

ORDINANCE #69244
Board Bill No. 118

An Ordinance Recommended By The Board of Estimate and Apportionment modifying and amending and restating the terms of Ordinance No. 68431 of the City of St. Louis related to The Issuance And Delivery Of Not To Exceed \$32,000,000 Plus Issuance Costs Principal Amount Of Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project) Series 200_-A/B, Of The City Of St. Louis, Missouri; Prescribing The Form And Details Of Such Notes And The Covenants And Agreements Made By The City To Facilitate And Protect The Payment Thereof; Prescribing Other Matters Relating Thereto, And Containing A Severability Clause.

WHEREAS, the City of St. Louis, Missouri (the "City"), is a body corporate and 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, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865, Revised Statutes of Missouri, (the "TIF Act" or "Act"), authorizes the City to undertake redevelopment projects within designated areas of the City; and

WHEREAS, staff and consultants of the City and Dillard Building, LLC, an affiliate of Laurel TIF, Inc., a Missouri corporation (the "Initial Developer"), prepared a plan for redevelopment titled "The Laurel / 555 Washington TIF Redevelopment Plan" dated March 28, 2008, as may be amended from time to time (the "Redevelopment Plan"), for an area located in City Blocks 120 and 125 and commonly known as 505 Washington, 555 Washington and 601 Washington in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, such legal description being attached hereto and incorporated herein as Exhibit A; and

WHEREAS, on May 16, 2008, the TIF Commission found that completion of the Redevelopment Project (as hereinafter defined) would provide a substantial and significant public benefit through the elimination of blighting conditions, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, preservation of historic structures, facilitation of the economic stability of the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

WHEREAS, On July 28, 2008, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. 68100 [Board Bill No. 163] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund; and

WHEREAS, On August 27, 2009, the Mayor signed Ordinance No. 68430 [Board Bill No. 109], which amended Ordinance No. 68101 [Board Bill No. 164] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating Laurel TIF Apartments, Inc., a Missouri corporation ("Apartments Developer") as developer of the Apartments Component of the Redevelopment Area, and designating Laurel TIF Hotel, Inc., a Missouri corporation ("Hotel Developer") developer of the Hotel Component of the Redevelopment Area (Apartments Developer and Hotel Developer being, collectively, the "Developer"), and authorizing the City to enter into a redevelopment agreement with Apartments Developer with respect to the Apartments Component, and with Hotel Developer with the Hotel Component (collectively, such redevelopment agreement shall be referred to herein as the "Redevelopment Agreement"); and

WHEREAS, On July 28, 2008, the Mayor signed Ordinance No. 68102 [Board Bill No. 165] (the "Original Note Ordinance") authorizing the issuance of TIF Notes as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and the Redevelopment Project and pledging TIF Revenues to the payment of the TIF Notes; and

WHEREAS, on July 27, 2009, the Mayor signed Ordinance No. 68431 [Board Bill No. 110] (the "Original Restated Note Ordinance") altering the terms of the issuance of the TIF Notes to provide for the initial issuance of the TIF Notes to individuals and entities other than the Initial Developer; and

WHEREAS, the Redevelopment Agreements provides that the Redevelopment Project shall be carried out in two phases, respectively, the "Apartments Phase" and the "Hotel Phase", as therein described; and

WHEREAS, pursuant to the Redevelopment Plan and Redevelopment Agreements (as such term is hereinafter defined),

the City proposes to finance a portion of the costs of the Redevelopment Project by utilizing tax increment allocation financing in accordance with the TIF Act; and

WHEREAS, the City desires to issue, from time to time, its Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Apartments Phase), Series 200_-A/B, and (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200 -A/B (the “TIF Notes” or “Notes”), to provide funds for the aforesaid purpose, said Notes being payable solely from certain proceeds deposited into the Special Allocation Fund; and

WHEREAS, the City now desires to further alter the terms of the issuance of the TIF Notes to provide for the initial issuance of the TIF Notes to individuals and entities other than the Initial Developer and to revise the application and allocation of Hotel Phase Revenues into separate series without increasing the amount of Hotel Phase Revenues that are distributed; and

WHEREAS, the City has determined that it is in the best interest of the City to sell the Notes from time to time at a private sale, without advertisement, to the Original Purchaser (as hereinafter) at a price equal to 100% of their face value; and

WHEREAS, the City desires to repeal the Original Restated Note Ordinance and, in lieu thereof, enact this Note Ordinance, as necessary to facilitate the financing of the Redevelopment Project and the purchase of the TIF Notes by applying and allocating Hotel Phase Revenues into separate series without increasing the amount of Hotel Phase Revenues that are distributed.

