

ORDINANCE 67454
Board Bill No. 373

AN ORDINANCE AUTHORIZING THE EXECUTION OF A TRANSPORTATION PROJECT AGREEMENT BETWEEN THE CITY, THE ADLER LOFTS TRANSPORTATION DEVELOPMENT DISTRICT AND ADLER COMMERCIAL, LLC; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE TRANSPORTATION PROJECT; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the “City”), is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and

WHEREAS, pursuant to sections 238.200 to 238.275 RSMo. (2005) (the “TDD Act”), by that certain Judgment and Order of the Circuit Court of the City of St. Louis, Missouri, in Cause No. 0622-06875, Division 1, entered _____, 2007 (the “Order”), the Adler Lofts Transportation Development District (the “TDD”) was created; and

WHEREAS, the TDD intends to undertake that certain “Transportation Project” as described and defined in the Order, which Transportation Project will provide a benefit to the City by increasing the available supply of parking; and

WHEREAS, the City of St. Louis constitutes the “local transportation authority” for the purposes of the Transportation Project, and as a result of the Missouri Highway Transportation Commission’s declining jurisdiction over the Transportation Project, approval of the Transportation Project is vested exclusively with the City; and

WHEREAS, the TDD Act provides that prior to construction or funding of a proposed project, such project shall be submitted to the local transportation authority for its prior approval, subject to any required revisions of such project, and the district and local transportation authority in question entering into a mutually satisfactory agreement regarding the development and future maintenance of such proposed project; and

WHEREAS, the City hereby desires and intends to approve the Transportation Project subject to the TDD and the City entering into a mutually satisfactory agreement regarding the development and future maintenance of the Transportation Project; and

WHEREAS, the City intends to enter into that certain Transportation Project Agreement (the “Agreement”), in the form attached hereto as **Exhibit A** and incorporated herein by reference, with the TDD and ADLER COMMERCIAL, LLC, a Missouri limited liability company (the “Developer”) as a mutually satisfactory agreement regarding the development and future maintenance of the Transportation Project; and

WHEREAS, the TDD Act provides that, within six months after development and initial maintenance costs of a project have been paid, transfer control and ownership of the project in question pursuant to contract; and

WHEREAS, the TDD intends to transfer and the City intends to accept such control and ownership pursuant to and on the terms set forth in the Transportation Project Agreement; and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Transportation Project Agreement attached as **Exhibit A** hereto and incorporated herein by reference are acceptable and that the execution, delivery and performance by the City, the Developer and the TDD of their respective obligations are in the best interests of the City and the health, safety, morals and welfare of its residents.

BE IT ORDAINED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. The Board of Aldermen hereby approves the Transportation Project as submitted to the City.

SECTION TWO. The Board of Aldermen further finds and determines that it is necessary and desirable to enter into the Transportation Project Agreement with the Developer in order to implement the Transportation Project.

SECTION THREE. The Board of Aldermen finds and determines that the Transportation Project is necessary and desirable in order to increase the supply of available parking in the City.

SECTION FOUR. The Board of Aldermen hereby approves, and the Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, the Transportation Project Agreement by and between the City, the TDD and the Developer attached hereto as **Exhibit A**, and the City Register is hereby authorized and directed to attest to the Transportation Project Agreement and to affix the seal of the City thereto. The Transportation Project Agreement shall be in substantially the form attached, with such changes therein as shall be approved by said Comptroller executing the same and as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

SECTION FIVE. The Comptroller of the City or his or her designated representatives are hereby authorized and directed to take any and all actions to execute and deliver for and on behalf of the City any and all additional certificates, documents, agreements or other instruments as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Comptroller or his or her designated representatives.

SECTION SIX. The Comptroller or his or her designated representatives, with the advice and concurrence of the City Counselor and after approval by the Board of Estimate and Apportionment, are hereby further authorized and directed to make any changes to the documents, agreements and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such changes by the Comptroller or his or her designated representatives.

SECTION SEVEN. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

EXHIBIT A

Transportation Project Agreement
(Attached hereto.)

ADLER LOFTS TDD

TRANSPORTATION PROJECT AGREEMENT

THIS ADLER LOFTS TDD TRANSPORTATION PROJECT AGREEMENT (this "Agreement") is made and entered into as of the ____ day of _____, 2007, by and between the ADLER LOFTS TRANSPORTATION DEVELOPMENT DISTRICT, a political subdivision duly organized and existing under the laws of the State of Missouri (the "TDD") and the CITY OF ST. LOUIS, MISSOURI, a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri (the "City"), and ADLER COMMERCIAL, LLC, a Missouri limited liability company (the "Developer").

