranties and agreements contained herein shall be true and correct as of the date hereof and on the date of Closing, which Seller shall certify to at Closing, and Seller shall not have, on the date of Closing, failed to meet, comply with, or perform, any condition or agreement on its part to be performed under the terms and conditions contained herein.

E. Closing Deliveries. Purchaser shall have received drafts of all of Seller's Closing deliveries not later than five (5) days prior to the scheduled Closing Date.

F. Incentives. During the Due Diligence Period Purchaser intends to secure commitments for such public infrastructure and/or urban renewal district incentives from the City of Meridian, the County of Ada, the State of Idaho, and/or all other governmental or quasi-governmental entities having jurisdiction (collectively, the "Incentives") as Purchaser deems necessary or appropriate to support its construction and development of the Project. If Purchaser is unable to obtain commitments for Incentives on terms and conditions that are acceptable to Purchaser during the Due Diligence Period, then Purchaser may, but will not be obligated to, terminate this Agreement by giving written notice thereof to Seller prior to the expiration of the Due Diligence Period, and if so terminated, the Deposit shall be promptly delivered to Purchaser, and Purchaser and Seller shall have no further obligations or liabilities hereunder except for those that expressly survive the termination of this Agreement.

G. MDC's Ownership of Real Estate. Seller has acquired the Real Estate from the City pursuant to the terms of the City/MDC Purchase Agreement and holds title to the Property in accordance with Section 6.A above.

H. Owner Participation Agreement. At or prior to the Closing Date, Purchaser and Seller shall have entered into an Owner Participation Agreement governing, among other things, Purchaser's obligation to construct certain public improvements as a part of the Project, together with terms for the reimbursement of Purchaser for certain reimbursable costs associated with the construction of such

public improvements (the “**OPA**”). If Purchaser and Seller are unable to mutually agree on the OPA prior to the Closing Date after exercising good faith and commercially reasonable efforts, then either Party may, but will not be obligated to, terminate this Agreement by giving written notice thereof to the other Party prior to the Closing Date, and if so terminated, the Deposit shall be promptly delivered to Purchaser, and Purchaser and Seller shall have no further obligations or liabilities hereunder except for those that expressly survive the termination of this Agreement.

I. Financing. Purchaser has obtained financing on terms satisfactory to Purchaser in its sole discretion and which meets Seller’s Financing Condition described below.

8. Condition Precedent to Obligations of Seller. The obligation of Seller to close on the transaction contemplated herein shall be conditioned upon the following condition precedent:

A. As the sole condition to Seller’s obligation to perform hereunder, Purchaser shall provide to Seller, prior to closing, the following: (i) a financing commitment from an established financial institution in order to demonstrate that Purchaser has the financial ability and viable plan to complete the Project in a timely manner; and (ii) copies of loan documentation between Purchaser and its lender that set forth an affirmative obligation for Purchaser to substantially complete the Project within a definitive construction schedule (but in no event shall Purchaser be required to share its construction budget, operating proforma or other financial documentation) (collectively, the “**Financing Condition**”).

9. Closing. Purchaser and Seller shall close this transaction (the “**Closing**”) on the date (the “**Closing Date**”) which is forty-five (45) days following the expiration of the Due Diligence Period (as it may be extended hereunder) or on such earlier date as may be mutually agreeable to Purchaser and Seller. In the event that as of such Closing Date, all conditions precedent applicable until Closing have not been satisfied, then Purchaser shall have the right to notify Seller that it is terminating this Agreement, in which event the Deposit shall be returned to Purchaser in full termination of this Agreement, except with respect to those provisions which expressly survive the termination hereof. Closing shall take place via escrow or at the office of the Title Company or such other place as the parties may mutually agree.

10. Seller’s Obligations at Closing. At or prior to the Closing, the following documents relating to the Property, in form and substance satisfactory to Purchaser, shall be executed and delivered by Seller to the Title Company:

A. A warranty deed (the “**Deed**”) executed by Seller conveying the Property to Purchaser subject to no exceptions other than the Permitted Exceptions.

B. An affidavit of Seller certifying that Seller is not a “foreign person,” as defined in the federal Foreign Investment in Real Property Tax Act of 1980, and the 1984 Tax Reform Act, as amended.

C. If elected and paid for by Purchaser as applicable, an owner’s affidavit as required by the Title Company to remove or insure over the standard exceptions to the Title Policy as well as any “gap coverage”.

D. A closing statement and all other documents and instruments that either Seller’s or Purchaser’s attorney or the Title Company may reasonably require to properly consummate the transaction contemplated by this Agreement.

11. Purchaser’s Obligation at Closing. At Closing, Purchaser shall deliver to Title Company the following:



A. The Purchase Price by cash, cashier's or bank check or wire transfer of immediately available funds.

B. A closing statement and all other documents and instruments that either Seller's or Purchaser's attorney or the Title Company may reasonably require to properly consummate the transaction contemplated by this Agreement.

12. Closing Adjustments. The following shall be apportioned against sums due Seller at Closing:

A. All real and personal property taxes and special assessments of whatever nature and kind which have become due and payable or are delinquent as of the date of Closing shall be paid and discharged by Seller. All taxes for periods prior to Closing shall be prorated at Closing.

