

**FIRST AMENDMENT  
OF  
CONVENTION CENTER MANAGEMENT AGREEMENT**

THIS FIRST AMENDMENT TO THE CONVENTION CENTER MANAGEMENT AGREEMENT (“**First Amendment**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 2022, by and between **THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM**, a quasi-municipal corporation of the State of Oregon (the “**Agency**”), and **THE SALEM GROUP, LLC**, an Oregon limited liability company (the “**Manager**”) (collectively, the “Parties”).

**RECITALS**

- A. The Convention Center Management Agreement was made and entered into as of November 9, 2020, laying forth the understanding and agreement between the Agency and the Manager for the operation of the Salem Convention Center.
- B. Agency has proposed, and Manager has agreed, to certain changes in policies and practices relating to the Marketing Plan and Budget set forth in the Convention Center Management Agreement.

**AGREEMENT**

NOW, THEREFORE, the Agency and the Manager agree to amend the Convention Center Management Agreement by deleting current paragraphs 5.1 and 5.1.1 in their entirety, and replacing them with the following:

5.1 Annual Operating Projection. The Manager shall submit to the Agency by February 15th each year an Annual Operating Projection for the succeeding Fiscal Year. The Annual Operating Projection shall include: an operating budget showing estimated Gross Revenues, department profits, Operating Expenses, and for the forthcoming Fiscal Year for the Convention Center Complex: (a) a staffing plan; (b) a cash flow forecast; (c) a budget of expenditures for replacing FF&E; (d) a detailed one (1) year and summary five (5) year Capital Project projection for making capital improvements to the Convention Center Complex; (e) a proposal for transferring funds periodically during the Fiscal Year from the Gain-Loss Reserve Account to the Agency Account so that there will be adequate working capital in the Agency Account during the Fiscal Year to cover any anticipated Working Capital Shortfall during that Fiscal Year; and (f) the basis of allocation of the Group Services, all in reasonable detail and, where appropriate, with the basis for all assumptions expressly set forth. The Agency shall review the Annual Operating Projection and either Approve or notify the Manager of any objections to the Annual Operating Projection in writing within thirty (30) business days of its receipt thereof, and the Agency’s Approval of the Annual Operating Projection shall not be unreasonably withheld or delayed.

5.1.1. Marketing Plan and Budget: The Agency and the Manager shall enter into an annual Amendment and Addendum to the Convention Center Management Agreement to establish an annual marketing plan and budget, to be funded in the amount of \$300,000 or 10% of the Transient Occupancy Tax (TOT) revenue for the Fiscal Year, whichever is greater. The Agency will supply the Manager an estimate of the total of expected TOT revenue for the succeeding fiscal year by March 1<sup>st</sup>. The Manager will provide a Marketing Plan and Budget in that amount which is equal to 10% of the Agency's estimate of the total of expected TOT revenue for the succeeding year by April 15<sup>th</sup>, provided, that in no event shall the Budget be less than \$300,000. Agency shall fund the Budget by making payments monthly in the amount of 1/12<sup>th</sup> of the budgeted amount, provided that in no event shall said monthly payments be less than \$25,000 each. In the second month of the succeeding fiscal year Agency and Manager shall jointly review and reconcile the estimate of the total of expected TOT revenue for the expired fiscal year that was the basis for the Budget, against the actual total of TOT revenue collected during the expired fiscal year. Payment reflecting the result of that reconciliation between funding provided during the fiscal year based on projected TOT revenue and funding due for the fiscal year based on actual TOT revenue, if any, shall be made in the third month of the succeeding fiscal year by the party obligated to make it.

The terms and conditions of this First Amendment shall be first effective and apply to the fiscal year July 1, 2022 through June 30, 2023.

EXCEPT AS HEREIN SPECIFICALLY AND EXPRESSLY AMENDED, the Convention Center Management Agreement shall remain in full force and effect according to its terms as originally written including but not limited to the Agency's obligation and agreement to annually fund Convention Center marketing activities in the amount of \$300,000 or 10% of the TOT revenue, whichever is greater.

[signature page follows]

**IN WITNESS WHEREOF, the Agency and the Manager have executed this First Amendment to the Convention Center Management Agreement as of the date first above written.**

AGENCY:

THE URBAN RENEWAL AGENCY OF THE CITY OF SALEM

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MANAGER

THE SALEM GROUP, LLC

By: VIP'S HOTELS, INC.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: WINSTON DEVELOPMENT COMPANY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_