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

SECTION ONE. Any TIF Notes issued pursuant to this Ordinance shall conform to the following terms and conditions.

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this ordinance (the “Ordinance”), the following capitalized words and terms, as used in this Ordinance, shall have the following meanings:

“Act” or “TIF Act” means the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri.

“Approved Investors” means (a) the Developer or a Related Entity, (b) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

“Approving Ordinance” means Ordinance No. 68100 [Board Bill No. 163] effective July 28, 2008, reaffirming the designation of the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, adopting tax increment allocation financing within the Redevelopment Area, and reaffirming the establishment of the Special Allocation Fund.

“Authorized Denominations” means an initial amount of \$100,000 or any integral multiple of \$1,000 in excess thereof, except with respect to the TIF Note issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs for any Phase, which TIF Note may be issued in any denomination, subject to the limitation on the aggregate Principal Amount, subject to the limitation provided in Section 2.1 of this Ordinance.

“Authorizing Ordinance” means Ordinance No. 68430 [Board Bill No. 109], which amends Ordinance No. 68101 [Board Bill No. 164], and was signed by the Mayor on August 27, 2009, affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of the Redevelopment Agreements with Apartments Developer and Hotel Developer for the construction of the Redevelopment Project pursuant to the Apartments Phase and the Hotel Phase respectively, and making certain findings related thereto.

“Available Revenues” means all monies on deposit from time to time (including investment earnings thereon) in (a) the PILOTS Account, (b) subject to annual appropriation, the EATS Account that have been appropriated to the repayment of the TIF Notes, (c) the CID Revenues Account of the Revenue Fund, and (d) the TDD Revenues Account of the Revenue Fund, and (e) the Hotel Revenue Fund of the Revenue Fund, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum;

“Bond Counsel” means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys

acceptable to the City of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Certificate of Commencement of Construction” means a document substantially in the form of Exhibit C to the Redevelopment Agreement, delivered by the Developer to the City in accordance with the Redevelopment Agreement and evidencing commencement of construction of the Redevelopment Project.

“Certificate of Reimbursable Redevelopment Project Costs” means a document substantially in the form of Exhibit D to the Redevelopment Agreement provided by the Developer to the City in accordance with Redevelopment Agreement evidencing Reimbursable Redevelopment Project Costs incurred by the Developer.

“Certificate of Substantial Completion” means a document substantially in the form of Exhibit E to a Redevelopment Agreement issued by the Developer named in such Redevelopment Agreement to the City in accordance with such Redevelopment Agreement and evidencing such Developer's satisfaction of all obligations and covenants to construct the Phase to which such Redevelopment Agreement applies in accordance with the Redevelopment Plan and such Redevelopment Agreement.

“CID” or “Community Improvement District” means the Laurel Community Improvement District, a community improvement district and political subdivision of the State of Missouri formed or to be formed by the City pursuant to Sections 67.1401 to 67.1571 RSMo. (2000) (the “CID Act”), which includes a portion of the Redevelopment Area.

“CID Project Costs” means the costs incurred by or on behalf of Developer with respect to the “Project” identified in that certain Petition to Establish the CID filed with the City (as amended and as may be further amended from time to time).

“CID Revenues” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the CID Sales Tax which are not captured as EATs but are instead pledged by the CID to the City for deposit in the CID Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of TIF Notes.

“CID Sales Tax” means a sales and use tax imposed by the CID of up to one percent (1%) upon all taxable retail sales within the CID pursuant to the CID Act.

“City” means the City of St. Louis, Missouri, a body corporate and political subdivision duly authorized and existing under its charter and the Constitution and laws of the State of Missouri.

“Debt Service Fund” means the fund by that name created in Section 4.1 of this Ordinance.

“Debt Service Reserve Fund” means the fund by the name created in Section 4.1 of this Ordinance.

“Debt Service Reserve Fund Requirement” means that amount as reasonably determined by the underwriter or placement agent for the TIF Notes with the reasonable concurrence of the City's Financial Advisor.

“Developer” means, with respect to the Apartments Phase, the Apartments Developer, and with respect to the Hotel Phase, the Hotel Developer.

“Disclosure Counsel” means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys acceptable to the City of nationally recognized standing in matters pertaining to offerings of municipal securities duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Economic Activity Taxes” or “EATs” shall have the meaning ascribed to such term in Section 99.805(4) of the TIF Act.

“EATs Account” means the EATs Account of the Special Allocation Fund, and containing such funds or accounts as specified herein.