Recitals:

1. The TDD is a political subdivision and transportation development district formed pursuant to the Missouri Transportation Development District Act, Sections 238.200 to 238.275 RSMo. (2005) the ("TDD Act").
2. The Developer is the fee simple owner of certain real property, together with certain improvements thereon, located in the City.
3. The TDD has acquired from the Developer a leasehold interest in certain real estate described on Exhibit A, attached hereto and incorporated herein by reference, upon which real estate the Developer will design, develop and construct a TDD Project (as defined in Section 1 of this Agreement).
4. Upon completion of acquisition and construction of the TDD Project, the TDD intends to issue Obligations (as defined hereinafter) in a principal amount sufficient to finance the TDD Project and related costs of the TDD, including, without limitation,

the costs of issuance of the Obligations and accrued interest thereon. The contribution by the TDD towards the acquisition and construction of the TDD Project is intended to reimburse the Developer for the acquisition and construction of the TDD Project.

5. Preliminary conceptual drawings of the TDD Project are set forth on Exhibit B, attached hereto and incorporated herein by reference.

6. The City and the TDD desire to enter into this Agreement in order to: (i) acknowledge the general economic benefit and value to the community created by the TDD Project and to provide for public access within the TDD Project on the terms set forth herein; (ii) memorialize the agreement of the City, acting in its capacity as local transportation authority (as defined in the TDD Act) regarding development and future maintenance of the TDD Project and (iii) serve as the contract pursuant to which the TDD shall transfer control and ownership of the Project to the City after the costs thereof have been paid in accordance with Section 238.275.1 of the TDD Act. The City acknowledges that it is entering into this Agreement for the overall benefit of the community and that the commitment to provide public access to the TDD Project does not constitute a specific economic benefit to the City or the TDD.

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, receipt and sufficiency of which are acknowledged, the Developer, the TDD and the City hereby agree as follows:

Section 1. Definitions. In addition to the capitalized terms defined elsewhere in this Agreement and in the Recitals, the following capitalized terms used in this Agreement shall have the meanings ascribed to them in this Section.

Lease. That lease agreement entered into between the Developer as landlord and the TDD as Tenant, in similar form to that attached hereto as Exhibit C.

Obligations. Obligations issued by the TDD to finance the design, development and construction of the TDD Project. Property. The real property described in Exhibit A hereto, all of which is located within the boundaries of the TDD.

TDD Project. The acquisition and construction of improvements to a surface parking lot consisting of approximately 35 spaces, in accordance with the preliminary plans and specifications attached hereto as Exhibit B, as approved by the City pursuant to Ordinance No. _____ as may be amended from time to time.

TDD Sales Tax. The transportation development district sales tax to be imposed by the TDD pursuant to Section 238.235 of the TDD Act.

TDD Special Assessment. The transportation development district special assessment to be imposed by the TDD pursuant to Section 238.230 of the TDD Act.

Term. The period commencing on the date of execution of the Lease and, unless otherwise terminated hereunder prior thereto, continuing until the end of the calendar month that includes that date that is the later of: (i) the end of the reasonably expected useful life, as determined by an engineer qualified to provide engineering services in the State of Missouri; or (ii) the satisfaction in full of all Obligations.

Section 2. Access to TDD Project.

2.1 Upon execution of the Lease by the TDD, the TDD shall make the TDD Project available for use by the general public subject to such reasonable terms and conditions as are provided in the Lease, and as may be imposed by the TDD. The TDD shall, and shall cause its agents and contractors to, comply with any and all applicable laws in connection with its operation of the TDD Project. The TDD shall retain all operational control of the TDD Project.

Section 3. Transfer of Ownership and Control. The City and the TDD agree to execute an Assignment of Lease Agreement in form mutually agreeable to the parties immediately upon maturity or termination of the Obligations, by which the TDD transfers to the City its interest in the Lease for the remaining term of the Lease. The TDD and the City acknowledge that, upon execution, the transactions contemplated by the Assignment of Lease Agreement shall constitute the transfer of control and ownership of the Project as required pursuant to Section 238.275 of the TDD Act, provided that the TDD shall remain responsible for operation and maintenance of the Project even after such transfer, in accordance with Section 4 hereinafter.

Section 4. TDD Project Operation and Maintenance.