B. Seller shall pay for the Title Company's fees and the premium for the ALTA Standard Title Policy in the amount of the Purchase Price. Any other costs and fees for extended or other coverages or endorsements are to be paid by Purchaser.

C. Purchaser and Seller shall split, on a fifty/fifty (50/50) basis, any escrow fees/closing fees charged by the Escrow Agent.

D. Each party shall pay their own respective attorneys' fees.

13. Duration of Offer. This offer may be revoked by Purchaser at any time prior to acceptance hereof by Seller.

14. Condemnation. In the event that notice of any action, suit or proceeding shall be given prior to the Closing Date for the purpose of condemning any part of the Property, then Purchaser shall have the right to terminate its obligations hereunder within fifteen (15) days after receiving notice of such condemnation proceeding, and upon such termination, the Deposit shall be refunded to Purchaser in full termination of this Agreement, and the proceeds resulting from such condemnation shall be paid to Seller. In the event Purchaser shall not elect to terminate its obligations hereunder and proceeds to Closing, then the proceeds of such condemnation shall be assigned and belong to Purchaser at Closing.

15. Cooperation. The Parties will cooperate regarding the Purchaser's development of the Property in conformance with the MOA and OPA and Seller hereby consents to and authorizes Purchaser to obtain all such conforming development items from all applicable governmental bodies in order to develop the Property as provided in the OPA and MOA. Upon request by Purchaser, Seller shall execute such consents as may be necessary to develop the Real Estate in accordance with the OPA and MOA as soon as reasonably practicable following said request.

16. Default and Remedies.

A. Purchaser's Default; Seller's Remedy. If Purchaser fails to terminate this Agreement as permitted herein and thereafter fails to close on the purchase of the Property, or in the event any representation or warranty made by Purchaser pursuant to this Agreement is materially untrue when made and provided that the Seller is not otherwise in material default of this Agreement, after written notice to Purchaser and thirty (30) days for Purchaser to cure and Purchaser fails to cure, then Seller shall be entitled to, as liquidated damages and Seller's sole and exclusive remedy: the greater of (i) the full amount of the Deposit; or (ii) an amount equal to all of MDC's actual, out of pocket attorney fees associated with the transaction contemplated under this Agreement and the City/MDC Purchase Agreement. Upon payment

to Seller of such amount, this Agreement and all rights and obligations of the parties shall terminate. The parties agree that it would be impracticable and extremely difficult to ascertain the actual damages suffered by Seller as a result of Purchaser's failure to complete the purchase of the Property and that under the circumstances existing as of the date of this Agreement, the liquidated damages provided for in this Section represents a reasonable estimate of the damages which Seller will incur as a result of such failure. The parties acknowledge that the payment of such liquidated damages is not intended as a forfeiture or penalty but is intended to constitute liquidated damages to Seller.

B. Seller's Default; Purchaser's Remedies. In the event Seller fails to timely perform any material act under this Agreement or the City/MDC Purchase Agreement, or provide any material document or information required to be provided by Seller under this Agreement, or in the event any representation or warranty made by Seller pursuant to this Agreement is untrue when made, then after written notice to Seller and thirty (30) days to cure and Seller fails to cure, Purchaser shall be entitled to either (i) terminate this Agreement, demand a refund of the Deposit and seek Purchaser's actual damages, including but not limited to Pre-Closing Expenses from Seller except for the Lateral Relocation Expenses (which are to be reimbursed by the City and not Seller); or (ii) seek specific performance of this Agreement and the City/MDC Purchase Agreement, and seek Purchaser's actual damages, including but not limited to Pre-Closing Expenses except for the Lateral Relocation Expenses (which are to be reimbursed by the City and not the Seller). For the avoidance of doubt but subject to the terms of this Agreement, the terms "**Pre-Closing Expenses**" and "**Lateral Relocation Expenses**" shall have the meanings ascribed to them in the Memorandum of Agreement between Purchaser, Seller and the City of Meridian, dated April 12, 2022.

C. Attorneys' Fees. The prevailing party in any legal proceeding brought under or with relation to this Agreement or transaction shall be entitled to recover court costs, reasonable attorneys' fees and all other litigation expenses from the non-prevailing party.

#### 17. Covenants.

A. Seller's Covenants. During the term of this Agreement, Seller warrants and covenants that it shall not, without Purchaser's written consent not to be unreasonably withheld: (i) grant, convey or enter into, any easement, lease, license or other legal or beneficial interest in or to the Property; or (ii) enter into any contract, service contract, option agreement to transfer, convey or encumber the Property or any portion thereof, or (iii) exercise any right to terminate, other than for Purchaser's default under Section 16A., amend, modify, or waive any of Seller's rights under the City/MDC Purchase Agreement, without Purchaser's prior written consent. Seller further warrants that, upon receipt of any knowledge or notice of any threatened or pending (a) condemnation; (b) action in lieu of condemnation; (c) zoning change; (d) assessment; (e) lien; (f) claim; (g) encumbrance; or (h) similar matter that may affect the Property, its operation, or development, Seller shall promptly notify Purchaser thereof. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall continue to operate and maintain the Property in the same manner as prior to the Effective Date. After the Effective Date and until the earlier of the termination of this Agreement or the Closing, Seller shall suspend all activities utilized by Seller to market the Property for sale other than in connection with the transaction contemplated by this Agreement and shall not enter into any agreement with any other person or entity for the sale or lease of the Property.