“Finance Officer” means the Comptroller of the City or her authorized agent.

“Hotel Revenues” means all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels within the Redevelopment Area, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or

resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
 - (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
 - (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
 - (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto;
- and
- (e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto.

“Issuance Costs” means all costs reasonably incurred by the City in furtherance of the issuance of TIF Notes with respect to either Phase, including without limitation, the fees and expenses of financial advisors and consultants, the City's attorneys (including issuer's counsel, Disclosure Counsel, and Bond Counsel), the City's administrative fees and expenses (including fees and costs of its planning consultants and the St. Louis Development Corporation), underwriters' discounts and fees, if any, the costs of printing any TIF Notes and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any TIF Notes.

“Issuance Date” means the dated date of the TIF Notes.

“Maturity Date” means July 28, 2031, which is the date that is twenty-three (23) years after the effective date of the Approving Ordinance.

“Ordinance” or “Note Ordinance” means this Ordinance as from time to time amended in accordance with the terms hereof.

“Original Purchaser” means the Developer, a Related Entity, a Qualified Institutional Buyer or a Project Lender; provided, however, that any such Related Entity or Project Lender shall also qualify as an Approved Investor and shall be designated in writing by the Developer as the Original Purchaser.

“Owner” or “Registered Owner” means, when used with respect to any TIF Note, the person in whose name such TIF Note is registered.

“Payment Date” means, with respect to any TIF Note, each March 1 and September 1, commencing on the first March 1 or September 1 that immediately succeeds the City's acceptance of a Certificate of Substantial Completion for the Redevelopment Project.

“Payments in Lieu of Taxes” or “PILOTs” shall have the meaning ascribed to such term in Section 99.805(10) of the TIF Act.

“PILOTs Account” means the Payments in Lieu of Taxes Account of the Special Allocation Fund

“Phase” means, individually or collectively, as the case may be, the Apartments Phase or the Hotel Phase of the Redevelopment Project.

“Apartments Phase” means that portion of the Redevelopment Project which is described as Apartments Phase thereof, as set forth in the Redevelopment Plan and the Apartments Component Redevelopment Agreement.

“Apartments Phase Available Revenues” means those Available Revenues comprised of Apartments Phase Revenues.

“Apartments Component” means that certain portion of the Redevelopment Area to be developed into apartments uses.

“Apartments Developer” means Laurel TIF Apartments, Inc., a corporation incorporated and existing under the laws of the State of Missouri, and its permitted successors and assigns in interest.

“Apartments Phase” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing

building within the Redevelopment Area into apartments all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“Apartments Phase Property” means a portion of the Redevelopment Area, as identified and described on Exhibit A, attached hereto and incorporated herein by this reference.

“Apartments Phase Redevelopment Agreement” means that certain agreement by and between the City and the Apartments Developer, as authorized by the Authorizing Ordinance, and as may be amended from time to time.

“Apartments Phase Revenues” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Apartments Phase Property over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project, and (2) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Hotel Phase Property over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project, but subject to a cap equal to the base PILOTS paid by the Apartments Phase Property (hereinafter called the “Transferred Hotel PILOTS”).

“Apartments Phase Series A Account” means the account by that name created in Section 4.1 of this Ordinance.

“Apartments Phase Series A Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project - Apartments Phase), Series 200__-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, in substantially the form set forth in Exhibit B-1, attached hereto and incorporated herein by reference.

“Apartments Phase Series B Account” means the account by that name created in Section 4.1 of this Ordinance.

“Apartments Phase Series B Note” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, less the aggregate outstanding principal amount of the Series A Notes, in substantially the form set forth in Exhibit B-1, attached hereto and incorporated herein by reference.

“Apartments Phase TIF Notes” means any tax increment revenue notes issued by the City subject to the Apartments Phase Redevelopment Agreement between the City and the Apartments Developer and this Note Ordinance, to evidence the City's limited obligation to reimburse the Apartments Developer for certain costs incurred by the Apartments Developer on behalf of the City in accordance with the TIF Act.

“Hotel Phase” means that portion of the Redevelopment Project which is described as Hotel Phase thereof, as set forth in the Redevelopment Plan and the Hotel Phase Redevelopment Agreement.

“Hotel Phase Available Revenues” means those Available Revenues comprised of Hotel Phase Revenues.

“Hotel Component” means that certain portion of the Redevelopment Area to be developed into hotel and retail uses.

“Hotel Developer” means Laurel TIF Hotel, Inc., a corporation duly incorporated and existing under the laws of the State of Missouri, and its permitted successors and assigns in interest.