4.1 Except as otherwise provided herein, during the Term hereof, the TDD shall perform, or cause to be performed, all obligations connected with or arising out of owning, occupying or using the TDD Project or any part thereof, including without limitation the payment of all expenses required for the operation of the TDD Project, including, without limitation, payment of any real or personal property taxes, assessments, payments in lieu of taxes assessed, any expenses incurred, performance of any cleaning or maintenance services required to maintain the TDD Project in good condition, and provision of any repairs for any damage to the TDD Project. The TDD agrees to operate and maintain the TDD Project in accordance with all applicable laws and regulations.

Section 5. Indemnification and Release. To the extent permitted by law, the TDD and Developer agree to indemnify, defend, and hold the City, its employees, agents, and independent contractors and consultants harmless from and against any and all suits, claims, costs of defense, damages, injuries, liabilities, and costs and/or expenses, including court costs and reasonable attorneys' fees and expenses, resulting from, arising out of, or in any way connected with: (i) the development and construction of the TDD Project, including liability under any Environmental Laws; and (ii) the negligence or willful misconduct of the TDD or its respective employees, agents or independent contractors in connection with the management, development, and construction of the TDD Project. To the extent permitted by law, the City agrees to indemnify, defend, and hold the TDD and Developer and their employees, agents, and independent contractors harmless from and against any and all suits, claims, damages, injuries, liabilities, and costs and/or expenses, including court costs and reasonable attorneys' fees and expenses, resulting from, arising out of, or in any way connected with the negligence or willful misconduct of the City, its employees, agents, and independent contractors and consultants, or arising from a default by the City of its obligations hereunder. The indemnifications set forth in this Section shall survive termination or expiration of this Agreement.

Section 6. Miscellaneous.

6.1 **Representations and Warranties of the TDD.** The TDD hereby represents and warrants to the City that: (i) the TDD is authorized to enter into and perform this Agreement and each agreement to be executed and performed by the TDD pursuant to this Agreement; (ii) this Agreement was duly authorized by the governing body of the TDD; and (iii) this Agreement is binding upon, and enforceable against the TDD, in accordance with its terms.

6.2 **Representations and Warranties of the City.** The City hereby represents and warrants to the TDD that: (i) the City is authorized to enter into and perform this Agreement and each agreement to be executed and performed by the City pursuant to this Agreement; (ii) this Agreement was duly authorized by the governing body of the City; and (iii) this Agreement is binding upon, and enforceable against the City, in accordance with its terms.

6.3 **Applicable Law.** This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by, the laws of the State of Missouri.

6.4 **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement between the TDD and the City with respect to the matters herein and no other agreements or representations other than those contained in this Agreement have been made by the parties. It supercedes all prior written or oral understandings with respect thereto. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the TDD and the City.

6.5 **Counterparts.** This Agreement is executed in multiple counterparts, each of which shall constitute one and the same instrument.

6.6 **Severability.** In the event any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect to the extent the remainder can be given effect without the invalid provision, unless the unenforceable or invalid term or provision is such that a court reasonably would find that the parties, or any of them, would not have entered this Agreement without such term or provision, or would not have intended the remainder of this Agreement to be enforced without such term or provision.

6.7 **Notices.** Any notice, demand, or other communication required by this Agreement to be given by any party hereto to the others shall be in writing and shall be sufficiently given or delivered if dispatched by certified mail, postage prepaid, or delivered personally as follows:

In the case of the TDD:

Adler Lofts Transportation Development District
625 N. Euclid, Suite 601
St. Louis, Missouri 63108
Attention: Bob Wood

With a copy to:

Husch & Eppenberger, LLC
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: David Richardson

In the case of the Developer:

Adler Commercial, LLC
625 N. Euclid, Suite 601
St. Louis, Missouri 63108
Attention: Bob Wood

With a copy to:

Husch & Eppenberger, LLC
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: David Richardson

In the case of the City, to:

City of St. Louis
City Hall
1200 Market Street
St. Louis, Missouri 63103
Attention: Mayor, Room 200
Attention: Comptroller, Room 212

With a copy to:

St. Louis Development Corporation
1015 Locust Street
Suite 1200
St. Louis, Missouri 63101
Attention: Executive Director

and

City Counselor
City of St. Louis
1200 Market Street, Room 314
St. Louis, Missouri 63103
Attention: Patricia A. Hageman