B. Purchaser's Covenants. During the term of this Agreement, Purchaser warrants and covenants that it shall not, without Seller's written consent not to be unreasonably withheld grant, convey or enter into an agreement to transfer or assign any of its rights and/or obligations under the MOA, or OPA; except that Purchaser shall be permitted to assign or transfer any of its rights and/or obligations under the MOA or OPA, in whole or in part, without Seller's consent, to an entity in which Purchaser or any of its principals are an owner or manager.

C. Mutual Covenant. Purchaser and Seller agree that the Property is to be transferred to Purchaser for development purposes as outlined in the OPA. The Parties further covenant that the OPA will include certain rights of reverter, allowing the Seller to repurchase and retake possession of the Property if Purchaser fails to meet certain obligations, conditions or milestones under the OPA. The repurchase of the Property shall be consummated through the Escrow Agent, at a time determined by Seller no later than ninety (90) days after the delivery of Seller's notice that it intends to exercise its repurchase rights. The repurchase price shall be the original Three Hundred Thirty-Five Thousand and 00/100 Dollars (\$335,000) and shall be payable in cash or other immediately available funds. Title to the Property shall be conveyed by warranty deed, and any mortgage or monetary liens, including any potential mechanics liens or other liens outstanding on the Property shall be discharged by Purchaser prior to closing under this Seller's repurchase provision. Taxes shall be prorated prior to closing. Escrow and Closing fees will be split equally between Buyer and Seller.

18. Broker. Seller and Purchaser do hereby certify, represent and warrant, each to the other, that they have not engaged, enlisted, employed or otherwise made use of any other real estate broker or sales person in connection with this sale. To the extent permitted by Idaho Law, Purchaser and Seller shall indemnify, defend and hold each other and their respective successors and assigns, harmless with respect to any claim of any real estate broker or sales person claiming a commission and/or damages through or under the indemnifying party in connection with this transaction, including, without limitation, reasonable attorneys' fees, court costs and legal expenses.

19. Governing Law. The validity, enforceability, interpretation of this Agreement shall be construed under and in accordance with the laws of the State of Idaho.

20. Binding Effect. This Agreement shall bind the parties hereto, their respective heirs and assigns. Purchaser may freely assign its interest hereunder.

21. Notices. Any notices, demands or requests required or permitted to be given hereunder must be in writing and shall be deemed to be given (i) when hand delivered; or (ii) one (1) business day after delivery to FedEx or similar overnight service for next business day delivery; or (iii) three (3) business days after deposit in the U.S. mail first class postage prepaid; or (iv) when sent by facsimile or electronic (pdf) transmission during normal business hours (i.e., 8:00 a.m. to 6:00 p.m., Monday through Friday), if such transmission is immediately followed by any of the other methods for giving notice. In all cases notices shall be addressed to the parties at their respective addresses as follows:

If to Seller:

Meridian Development Corporation  
Ashley Squyres  
104 E. Fairview Ave. #239  
Meridian, ID 83642  
Telephone: 208-477-1632  
Fax: \_\_\_\_\_  
E-Mail: meridiandevlopmentcorp.com

With a Copy to:

Todd Lakey  
Borton-Lakey Law  
141 E. Carlton Ave.  
Meridian, ID 83642  
Telephone: 208-908-4415  
Fax: 208-493-4610  
E-mail: todd@borton-lakey.com

If to Purchaser:

River Caddis Development, LLC  
1038 Trowbridge Road  
East Lansing, Michigan 48823  
Attn: Kevin McGraw

With a Copy to:

Honigman LLP  
650 Trade Center Way, Suite 200  
Kalamazoo, Michigan 49002  
Attn: Steven J. Rypma

Telephone: (517) 703-2132  
E-Mail: kmgraw@rivercaddis.com

Telephone: (269) 337-7842  
Fax: (269) 337-7843  
E-mail: srypma@honigman.com

22. Recording of Memorandum. Purchaser may record a memorandum or affidavit of interest setting forth the existence of this Agreement with the Ada County Recorder's Office or such other office where such document would be recorded.

23. Time for Performance. In the event the last date for performance of any obligation or for giving any notice hereunder falls on a Saturday, Sunday or legal holiday of the state wherein the Real Estate is located, then the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday in such state. Time shall be of the essence for purposes of this transaction.

24. Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter of this Agreement, and there are no oral or written agreements between the parties or any representations made by either party relative to the subject matter of this Agreement which are not expressly set forth herein. This Agreement may be amended only by a written instrument executed by the parties hereto.

25. Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

26. Assignment. The Parties may assign any and/or all of its rights and obligations under this Agreement to any person or entity only upon mutual written agreement of the parties, which agreement shall not be unreasonably withheld, except that Purchaser may assign this Agreement, without Seller's consent to an entity in which Purchaser or any of its principals are an owner or manager. Following such assignment and Seller's receipt of written acceptance of said assignment, Purchaser shall be forever released and discharged from any and all obligations under this Agreement and Purchaser's assignee shall be entitled and subject to all rights and obligations set forth in this Agreement. This Agreement is binding upon and inures to the benefit of the Parties to this Agreement and their respective permitted successors and assigns.

27. Severability. If any term or provision of this Agreement shall, to any extent, be held invalid or unenforceable, the remaining terms and provisions of this Agreement shall not be affected thereby, but each remaining term and provision shall be valid and enforced to the fullest extent permitted by law.

28. Counterparts. This Agreement may be executed in one or more counterpart copies, all of which together shall constitute and be deemed an original, but all of which together shall constitute one and the same instrument binding on all parties. This Agreement may be executed in telecopy (faxed) copies and electronic (e-mail) copies and facsimile and electronic signatures shall be binding upon the parties.

29. No Third-Party Beneficiary. No term or provision of this Agreement or the exhibits to this Agreement are intended to be, nor may any term or provision be construed to be, for the benefit of any person, firm, corporation or other entity not a party to this Agreement (including, without limitation, any broker), and no other person, firm, corporation or entity has any right or cause of action under this Agreement.

30. Waiver. The waiver by any Party to this Agreement of any right granted to it under this Agreement is not a waiver of any other right granted under this Agreement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, Purchaser has executed this Agreement on the date signed by Purchaser shown below and Seller has accepted same on the last date signed by Seller shown below.

PURCHASER:

Meridian Caddis, LLC

By: 

Name: Kevin T. McGraw

Its: President

Date signed by Purchaser: July 20, 2022

SELLER:

By: 

Name: DAVE WINBERG

Its: Chairman

Date signed by Seller: July 13, 2022

EXHIBITS:

Exhibit "A"    Legal Description of Real Property  
Exhibit "B"    Property Information

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE REAL PROPERTY**

[to be attached]

**Owner: City of Meridian**  
**Address:** 201 E. Idaho  
**Parcel:** R5672000856  
**Size:** 0.33 acres  
**Address:** 223 E. Idaho  
**Parcel:** R7596000080  
**Size:** 0.16 acres  
**Address:** 231 E. Idaho  
**Parcel:** R7596000075  
**Size:** 0.08 acres  
**Address:** 237 E. Idaho  
**Parcel:** R7596000065  
**Size:** 0.16 acres



**Owner: Meridian Development Corporation**  
**Address:** 226 E. Broadway  
**Parcel:** R7596000092  
**Size:** 0.54 acres



**EXHIBIT B**  
PROPERTY INFORMATION

Seller shall make reasonable efforts to obtain the below documents from the City in its purchase of the Property, and to determine whether it is otherwise in possession of documents identified in this Exhibit B.

1. Copies of all reciprocal easement agreements, operating easement agreements, declarations and party wall agreements, and all other covenants and restrictions encumbering the Property which are, to Seller's knowledge, in the possession of Seller.
2. Copies of existing title polices with all exception documents which are, to Seller's knowledge, in the possession of Seller.
3. Copies of existing surveys, including the most current ALTA survey which are, to Seller's knowledge, in the possession of Seller.
4. Copies of existing environmental reports including Phase I ESA's and/or Phase II ESA's; copies of existing geotechnical reports and soil testing reports and analyses which are, to Seller's knowledge, in the possession of Seller.
5. Copies of all permits and approvals from state or local government agencies, including site plan approvals, water, sewer, DOT or other road jurisdiction which are, to Seller's knowledge, in the possession of Seller.
6. Copies of the current and past three (3) years of property tax bills.
7. Copies of all leases, licenses, and occupancy agreements, including all amendments, extensions, modifications, and supplements thereto, pursuant to which any party uses or occupies any part of the Property which are, to Seller's knowledge, in the possession of Seller.



**REAL ESTATE PURCHASE AGREEMENT  
BETWEEN  
CITY OF MERIDIAN AND THE MERIDIAN DEVELOPMENT CORPORATION  
CIVIC BLOCK PROPERTIES**

THIS PURCHASE AND SALE AGREEMENT (this "Agreement"), is entered into and made effective on June 7th, 2022 (the "Effective Date"), by and between the City of Meridian, an Idaho Municipal Corporation, whose address is 33 E. Broadway Ave, Meridian, ID 83642 (herein the "**Seller**" or "**CITY**"), and Meridian Development Corporation, and whose address is 104 E. Fairview Ave #239, Meridian, ID 83642, (herein the "**Buyer**" or "**MDC**").

