

**AMENDMENT AND ADDENDUM TO THE  
“CONVENTION CENTER MANAGEMENT AGREEMENT”  
FOR  
SALEM CONVENTION CENTER”**

THIS ADDENDUM is made by and between the Urban Renewal Agency of the City of Salem (the “Agency”), an Oregon quasi-municipal corporation, and The Salem Group, LLC, an Oregon limited liability company (the “Manager”), (collectively the “Parties”) to the Convention Center Management Agreement for Salem Convention Center, dated July 18, 2003 (the “Management Agreement”). The purpose of this Amendment and Addendum is to suspend for a period of time the requirement that the Agency fund shortfalls in the Gain-Loss Reserve Account pursuant to the requirements of Section 6.3.1 of the Management Agreement.

**RECITALS**

The Parties have proposed a temporary suspension of the requirement that the Agency fund shortfalls in the Gain-Loss Reserve Account through January 31, 2021 in order to facilitate the expedient remodel of the Salem Convention Center kitchen facilities.

NOW, THEREFORE, IN CONSIDERATION of the rights and obligations of the Parties, the Parties agree as follows:

**ARTICLE 1  
SUSPENSION OF MANAGEMENT AGREEMENT SECTION 6.3.1**

The Parties agree to suspend Management Agreement Section 6.3.1 which requires the Agency to deposit funds under subsection 6.2.3 plus an additional \$300,000.00 into the Gain-Loss Reserve Account should the target balance fall below \$4,000,000.00. The Parties agree to permit the Gain-Loss fund to fall below the target balance of \$4,000,000.00 through January 31, 2021, suspending the addition payment requirements of Section 6.3.1, to facilitate the remodeling of the Salem Convention Center kitchen facilities.

**ARTICLE 2  
ADMINISTRATION**

Administration of this Addendum shall be provided by the Urban Development Director or the Urban Development Director’s designee.

### **ARTICLE 3 TERM AND TERMINATION**

Unless sooner terminated as herein provided, this Addendum shall be in effect on the date of the last signature below and shall terminate on January 31, 2021. Upon the expiration of this Addendum, the requirements of Management Agreement Section 6.3.1 will recommence.

### **ARTICLE 4 MISCELLANEOUS**

4.1 Entire Agreement. This Addendum shall constitute the entire agreement by and between the Parties with respect to the subject matter hereof, and no other warranties, inducements, considerations, promises, or interpretations shall be implied or impressed upon this Addendum that are not expressly addressed herein and therein.

4.2 Agency. Neither Party to this Addendum nor the officers, employees, or agents of either Party are agents of the other. Each Party shall be separately and exclusively responsible for acts, errors, and omissions of its own officers, employees, and agents except to the extent provided under the indemnity provisions of this Addendum.

4.3 Amendment. No changes or modifications of this Addendum shall be binding unless made in writing and executed by the duly authorized representatives of both Parties.

4.4 Compliance with All Laws/Governmental Orders. The Parties shall at all times observe and comply with all applicable laws, ordinances, rules, regulations, and executive orders of the federal, state, and local government now existing or hereinafter in effect, which may in any manner affect the performance of this Addendum, including, without limitation, the provisions of ORS 279B.220, 279B.235, and 279B.230, which by this reference are made a part hereof.

4.5 Waiver. Whenever under this Addendum either party, by a proper authority, waives either party's performance in any respect or waives a requirement or condition of either party's performance, the waiver so granted, whether express or implied, shall only apply to the particular instance and shall not be deemed a waiver forever of subsequent instances of the performance, requirement, or condition. No such waiver shall be construed as a modification of this Addendum regardless of the number of times that either party may have waived performance, requirement, or condition.

4.6 Authority. The persons signing this Addendum on behalf of the Manager represent and warrant that such persons and the Manager have the requisite power and authority to enter into, execute, and deliver this Addendum and that this Addendum is a valid and legally binding obligation of the Manager enforceable against the Manager in accordance with its terms.

4.7 Termination. The Agency may terminate its obligations under this Addendum upon delivery of written notice to the Manager if:

(a) The Manager fails to provide services or fulfill obligations required by this Addendum.

(b) Federal or state laws, regulations, or guidelines are modified or interpreted in such a way that either the work under this Addendum is prohibited or the Agency is prohibited from paying for such work.

4.8 Communication Between the Parties. All verbal and written communication, including required reports and submissions under this Addendum, shall be between the Agency and the Manager, except as provided below under Notices.

4.9 Notices. Any notices sent to the Agency shall be mailed by ordinary First Class mail, postage prepaid, to:

Director, Urban Development Department  
350 Commercial Street NE  
Salem, OR 97301

With a copy to:

City Attorney  
Legal Department  
555 Liberty Street SE, Rm 205  
Salem, OR 97301

Any notices sent to the Manager shall be mailed by ordinary First Class mail, postage prepaid, to:

Steven V. Johnson, President  
The Salem Group, LLC  
201 Liberty Street SE  
Salem, OR 97301

4.10 Severability. The invalidity or unenforceability of any term or provision of this Addendum to any person or circumstances shall not affect or impair the validity or enforceability of any other term or provision contained herein to persons or circumstances other than those to which it is held invalid or unenforceable.

4.11 Rule of Construction. Any rule of construction interpreting this instrument against

its drafter shall be inapplicable.

4.12 Assignment. The Manager may not assign or transfer its rights or obligations under this Addendum without the prior written consent of the Agency. The Agency's right to consent to assignment shall not be subject to the provisions of ORS 105.190.

4.13 Attorneys Fees. If litigation is instituted with respect to this Addendum, the prevailing party shall be entitled to recover from the losing party, in addition to all other sums and allowable costs, its reasonable attorney fees, both in preparation for and at trial and any appeal or review, such amount to be set by the court before which the matter is heard.

4.14 No Third Party Beneficiaries. Each party intends that this Addendum does not benefit, or create any right or cause of action in or on behalf of, any person or entity other than, to the extent provided for in this Addendum, the Agency or the Manager.

4.15 Effect on Management Agreement. Unless expressly stated in this Amendment and Addendum, the terms and conditions of the Management Agreement remain in full force and effect.

IN WITNESS WHEREOF the Parties have caused this Amendment and Addendum to be signed in their respective names by their duly authorized representatives as of the dates set forth below.

AGENCY:

THE URBAN RENEWAL AGENCY OF  
THE CITY OF SALEM

\_\_\_\_\_  
Steve Powers  
Executive Director

\_\_\_\_\_  
Date

MANAGER:

THE SALEM GROUP, LLC

By: VIP'S Hotels, Inc., Member

\_\_\_\_\_  
Steve Johnson  
President

\_\_\_\_\_  
Date

By: Winston Development Company,  
Inc., Member

\_\_\_\_\_  
Steve Johnson  
President

\_\_\_\_\_  
Date