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

ADLER LOFTS TRANSPORTATION DEVELOPMENT DISTRICT

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Comptroller

Attest: _____
Register

Approved as to form: _____
City Counselor

ADLER COMMERCIAL, LLC

By: _____
Name: _____
Title: _____

EXHIBIT A TO AGREEMENT
Legal Description of the Property

A TRACT OF LAND BEING A PART OF LOT A OF "ADLER FRAME LOFTS CONDOMINIUMS", REFERENCE BEING HAD TO THE PLAT THEREOF RECORDED IN THE RECORDER'S OFFICE OF THE CITY OF ST. LOUIS, IN PLAT BOOK 11172005 PAGE 0305 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT A; THENCE SOUTH 87 DEGREES 32 MINUTES 19 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT A FOR A DISTANCE OF 206.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED WEST PARKING LOT LIMITS; THENCE SOUTH 87 DEGREES 27 MINUTES 30 SECONDS WEST ALONG SAID SOUTH LINE FOR A DISTANCE OF 24.00 FEET; THENCE LEAVING SAID SOUTH LINE, NORTH 02 DEGREES 27 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 5.03 FEET; THENCE SOUTH 87 DEGREES 32 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 74.00 FEET; THENCE NORTH 02 DEGREES 27 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 127.00 FEET; THENCE NORTH 87 DEGREES 32 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 90.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 19.00 FEET; THENCE NORTH 87 DEGREES 32 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 27.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 54.00 FEET; THENCE SOUTH 87 DEGREES 27 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 19.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 59.00 FEET TO THE POINT OF BEGINNING AND ENCOMPASSING AN AREA OF 13,446 SQUARE FEET MORE OR LESS.

EXHIBIT B TO AGREEMENT

PRELIMINARY CONCEPTUAL DRAWINGS OF TDD PROJECT
[on file with the TDD]

EXHIBIT C TO AGREEMENT

LEASE

THIS LEASE, is hereby made and entered into this day of _____, 2007 (hereinafter "Lease"), by and between Lessor and Lessee (collectively, the "Parties"), as identified below.

WITNESSETH:

1. BASIC LEASE PROVISIONS. For purposes of this Lease, the following terms and definitions shall be applicable:

DATE: _____, 2007

LESSOR: ADLER COMMERCIAL, LLC, a Missouri limited liability company

LESSEE: ADLER LOFTS TRANSPORTATION DEVELOPMENT DISTRICT, a political subdivision of the State of Missouri

LEASE TERM: Commencing upon the date hereof, and expiring as provided in Section 3 herein.

DEMISED PREMISES: Area in the City of St. Louis, Missouri described in Exhibit A hereto.

RENT: One Dollar (\$1.00) per calendar year and other good and valuable consideration, as set forth in Section 4 herein.

PROPORTIONATE SHARE _____ percent (___%)

PROPERTY A tract of land being part of Lot A of Adler Frame Lofts Condominiums, recorded in the Recorder's Office of the City of St. Louis in Plat Book 11172005 Page 0305.

ADDRESS OF LESSOR: Adler Commercial, LLC
625 N. Euclid, Suite 601
St. Louis, Missouri 63108
Attn: Bob Wood

ADDRESS OF LESSEE: Adler Lofts TDD
625 N. Euclid, Suite 601
St. Louis, Missouri 63108
Attn: Bob Wood

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2. DEMISED PREMISES

2.1 Subject to the covenants and conditions herein contained, Lessor hereby leases to Lessee the real property described on **Exhibit A** attached hereto, which includes a paved, asphalt parking area (the "Parking Lot") and related improvements which are designed to enhance the safety of consumers in and around the boundaries of the Adler Lofts Transportation Development District (the "District") as well as facilitate more efficient traffic and parking patterns in, through and around the District (the "Demised Premises").

3. TERM OF LEASE

3.1 The term of this Lease (the "Term") shall commence as of the date hereof (the "Commencement Date").

3.2 The Term shall expire on the date which is the earlier of: (a) one day following the termination of any and all bonds, notes or other obligations (the "Obligations") issued by the Lessee to finance the costs of the "Transportation Project" (as such term is defined in that certain Judgment and Order of the Circuit Court of the City of St. Louis, Missouri, in Cause No. 0622-06875, Division 1, entered _____, 2007) or to refund such previously existing obligations; or (b) twenty (20) years after the Commencement Date. Provided, however, that such Term may be terminated at an earlier time as hereinafter provided.

4. RENT

4.1 The total amount due by Lessee to Lessor hereunder as base rent (the "Rent") shall be One Dollar and no/100 (\$1.00) per each full and partial calendar year for which this Lease remains in effect. The Parties hereby recognize, agree, recite and acknowledge that, in addition to such Rent, additional consideration for the respective obligations and duties of each under this Lease exists in the form of that enumerated under that certain "Development Agreement" to be entered into between Lessor and Lessee with respect to the Transportation Project.