**WHEREAS**, CITY and MDC have selected a proposal to redevelop portions of downtown Meridian, including the Property as defined below (the "Proposal"); and,

**WHEREAS**, the Proposal includes a provision that MDC would acquire the Property from CITY and then transfer the Property to Meridian Caddis, LLC, ("Meridian Caddis") pursuant to a purchase and sale agreement between Meridian Caddis and MDC, and an Owner Participation Agreement ("OPA") for purposes in furtherance of its mission to stimulate and expand Downtown Meridian into a thriving area that provides opportunities in which to live, work, and play; and,

**WHEREAS**, when it is determined by the City Council to be in the City's best interest, the Council may by Ordinance duly enacted, authorize the transfer or conveyance of real property to any tax supported governmental entity with or without compensation; and,

**WHEREAS**, City Council is satisfied that the Project elements as proposed by the third party developer will be a benefit to the community, that the third party developer has the resources and experience to complete the Project in a timely manner, and that the transfer of the Property is in the best interest of the City; and,

**WHEREAS**, a public hearing was held at the regular meeting of the Meridian City Council on JUNE 7, 2022 and at the conclusion of said hearing, the City Council approved Ordinance 22-1981 authorizing the conveyance subject to certain terms and conditions; and,

WHEREAS, CITY wishes to sell the following described Property to MDC and MDC desires to purchase the Property under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises, covenants, representations, and warranties set forth in this Agreement, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CITY (Seller) and MDC (Buyer) agree as set forth below.

1. **Definitions.** The following terms have the following meanings when used in this Agreement:

**"Agreement"**. This Purchase and Sale Agreement, including all exhibits attached to this Agreement.

**"Business Day"**. A day other than a Saturday, Sunday, or any federal holiday.

**"Closing"**. The consummation of the Transaction, as evidenced by the delivery of all required funds and documents to Escrow Agent and the disbursement or delivery of such funds and documents by Escrow Agent in accordance with this Agreement and any other consistent instructions.

**"Closing Date"**. Closing of this transaction shall occur at a date agreed to by the parties, and simultaneous with the Closing set forth in the Purchase Agreement to be entered into by and between Meridian Caddis and MDC.

**"Effective Date"**. The date this Agreement is signed by all parties.

**"Escrow"**. The escrow to be created in accordance with this Agreement.

**"Escrow Agent"**. First American Title and Escrow Company, whose address is 2150 S. Bonito Way, Suite 100, Meridian, ID 83642, Attn: Ruth Rubel.

**"Property"**. The land commonly known as "The Civic Block City Parcels" or "Community Center and Centennial Park", Meridian, Idaho and more particularly identified as Ada County Parcel #R5672000856, 201 E Idaho; Parcel #R7596000080, 223 E. Idaho; Parcel #R7596000075, 231 E. Idaho; and Parcel #R7596000065, 237 E. Idaho and Legally Described as:

Lots 5 and 10, and the North 90 feet of Lot 6, 7 and 8, and the East 8.5 feet of the South 30 feet of Lot 6, All in Block 6 of the Amended Plat of the ORIGINAL TOWNSITE OF MERIDIAN, as shown on the plat thereof, filed in Book 1 of Plats at Page 30, records of Ada County, Idaho.

AND

Lots 1, 2, 3, 4 and 5 in Block 2 of the Amended Plat of ROWAN ADDITION TO MERIDIAN, according to the plat thereof, filed in book 2 of Plats at Page 52, records of Ada County, Idaho.

**"Purchase Price"**. The total purchase price to be paid by Buyer for the Property, as set forth in Section 3 of this Agreement.

**"Transaction"**. The purchase and sale of the Property contemplated by this Agreement.



**2. Definitive Agreement for Purchase and Sale of Property.** Upon full execution, this Agreement will be a binding agreement between Buyer and Seller for the purchase and sale of the Property on the terms, conditions and provisions set forth in this Agreement. This Agreement supersedes all other written or oral agreements between Buyer and Seller concerning the Transaction. If Buyer and Seller execute any separate escrow instructions with respect to the Transaction on Escrow Agent's form, as may be modified by Buyer and/or Seller in the sole discretion of each, and if there is any conflict or inconsistency between any provision of such escrow instructions and any provision of this Agreement, the provision of this Agreement will control.

**3. Purchase Price and Method of Payment.** The Purchase Price shall be \$335,000.00 to be paid in full at Closing.

**4. Title Commitment.** Within three (3) days from the date this Agreement is signed by all parties, Escrow Agent shall issue and deliver to Buyer and Seller a commitment for title insurance with respect to the Property disclosing all matters of record and other matters of which Escrow Agent has knowledge which relate to the title to the Property, detailing Escrow Agent's requirements for closing the Escrow, committing to issue to Buyer an ALTA Standard Owner's Policy of Title Insurance with respect to the Property, and providing legible copies of all instruments referred to in the report (collectively, the "Commitment").

Buyer has ten (10) days after the Effective Date or after receipt of the Commitment, whichever occurs later, to review and to object in writing to any easements, liens, encumbrances or other exceptions or requirements in the Commitment (the "Title Objections"). If Buyer does not approve the Commitment or object within the time specified, then the condition of title to the Property reflected on the Commitment will be deemed approved. If the Title Objections are made within the time specified, Seller may, but shall not be required to, attempt to eliminate the matters covered by the Title Objections by or before the Closing Date. If Seller is unable or unwilling, in their sole discretion, to eliminate the matters covered by the Title Objections by or before the Closing Date upon terms acceptable to Buyer, Seller shall so notify Buyer, and Buyer may either waive the Title Objections that Seller was unable or unwilling to eliminate or terminate this Agreement.

