

March 13, 2018

Mr. Steve Johnson
The Salem Group, LLC
Salem Convention Center
200 Commercial Street SE
Salem, OR 97301

RE: Incentive Fee Approval – Salem Convention Center

Dear Steve:

This Letter is intended to document the mutual approval of the Agency and the Manager for the following:

- Continued Payment of the Incentive Fee under the current methodology until the next reevaluation in July 2020;

As provided by Article 2.12.5 of the Management Agreement for the Salem Convention Center, the Urban Renewal Agency (Agency) and the Salem Group LLC (Manager) are required to reevaluate the Incentive Fee, including the method by which it is calculated, provided by the Agreement every three years, beginning in FY 2011-12, and execute a written mutual approval to extend the Fee for the next fiscal year.

This Letter Agreement is intended to document the mutual approval of the Agency and the Manager of the continued payment of the Incentive Fee under the current methodology until the next reevaluation in July 2020.

On March 12, the Agency Board met and authorized the Executive Director to continue the Incentive Fee as set forth herein.

Please sign in the space indicated below and return this letter to the Agency on or before March 23, 2018.

Regards,

Steve Powers, Executive Director
Urban Renewal Agency of the City of Salem
Salem Convention Center

AGENCY:

**THE URBAN RENEWAL AGENCY OF
THE CITY OF SALEM**

Steve Powers
Executive Director

Date

MANAGER:

**THE SALEM GROUP, LLC
BY: VIP'S HOTEL, INC. MEMBER**

Steve Johnson

Date

By: Winston Development Company,
Member

Steve Johnson
President

Date