4.2 All sums to be paid by Lessee to Lessor shall be paid in lawful money of the United States of America to Lessor at its address, or at such other place as Lessor may designate in writing. Any Rent for any given year is payable upon each January 1 of each partial year for which this Lease remains in effect, provided that for the initial partial year, such Rent shall be delivered on the date hereof. The Parties further agree and acknowledge that any Rent may be prepaid by Lessee at any time for any number of years, provided that, in the event that this Lease is terminated for any reason prior to any year for which Rent has already been paid, such Rent shall remain the property of Lessor, and Lessee shall have no right to any Rent once actually paid.

5. TAXES AND OPERATING EXPENSES

5.1 Lessee shall pay to Lessor, as additional rent, an amount equal to Lessee's Proportionate Share of all Taxes and Operating Expenses (as such terms are hereinafter defined) incurred by Lessor for and on behalf of the Property. Notwithstanding the aforesaid, Lessor reserves the right to from time to time equitably adjust Lessee's Proportionate Share (and the proportionate share of any other Lessees of the Property) with respect to the payment of any Taxes or Operating Expenses, based upon any Tenant's exclusive, excessive or reduced liability therefore, as reasonably determined by Lessor.

Taxes (as such term is hereby defined) shall include, without limitation, any tax assessment, license, fee, or governmental charge general or special, ordinary or extraordinary, now or hereafter assessed, leveled, or imposed against any legal or equitable interest in the Property or any part thereof, or against Lessor's receipt of rent, or against any of Lessor's personal property used in the operation and/or maintenance of the Property. Taxes shall not include any franchise taxes or any taxes imposed upon or measured by Lessor's income or profits. However, Taxes as defined herein are predicated on the present system of taxation in the State of Missouri, and therefore, if due to a future change in the method of taxation any rent, franchise, use, profit or other tax shall be levied or imposed against Lessor in lieu of any charge which would otherwise constitute a Tax, such rent, franchise, use, profit or other tax shall be deemed to be a Tax for the purposes herein. In the event Lessor is assessed with a Tax which Lessor in its sole discretion deems excessive, Lessor may challenge said Tax or may defer compliance therewith to the extent legally permitted; and, in the event thereof, Lessee shall be liable for Lessee's Proportionate Share of all costs in connection with such challenge or deferment, including any costs incurred by Lessor prior to the term of this Lease, to the extent that such costs relate to any Tax savings which may be realized during the Term.

Operating Expenses (as such term is hereby defined) shall include all costs and expenses, determined in accordance with generally accepted accounting principles, consistently applied, and incurred by Lessor in connection with the ownership, operation and maintenance of the Property, including, without limitation: all materials, equipment and supplies, together with all service, maintenance, and labor agreements, relative to the maintenance, repair and replacement, as necessary, of the Demised Premises and the common areas of the Property and all common electrical, plumbing and mechanical systems therein; all utilities, which are not separately metered, and related expenses and deposits, including costs incurred in connection with any energy management program for the Property; all landscaping and landscape stock; all common area janitorial services, equipment and supplies, if applicable; fire protection and security (if provided); maintenance, repair and replacement, as necessary, of any trunk sprinkler systems, downspouts, gutters and nonstructural portions of the roof, and all trunkline plumbing, electrical and mechanical systems (as distinguished from the branchline systems and fixtures); the parking, resealing and/or re-stripping of all parking facilities, access roads, driveways, sidewalks and passageways; heating, ventilation and air conditioning ("HVAC") servicing the common areas of the Property; and/or

any smaller portion of the Property which also services the Demised Premises, all Property signage; all wages/salaries, fees and commissions and related benefits of all employee and independent contractors engaged in the operation and management of the Property, together with any applicable social security taxes, employment taxes or other taxes levied against such wages/salaries; premiums and deductibles for liability, property damage, fire, workers compensation, rent and mortgage insurance, and any other insurance which Lessor deems necessary to carry on, for or in connection with the operation of the Property, or for the protection of the Property, and the interests of Lessor and Lessor's agents and mortgagees; accounting and bookkeeping services and other out of pocket administrative costs directly attributable to the day to day management and operation of the Property; capital improvements which are required by any governmental authority to keep the Property in compliance with all applicable statutes, codes and regulations; capital improvements which reduce other Operating Expenses, but in an amount not to exceed the reduction of Operating Expenses for the relevant year; and all other expenses incurred by Lessor for or on behalf of the Property. Operating Expenses shall not include: any expense chargeable to a capital account or capital improvement (other than aforesaid); principal or interest payments on any mortgage or deed of trust on the Property; any amount for which Lessor is reimbursed through insurance, by third persons, or directly by other Lessees of the Property; brokers commissions and other expenses incurred in the leasing of space to Lessees in the Property.