**4.1 Amendments to Title Commitment.** If the Commitment is amended by Escrow Agent, Escrow Agent shall immediately deliver to Buyer and Seller the amendment and provide legible copies of all additional instruments referred to in the amendment (collectively, the "Amendment"). Buyer has five (5) days from the date of Buyer's receipt of the Amendment or through the Closing Date, whichever occurs earlier, to review and to object in writing to any easements, liens, encumbrances, or other exceptions or requirements in the Amendment which were not disclosed by the Commitment or a previous Amendment ("Additional Title Objections").

If Buyer does not approve the Amendment or object within the time specified, then the condition of title to the Property reflected on the Amendment will be deemed approved. If the Additional Title Objections are made within the time specified, Seller may attempt to eliminate the matters covered by the Additional Title Objections by or before the Closing Date. If Seller is unable or unwilling to eliminate the



matters covered by the Additional Title Objections by or before the Closing Date upon terms acceptable to Buyer, Seller shall so notify Buyer, and Buyer may either waive the Additional Title Objections that Seller was unable or unwilling to eliminate or terminate this Agreement.

**4.2 Title Insurance Policy.** At Closing, Escrow Agent shall commit to issue to and in favor of Buyer or its assigns a Standard Owner's Policy of Title Insurance with respect to the Property in the amount of the Purchase Price, insuring fee simple title to the Property in Buyer effective on the Closing Date, subject to the standard exclusions and exceptions in such form of policy and subject to the Permitted Exceptions (the "Title Policy").

**4.3 Inspection and Seller's Property Disclosure Statement.** Buyer has one hundred eighty (180) days after the Effective Date ("Inspection Review Period"), together with any Extension Options as defined below, to inspect the Property and to conduct, review and approve any investigations, tests, analyses or studies deemed necessary by Buyer to determine the condition and feasibility of the Property for Buyer's purpose (the "Inspection Review"). The Inspection Review Period will automatically extend for three (3) periods of sixty (60) days each (each, an "Extension Option" and collectively, the "Extension Options") at the end of the then-current Inspection Review Period, unless the Buyer delivers written notice to Seller on or before the expiration of the then-current Inspection Review Period that the current period shall not be extended in which case the Inspection Review Period shall not be extended. Seller hereby grants to Buyer and Meridian Caddis and their agents, employees, and contractors a nonexclusive right and license to enter upon the Property after giving reasonable advance notice to Seller to conduct the Inspection. Upon completion of the Inspection Review, Buyer shall restore the Property to its condition existing immediately prior to the Inspection Review. Buyer and Meridian Caddis shall each indemnify and hold Seller harmless from any loss incurred by Seller resulting from damage to the Property caused by the Inspection Review. If for any reason Buyer determines that the Property is not in a suitable condition or not feasible for Buyer's purpose, Buyer may terminate this Agreement within the Inspection Review Period and in such event any Earnest Money Deposit paid shall be returned to Buyer and this Agreement shall be terminated. If Buyer does not either approve or disapprove the Inspection Review, or otherwise terminate this Agreement prior to the expiration of the Inspection Review Period, then the Inspection Review will be deemed approved and any Earnest Money Deposit shall be non-refundable to Buyer, subject only to Seller's default under this Agreement.

## **5. Closing.**

**5.1 Time and Place.** Closing will take place in the offices of Escrow Agent on the Closing Date (defined above) or on such date as may be mutually agreed to by the Parties to coordinate a simultaneous closing of the Purchase Agreement between Meridian Caddis and MDC.

**5.2 Seller's Closing Deliveries.** At Closing, Seller shall deliver to Escrow Agent:

**5.2.1** A Warranty Deed fully executed and properly acknowledged by Seller, conveying the Property to Buyer, free and clear of any mortgages or deeds of trust.

**5.2.2** As a prerequisite to Seller's delivery of the Warranty Deed, Buyer must have provided sufficient proof to Seller that Buyer has entered into a Purchase and Sale Agreement for the



Property with the third party developer identified in the Proposal, and that all of the contingencies and conditions under that agreement have been satisfied or waived.

**5.3 Buyer's Closing Deliveries.** At Closing, Buyer shall deliver to Escrow Agent:

**5.3.1** Payment in full for the Purchase Price.

**5.4 Closing Costs.** Buyer shall pay the premium for the standard owner's Title Policy. Buyer will pay the additional premiums required for any extended coverage or endorsements requested by Buyer. Escrow and Closing fees will be split equally between Buyer and Seller. All costs associated with the Transaction must be borne by the parties in accordance with custom in Ada County, Idaho, as determined by Escrow Agent, unless otherwise specified in this Agreement.

