

PROJECT GRANT AGREEMENT

EFFECTIVE DATE: _____

GRANT AMOUNT: \$740,000.00

GRANTEE: PDQ Investments, LLC

PROJECT DESCRIPTION: New construction, mixed-use project including housing and commercial space.

PROJECT ADDRESS: 245 Court St. NE

GRANT TERM: Twenty-Four Months from Effective Date

The Urban Renewal Agency of the City of Salem and PDQ Investments, LLC (Grantee) (together, the Parties) are entering into this Agreement to establish the terms of the grant of Riverfront-Downtown Urban Renewal funds to Grantee. The Urban Renewal Agency has relied on the representations and statements provided in Grantee's letter dated September 15, 2016 and August 11, 2016 Project Proforma. This Agreement is effective on the date last signed by both Parties below.

As a condition of a total grant of \$740,000.00 from the Urban Renewal Agency, the Grantee agrees to the following:

1. The grant is an eligible expenditure in the Riverfront-Downtown Urban Renewal Plan.
2. The purpose of the grant is to fund up to \$740,000.00 in eligible project costs for a to-be-built 43,790 square foot mixed-use building with 40 residential apartments, parking, ancillary uses and commercial space.
3. Grantee must submit confirmation of financial resources sufficient to cover any costs not covered by the grant funds.
4. Grantee must complete building within twenty four months.
5. Grantee must provide City a copy of the final financial proforma for the building.
6. Grantee must provide City a copy of an insurance policy to cover full replacement value of the project upon completion.
7. Grantee agrees that the City or its agents may enter the property at any reasonable times to inspect work being completed.
8. Prior to disbursement of funds, Grantee must inform the Urban Renewal Agency when work is completed and ready for inspection. Funds shall not be disbursed if the work has not been completed to the satisfaction of the City of Salem.
9. The Urban Renewal Agency shall disburse funds to Grantee on an expense-reimbursement basis within 30 (thirty) days after Agency's receipt of a progress report including a reimbursement request accompanied by documentation, satisfactory to Agency, of the expenses for which reimbursement is requested. The documentation shall include invoices and receipts as appropriate. All disbursements are subject to the terms of this Agreement.

10. Grantee shall submit to the Urban Renewal Agency a copy of Grantee's contract with the contractor and architect that Grantee chooses to undertake the design and construction of the project. This Agreement shall in no way create a contractual relationship between the Urban Renewal Agency and the contractor, or the City of Salem and the contractor.
11. If required, all work shall be done under a building permit issued by the City of Salem. Upon completion of the work, the property shall be inspected and certified in compliance with all applicable City codes and ordinances. All contractors shall be registered and bonded by the State of Oregon.
12. Grantee shall maintain the building improvements funded by the grant in good order for a period of at least five (5) years and be dutiful about removal of graffiti and repair of vandalism.
13. Grantee shall defend, indemnify, and hold harmless the Urban Renewal Agency and the City of Salem, the officers, agents, employees, and contractors of each, from all claims, suits, and actions of whatever nature resulting from or arising out of the activities or negligence of Grantee, its officers, agents, and employees under this Agreement.
14. Grantee to provide to the City quarterly progress reports on the project.
15. The Urban Renewal Agency may, after notice to the Grantee of its intent to do so, cancel its participation in the construction of the building for which funds are granted in the event the Agency, in its sole judgment, finds that:

- Grantee has failed to make substantial progress in completion of the building improvements; or
- There is any material adverse change in the financial condition of Grantee or Property; or
- Grantee has failed to comply with the terms of this Agreement; or
- Such cancellation is necessary to comply with the requirements of law.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

Urban Renewal Agency of the
City of Salem, Oregon

Grantee

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____