Lessor shall have the right to invoice Lessee monthly, quarterly, or otherwise from time to time, for Lessee's Proportionate Share of the Taxes and Operating Expenses, as reasonably estimated by Lessor; and Lessee shall pay to Lessor, as additional rent, those amounts for which Lessee is invoiced within thirty (30) days after receipt of said invoice. Any monies paid in advance to Lessor by Lessee shall not accrue interest thereon. After each calendar year, Lessor shall deliver a statement to Lessee setting forth Lessee's actual obligation for Taxes and Operating Expenses, and the total amount of payments paid by Lessee to Lessor for such purposes. In the event Lessee's actual obligation for Taxes and Operating Expenses exceeds Lessee's payments for such respective purposes, Lessee shall pay the applicable difference to Lessor within thirty (30) days after receipt of Lessor's statement. Conversely, in the event Lessee's respective payments toward Taxes and/or Operating Expenses exceed Lessee's actual obligation for each of the same, Lessor shall either refund the applicable overpayment to Lessee or credit said overpayment against Lessee's obligation for such specific expense in the forthcoming year. If, upon expiration or earlier termination of this Lease, there is accrued but unbilled additional rent, Lessee's obligation with respect to any amounts owed to Lessor shall survive, and, at Lessor's option, Lessee shall either (i) pay such amounts after expiration of the Term when such amounts have been accurately determined within fifteen (15) days after receipt of Lessor's statement, or (ii) pay an amount reasonably estimated by Lessor prior to the expiration of the term.

Within thirty (30) days after receipt of each year-end statement, Lessee shall have the right, at Lessee's sole cost and expense, to inspect and audit Lessor's records with respect to Lessee's Proportionate Share of Taxes and Operating Expenses, which audit shall be at the accounting office of Lessor's managing agent, upon not less than ten (10) days prior written notice, during said agent's normal business hours. Except as aforesaid, Lessor shall not be obligated to provide Lessee with detailed summaries or receipts for any expenses incurred by or on behalf of the Property, but Lessor shall provide Lessee with one or more statements setting forth such expenses, categorized by class and amount. Unless Lessee timely elects to audit such records and asserts specific errors within thirty (30) days after receipt of such year-end statement, said statement shall be deemed to be correct.

6. MAINTENANCE AND REPAIRS

6.1 Lessor shall at all times during the Term keep and maintain in good order and repair the Demised Premises, including the Parking Lot and all equipment necessary for the beneficial and economic operation and use thereof and appurtenances thereto, both structural and non-structural, ordinary or extraordinary, howsoever the necessity or desirability of repairs may occur. Without limiting the foregoing, Lessor shall maintain the landscaping in good order and condition, shall re-stripe the Parking Lot as necessary, shall maintain adequate lighting, and shall remove snow, trash and other debris promptly. All repairs, replacements and renewals shall be made promptly and be equal in quality and class to the original work. Lessor waives any right created by any law now or hereafter in force to make repairs to the Demised Premises at Lessee's expense, it being understood that Lessee shall not in any event be required to make any alterations, rebuildings, restorations, replacements, changes, additions, improvements or repairs, provided that Lessee may provide such reimbursement for any such costs or items as set forth in the Development Agreement.

6.2 Lessee shall make no alterations, improvements, repairs or additions to the Demised Premises without the prior written consent of Lessor. All alterations, improvements, repairs or additions to the Demised Premises shall become, without compensation to Lessee, Lessor's property at the expiration or termination of this Lease. Lessee shall not permit any mechanic's or materialman's lien to be filed against the Demised Premises and, if so filed, shall discharge any such liens within sixty (60) days after the filing thereof. Lessee shall be responsible for compliance with all applicable laws, ordinances and regulations in connection with any such alterations, improvements or additions and the use thereof.

7. LIENS

7.1 Lessor shall be solely and wholly responsible to contractors, laborers, materialmen, or lenders for any construction, reconstruction, restoration, replacement, change, addition, improvement or repair made on the Demised Premises, and for any labor to be performed or material to be furnished thereon, therein or thereto, and Lessee shall not under any circumstances be liable for the payment of any expense incurred or for the value of any work done or material furnished, except to the extent that Lessee issues the Obligations.