**5.5 Possession.** Buyer will be entitled to possession of the Property on the Closing Date.

**5.6 Right to Repurchase.** Buyer intends to sell or transfer the Property to a third party for development purposes as outlined in the premises to this Agreement. Buyer may also enter into a Development Agreement or OPA with the third-party developer which may include certain rights of reverter. In the event that Buyer exercises or benefits from its right of reverter and retakes possession of the Property, Seller may exercise its option to repurchase the Property by delivering written notice of such intent within 90 days of Buyer retaking possession of the Property. If Seller exercises its repurchase rights as set forth herein, the price for such repurchase shall be the same purchase price as set forth in Section 3 of this Agreement. The repurchase of the Property shall be consummated through the Escrow Agent, at a time determined by Seller no later than 90 days after the delivery of Seller's notice that it intends to exercise its repurchase rights. The repurchase price shall be payable in cash or other immediately available funds. Title to the Property shall be conveyed by warranty deed, and any mortgage or liens, including any potential mechanics liens or other liens outstanding on the Property shall be discharged by Buyer prior to closing under this Seller's repurchase provision. Taxes shall be prorated prior to closing. Escrow and Closing fees will be split equally between Buyer and Seller.

**6. Seller's Representations and Warranties.** Seller represents and warrants to Buyer that:

**6.1 Authority.** Seller has full power and authority to enter into this Agreement and complete the Transaction.

**6.2 Binding Agreement.** Upon Seller's execution of this Agreement, this Agreement will be binding and enforceable against Seller in accordance with its terms, and upon Seller's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Seller in accordance with their terms.

**6.3 Title.** Seller has fee title to the Property. Seller represents that Seller owns the property free and clear of any mortgages or deeds of trust.

**6.4 No Violations.** Seller has not received notice of any violation with regard to any applicable law, regulation, ordinance, requirement, covenant, condition or restriction relating to the present use,

occupancy or condition of the Property from any person, authority or agency having jurisdiction over the Property.

**6.5 Compliance with Law; Municipal Ordinances.** Seller has not received any notices of violation of any law, regulation, condition of permit or license, order, ordinance, or any requirement noted in or issued by any federal, state, or local department having jurisdiction over or affecting Property which has not been corrected, resolved, or withdrawn, and to the knowledge of Seller, the Property is in compliance with all applicable federal, state, and local laws and regulations in all material respects.

**7. Buyer's Representations and Warranties.** Buyer represents and warrants to Seller that:

**7.1 Authority.** Buyer has full power and authority to enter into this Agreement and complete the Transaction.

**7.2 Binding Agreement.** Upon Buyer's execution of this Agreement, this Agreement will be binding and enforceable against Buyer in accordance with its terms, and upon Buyer's execution of the additional documents contemplated by this Agreement, they will be binding and enforceable against Buyer in accordance with their terms.

**7.3 Investigation of Property.** Buyer has been or will be permitted access to the Property and will have actually inspected the Property prior to Closing. Buyer's consummation of the Transaction is based upon such inspection and not on any representations or warranties of Seller.

**7.4 No Oral Representations.** Buyer hereby acknowledges that neither Seller nor any person acting on behalf of Seller has made any representation, warranty, guaranty or promise concerning the Property, whether oral or written.

**8. Broker's Commission.** Seller and Buyer warrant, each to the other, that they have not dealt with any broker, realtor or finder in connection with the Transaction.

**9. Risk of Loss.** The risk of loss will be upon Seller until Closing. In the event of any material loss or damage to or condemnation of the Property prior to Closing, Buyer may terminate this Agreement. If Buyer waives any material loss or damage to or condemnation of the Property and proceeds to consummate this Transaction, or in the event of an immaterial loss, damage or condemnation, Seller shall, at Closing and as a condition precedent to Closing, pay to Buyer the amount of any insurance or condemnation proceeds attributable to the Property which have been received by Seller and assign to Buyer as of Closing all rights or claims to proceeds payable thereafter.

**10. Remedies.**

**10.1** If Seller fails to perform any of Seller's obligations under this Agreement and that failure continues for five (5) days after Seller's receipt of written notice from Buyer, Buyer may, as Buyer's sole remedy for Seller's failure, either: (i) terminate this Agreement in accordance with Section 11, or (ii) bring an appropriate action for specific performance of this Agreement.



**10.2** If Buyer fails to perform any of Buyer's obligations under this Agreement and that failure continues for five (5) days after Buyer's receipt of written notice from Seller, Seller may, as Seller's sole remedy for Buyer's failure bring an appropriate action for specific performance of this Agreement.

**10.3** If the Purchase and Sale Agreement between Meridian Caddis and Buyer is terminated due to Meridian Caddis' (i) failure to meet the Financing Condition as defined in the Purchase and Sale Agreement between Meridian Caddis and Buyer; or (ii) default, as declared by Buyer under the Purchase and Sale Agreement between Meridian Caddis, beyond all applicable notice and cure periods, Buyer or Seller may, as its sole remedy, terminate this Agreement in accordance with Section 11. Seller hereby acknowledges and agrees that the termination right set forth in this Section 10.3 represents its sole and exclusive right to terminate this Agreement.

**11. Termination.** If Buyer or Seller elects to terminate this Agreement as provided under this Agreement, the terminating party shall give written notice of the termination to the other party and Escrow Agent. Upon termination by a party as provided in this Agreement, Escrow Agent shall return all documents deposited in the Escrow to the Seller. Upon delivery of such documents, this Agreement and the Escrow will be deemed terminated, and except as provided in this Agreement neither party will have any further liability or obligation under this Agreement.

