

December 12, 2017

Ed Maletis
Oregon Fruit, LLC
150 Patterson Street NW
Salem, Oregon 97304

**SUBJECT: LETTER OF COMMITMENT
3180 22nd Street SE**

Dear Mr. Maletis:

I am pleased to inform you that your request for a grant for the property located at 3180 22nd Street SE was reviewed and approved on December 11, 2017, subject to the following program purpose, terms and conditions.

TERMS

<u>Applicant:</u>	Oregon Fruit, LLC
<u>Approved Grant Amount:</u>	\$300,000
<u>Commitment Date:</u>	December 11, 2017
<u>Project Address:</u>	3180 22 nd Street SE
<u>Rehabilitation Work:</u>	To provide partial financing for the improvements and additions to the building located at 3180 22 nd Street SE. Estimated total costs are \$4.7 million.
<u>Disbursement:</u>	Grant funds shall be used to pay the Applicant up to 50 percent of eligible work completed. Partial requests for funding on a monthly basis with evidence that 50 percent of the draw requests have been paid by the Applicant are acceptable.

CONDITIONS

All of the following items must be submitted to the Urban Renewal Agency of the City of Salem (Agency) in a form satisfactory to the Agency prior to disbursement of the grant funds:

<u>Contractor Contract:</u>	The Applicant shall submit a copy of the contract with the Contractor chosen to undertake the rehabilitation work. This Letter of Commitment shall in no way create a contractual relationship between Agency and the Contractor.
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Property Insurance:

For grants over \$5,000, upon completion of improvements and prior to reimbursement, the Applicant shall provide a Certificate of Insurance evidencing property coverage for improvements in an amount not less than the value of the improvements.

Inspection by Agency:

The Applicant must inform the Agency when work is completed and ready for inspection prior to final disbursement of grant funds to Contractor. Funds shall not be disbursed if the work has not been completed to the satisfaction of the Agency.

Applicant Eligibility:

Building owner has approved the scope of work to the building.

Program Requirements:

The Applicant shall:

- Provide proof of investment of a minimum of \$3,000,000 into the project,
- Provide proof that the investment will be made into an existing vacant building, and
- Create a minimum of 50 traded sector jobs within the McGilchrist URA, or retain 50 traded sector jobs within the city of Salem, and maintain the jobs for a minimum of five years.

Historic Review:

N/A

Environmental Matters:

The attached scope of work to be partially funded by Urban Renewal dollars may include environmental cleanup. At the time of issuing this commitment, no environmental contamination was known. It is understood by the grant recipient that the Urban Renewal Agency will be indemnified and held harmless from any and all losses, liabilities, damages, injuries, costs, that may arise from any environmental contamination associated with this project.

Acknowledgement of Urban
Renewal Funding:

Applicant shall post a sign provided by the Agency acknowledging Urban Renewal grant funding for the project. The sign shall remain in place for the duration of construction project or for three months following the receipt of equipment purchased with Urban Renewal Funds.

GENERAL CONDITIONS

Completion, Permits, and
Inspections:

If required, all work shall be done under a building permit issued by the City of Salem. **We recommend you schedule a pre-application conference with the Planning Department to review the scope of your project.** 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. If applicable, final Agency payment is subject to applicant obtaining Certificate of Occupancy.

Maintenance:

Applicant shall maintain the 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

Commitment Expiration:

This commitment must be accepted by Ed Maletis. This commitment will remain in force for one year after the Commitment Date, December 12, 2017.

This letter constitutes a grant commitment of \$300,000 subject to satisfaction of and compliance with the above-described terms and conditions. **Please indicate your acceptance of these terms and conditions by signing the two (2) originals of this letter. Retain one original for your files and return the other to Renee Frazier, Financial Services Supervisor, at the City of Salem within 14 calendar days of the Commitment Date.** If you have any questions, please do not hesitate to call Renee at 503.540.2471.

Regards,

Kristin Retherford, Director
Urban Development Department

ACCEPTED BY:

Owner

Date