7.2 If, because of any act or omission (or alleged act or omission) of Lessor, any mechanics', materialmen's or other lien, charge or order for the payment of money shall be filed or recorded against the Demised Premises or against Lessee (whether or not such lien, charge or order is valid or enforceable as such), Lessor shall, at its own expense, cause the same to be released and discharged of record within thirty (30) days after Lessor shall have received notice of the filing or recording thereof, or Lessor may, within said period, furnish to Lessee a bond satisfactory to Lessee against any lien, charge or order, in which case Lessee shall have the right in good faith to contest the validity or amount thereof.

8. INDEMNIFICATION BY LESSOR

8.1 Lessor shall save, hold harmless and indemnify Lessee from and against all liabilities, obligations, claims, suits, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon or asserted against Lessee by reason of (i) any use, nonuse or condition of the Demised Premises or any part thereof, (ii) any accident, injury to or death of persons (including workmen) or loss of or damage to property occurring on the Demised Premises or any part thereof, except as may arise solely out of the gross negligence of Lessee, (iii) any failure on the part of Lessor to perform or comply with any of the terms of this Lease, (iv) performance of any labor or services or the furnishing of any materials or other property in respect of the Demised Premises or any part thereof, (v) any failure on the part of Lessor to comply with any of the matters set forth herein, or (vi) any violation or breach by Lessor of the terms and conditions of this Lease. The foregoing indemnity shall include, without limitation, liability, costs and expenses incurred under and/or pursuant to all applicable environmental laws, regulations and ordinances, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Clean Water Act, the Clean Air Act and the Resource Conservation and Recovery Act. In the event Lessee should be made a defendant in any action, suit or proceeding brought by reason of any such occurrence, Lessor shall at its own expense resist and defend such action, suit or proceeding or cause the same to be resisted and defended by counsel designated by Lessee and approved by Lessor. If any such action, suit or proceeding should result in a final judgment against Lessee, Lessor shall promptly satisfy and discharge such judgment or shall cause such judgment to be promptly satisfied and discharged. The obligations of Lessor under this Section arising by reason of any such occurrence taking place while this Lease is in effect shall survive any termination of this Lease.

9. DEFAULTS UNDER THIS LEASE

9.1 Should Lessor at any time (i) be in default hereunder and should such default continue for a period of thirty (30) days after notice by Lessee to Lessor under this Lease, or (ii) be in breach of the terms and conditions of this Lease or be in default in the prompt and full performance of any other of its promises, covenants or agreements herein contained and should such breach or default of performance continue for more than a reasonable time (in no event to exceed thirty (30) days) after written notice thereof from Lessee to Lessor specifying the particulars of such default or breach of performance, then Lessee may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and Lessee shall have the right to terminate this Lease.

9.2 Upon the occurrence of any such event or events of default and failure to cure within the time set forth in **Section 9.1** and at any time thereafter, Lessee shall have the right, at its election, to give written notice to Lessor stating that this Lease and the term hereby demised shall terminate on the date specified in such notice, and upon the date specified in such notice, this Lease and the term hereby demised and all rights of Lessor hereunder shall terminate. Upon such termination, Lessee shall quit and peacefully surrender to Lessor the Demised Premises.

9.3 Notwithstanding any other provision of this Section, Lessor agrees that if the default complained of, other than for the payment of moneys, is of such a nature that the same cannot be rectified or cured within the thirty (30) day period for rectification or curing as specified in the notice relating thereto, then such default shall be deemed to be rectified or cured if Lessee within such period of thirty (30) days shall have commenced the rectification and curing thereof and shall continue thereafter with all due diligence to effect such rectification and curing and does so complete the same with the use of such diligence as aforesaid.

10. CONDEMNATION

10.1 If the whole of the Demised Premises shall be taken or condemned under the right of eminent domain or if such a substantial part of the Demised Premises shall be taken as shall result in the portion remaining being unsuitable for the use being made thereof at the time of such taking, then this Lease shall terminate as of the date upon which title shall vest in such condemning authority. Any condemnation award shall be divided between Lessee and Lessor according to the values of their respective interests at the time of the taking, subject to the terms of the Indenture.

10.2 If only a part of the Demised Premises shall be so taken or condemned and the part not so taken can be adapted for the use then being made thereof (as reasonably determined by Lessee), this Lease shall remain in full force and effect.

10.3 In the event of a partial taking which shall not result in termination of this Lease, the condemnation proceeds shall be subject to the provisions of **Section 10.1** above.

10.4 Lessee hereby acknowledges and agrees that Lessor may intervene in any eminent domain proceedings against the Demised Premises.