**12. Attorneys' Fees.** If there is any litigation or other action taken by any party to enforce or interpret any provisions of or rights arising under this Agreement, the defaulting party shall pay to the other party all costs and expenses, including but not limited to reasonable attorney fees and costs, which the other party may incur in enforcing this Agreement or in pursuing any remedy allowed by law, whether such is incurred by the filing of suit or otherwise.

**13. Omitted.**

**14. Escrow Cancellation Charges.** If the Escrow fails to close because of Buyer's default, Buyer will be liable for any escrow and title commitment cancellation charges by Escrow Agent. If the Escrow fails to close because of Seller's default, Seller will be liable for any such cancellation charges by Escrow Agent. If the Escrow fails to close through no fault of either Seller or Buyer, any such cancellation charges by Escrow Agent shall be divided equally between Seller and Buyer.

**15. Additional Acts.** The parties agree to execute promptly all other documents and perform all other acts as may be reasonably necessary to carry out the purpose and intent of this Agreement.

**16. Business Days.** If this Agreement requires any act to be done or action to be taken on a date which is not a Business Day, that act or action will be deemed to have been validly done or taken if done or taken on the next succeeding Business Day.

**17. Waiver.** The waiver by any party to this Agreement of any right granted to it under this Agreement is not a waiver of any other right granted under this Agreement, nor may any waiver be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

**18. Survival.** All of the covenants, agreements, representations and warranties set forth in this Agreement survive Closing, and do not merge into any deed, assignment or other instrument executed or delivered under this Agreement.

**19. Counterparts/Facsimile.** This Agreement may be executed in counterparts, each of which is deemed an original but all of which constitute one and the same instrument. The signature pages may be detached from each counterpart and combined into one instrument. This Agreement may be signed and delivered by facsimile which shall be effective as an original.

**20. Successors and Assigns.** This Agreement is binding upon and inures to the benefit of the parties to this Agreement and their respective successors and assigns.

**21. Entire Agreement.** This Agreement sets forth the entire understanding of the parties with respect to the matters set forth in this Agreement as of the Effective Date; it supersedes all prior oral or written agreements of the parties as to the matters set forth in this Agreement; and it cannot be altered or amended except by an instrument in writing, signed by Buyer and Seller.

**22. Construction.** This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions of this Agreement must be construed in accordance with their usual and customary meanings. Seller and Buyer hereby waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of this Agreement.

**23. Headings.** The headings in this Agreement are for reference only and do not limit or define the meaning of any provision of this Agreement.

**24. Third-Party Beneficiary.** Except as set forth herein, no term or provision of this Agreement or the exhibits to this Agreement is intended to be, nor may any term or provision be construed to be, for the benefit of any person, firm, corporation or other entity not a party to this Agreement (including, without limitation, any broker), and no other person, firm, corporation or entity has any right or cause of action under this Agreement. Meridian Caddis, LLC is hereby named as an express and intended third-party beneficiary of this Purchase Agreement, such that if the Seller fails to close the transaction contemplated by this Agreement, Meridian Caddis, LLC shall be permitted to either seek the remedy of specific performance to ensure that both the Seller and Buyer perform their respective obligations under this Agreement or Meridian Caddis, LLC shall be permitted to seek damages against the Seller equal to Meridian Caddis, LLC's Pre-Closing Expenses (including, without limitation, the Lateral Relocation Expenses), as set forth in the April 12, 2022 Memorandum of Agreement between Meridian Caddis, LLC, Seller, and Buyer.

**25. Severability.** If any provision of this Agreement or any portion of any provision of this Agreement is determined to be invalid, illegal or unenforceable, the invalidity, illegality or unenforceability may not alter the remaining portion of such provision, or any other provision of this Agreement, as each provision of this Agreement is deemed severable from all other provisions of this Agreement.



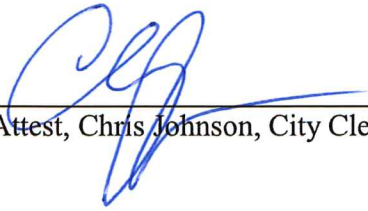
26. **Time of Essence.** Time is of the essence in the performance of this Agreement.

27. **Governing Law.** This Agreement is governed by, and construed and enforced in accordance with, the laws of the State of Idaho.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective as of the date first written above.

**SELLER:**  
CITY OF MERIDIAN

  
\_\_\_\_\_  
Robert E. Simison, Mayor 6-7-2022

  
\_\_\_\_\_  
Attest, Chris Johnson, City Clerk 6-7-2022

**BUYER:**  
MERIDIAN DEVELOPMENT CORPORATION

\_\_\_\_\_  
**By:**

26. **Time of Essence.** Time is of the essence in the performance of this Agreement.

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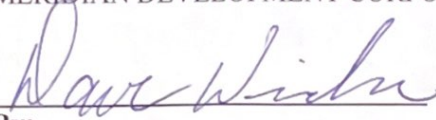
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**SELLER:**  
CITY OF MERIDIAN

\_\_\_\_\_  
Robert E. Simison, Mayor

\_\_\_\_\_  
Attest, City Clerk

**BUYER:**  
MERIDIAN DEVELOPMENT CORPORATION

  
By: \_\_\_\_\_