11. SURRENDER

11.1 Except as provided otherwise in **Section 11**, upon the expiration or other termination of the Term, Lessee shall quit and surrender to Lessor the Demised Premises, including all improvements, buildings, replacements, changes, additions and improvements thereon, with all fixtures and equipment in or appurtenant thereto (but excluding any personal property of Lessee) in good condition and repair, reasonable wear and tear excepted.

12. RIGHT TO CURE LESSEE'S DEFAULTS

12.1 In the event Lessee shall breach any term, covenant or provision of this Lease, Lessor may at any time, without notice, cure such breach at its own expense, which expense shall not be subject to reimbursement by Lessee except as may be provided in the Development Agreement.

13. NOTICES

13.1 All notices, demands, requests, consents, approvals and other communications required or permitted hereunder shall be given by registered or certified mail, postage prepaid, or personally delivered during business hours, at the address shown in Section 1, above, or at such other address as either party shall from time to time designate in writing to the other. If mailed, a notice or other communication shall be deemed to have been given on the second business day after mailing.

14. [Reserved].**15. QUIET POSSESSION**

15.1 Lessor agrees that Lessee, upon paying the Tent and performing the covenants and conditions of this Lease, may quietly have, hold and enjoy the Demised Premises during the Term hereof or any renewal thereof.

16. ASSIGNMENT

16.1 Lessor may assign or sublease this Lease without the prior written consent of Lessee. Lessee may not assign or sublease this Lease without the prior written consent of Lessor in its sole discretion, which consent shall not be unreasonably withheld.

17. NON-DISTURBANCE AND ATTORNMENT

17.1 Except as set forth herein, so long as Lessee complies with all of the terms, provisions, agreements, covenants and obligations set forth in this Lease, Lessee's possession of the Demised Premises under this Lease shall not be disturbed or interfered with by any mortgagee or successor owner acquiring an interest in the Demised Premises. If such mortgagee or any other party (collectively, a "Successor Owner") succeeds to the interest of Lessor under this Lease and/or in the Demised Premises in any manner, including without limitation foreclosure, exercise of any power of sale, succession by deed in lieu or other conveyance (a

“Succession”), Lessee shall attorn to and shall be bound to such Successor Owner upon such Succession and shall recognize the Successor Owner as the Lessor under this Lease. Such attornment is effective and self-operative without the execution of any further instrument. Lessee, upon reasonable request of such Successor Owner, shall sign and deliver any instruments reasonably requested to evidence such attornment.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the parties have executed this Lease on this ____ day of _____, 2007, to be effective as of the first day of the Term as defined above.

Lessor:

Adler Commercial, LLC, a Missouri limited liability company

By _____
Name: _____
Title: _____

Lessee:

ADLER LOFTS TRANSPORTATION DEVELOPMENT DISTRICT, a political subdivision of the State of Missouri

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Demised Premises

A TRACT OF LAND BEING A PART OF LOT A OF “ADLER FRAME LOFTS CONDOMINIUMS”, REFERENCE BEING HAD TO THE PLAT THEREOF RECORDED IN THE RECORDER’S OFFICE OF THE CITY OF ST. LOUIS, IN PLAT BOOK 11172005 PAGE 0305 AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT A; THENCE SOUTH 87 DEGREES 32 MINUTES 19 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT A FOR A DISTANCE OF 206.00 FEET TO THE POINT OF BEGINNING OF THE HEREIN DESCRIBED WEST PARKING LOT LIMITS; THENCE SOUTH 87 DEGREES 27 MINUTES 30 SECONDS WEST ALONG SAID SOUTH LINE FOR A DISTANCE OF 24.00 FEET; THENCE LEAVING SAID SOUTH LINE, NORTH 02 DEGREES 27 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 5.03 FEET; THENCE SOUTH 87 DEGREES 32 MINUTES 19 SECONDS WEST FOR A DISTANCE OF 74.00 FEET; THENCE NORTH 02 DEGREES 27 MINUTES 41 SECONDS WEST FOR A DISTANCE OF 127.00 FEET; THENCE NORTH 87 DEGREES 32 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 90.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 19.00 FEET; THENCE NORTH 87 DEGREES 32 MINUTES 19 SECONDS EAST FOR A DISTANCE OF 27.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 54.00 FEET; THENCE SOUTH 87 DEGREES 27 MINUTES 30 SECONDS WEST FOR A DISTANCE OF 19.00 FEET; THENCE SOUTH 02 DEGREES 27 MINUTES 41 SECONDS EAST FOR A DISTANCE OF 59.00 FEET TO THE POINT OF BEGINNING AND ENCOMPASSING AN AREA OF 13,446 SQUARE FEET MORE OR LESS.

Approved: February 26, 2007