“Hotel Phase” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into a mix of retail and hotel uses, all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“Hotel Phase Property” means a portion of Redevelopment Area, as identified and described on Exhibit A, attached hereto and incorporated herein by this reference.

“Hotel Phase Redevelopment Agreement” means that certain agreement by and between the City and the Hotel Developer, as authorized by the Authorizing Ordinance, and as may be amended from time to time.

“Hotel Phase Revenues” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Hotel Phase Property over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project, less that portion of the Hotel Phase Property PILOTS attributable to the Apartments Phase Revenues (hereinafter called the “Remaining Hotel PILOTS”), (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the Hotel Phase Property and the Apartments Phase Property over the amount of such taxes generated by economic activities within the Hotel Phase Property and the Apartments Phase Property in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, and licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all as provided in Section 99.845 of the TIF Act, (3) CID Revenues generated within the Hotel Phase Property and the Apartments Phase Property, (4) TDD Revenues generated within the Hotel Phase Property and the Apartments Phase Property, and (5) the Hotel Revenues (defined above). Notwithstanding the foregoing, Hotel Phase Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

“Hotel Phase Series A Account” means the account by that name created in Section 4.1 of this Ordinance.

“Hotel Phase Series A PILOTS Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, in substantially the form set forth in **Exhibit B-2(a)**, attached hereto and incorporated herein by reference.

“Hotel Phase Series A Other Revenues Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, in substantially the form set forth in **Exhibit B-2(b)**, attached hereto and incorporated herein by reference.

“Hotel Phase Series A Notes” means, collectively, the Hotel Phase Series A PILOTS Notes and the Hotel Phase Series A Other Revenues Notes.

“Hotel Phase Series B Account” means the account by that name created in Section 4.1 of this Ordinance.

“Hotel Phase Series B PILOTS Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note(s) (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, less the aggregate outstanding principal amount of the Hotel Phase Series A Notes, in substantially the forms set forth in **Exhibit B-2(a)**, attached hereto and incorporated herein by reference.

“Hotel Phase Series B Other Revenues Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note(s) (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$_____ plus Issuance Costs, less the aggregate outstanding principal amount of the Hotel Phase Series A Notes, in substantially the forms set forth in **Exhibit B-2(b)**, attached hereto and incorporated herein by reference.

“Hotel Phase Series B Notes” means, collectively, the Hotel Phase Series B PILOTS Notes and the Hotel Phase Series B Other Revenues Notes.

“Hotel Phase PILOTS TIF Notes” means, collectively, the Hotel Phase Series A PILOTS Notes and the Hotel Phase Series B PILOTS Notes.

“Hotel Phase Other Revenues TIF Notes” means, collectively, the Hotel Phase Series A Other Revenues Notes and the Hotel Phase Series B Other Revenues Notes.

“Hotel Phase TIF Notes” means any tax increment revenue notes issued by the City subject to the Hotel Phase Redevelopment Agreement between the City and the Hotel Developer and this Note Ordinance, to evidence the City’s limited obligation to reimburse the Hotel Developer for certain costs incurred by the Hotel Developer on behalf of the City in accordance

with the TIF Act.

“PILOTS Account” means the PILOTS Account of the Special Allocation Fund, and containing such further accounts or funds as herein specified.

“Project Fund” means the Project Fund, created in Section 4.1 of this Ordinance.

“Project Lender” means a commercial bank, savings bank, savings and loan association, credit union or other financial institution that has loaned funds to either Developer to be used for construction of either Phase the Redevelopment Project and has secured such loan with a mortgage or security interest in such Phase of the Redevelopment Project.

“Qualified Institutional Buyer” means a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933.

“Redevelopment Agreements” means collectively or individually, as the case may be, the Apartments Phase Redevelopment Agreement and the Hotel Phase Redevelopment Agreement.

“Redevelopment Area” means the real property legally described and set forth on Exhibit A, attached hereto and incorporated herein by reference.

“Redevelopment Plan” means the plan titled “The Laurel / 555 Washington TIF Redevelopment Plan” dated March 28, 2008, as may be amended from time to time, and as approved by the City pursuant to the Approving Ordinance, as such plan may from time to time be amended in accordance with the TIF Act.

“Redevelopment Project” or “The Laurel / 555 Washington Redevelopment Project” means the redevelopment project as identified by the Redevelopment Plan and Redevelopment Agreements.

“Register” or “Note Register” means the books for registration, transfer and exchange of the TIF Notes kept at the office of the Finance Officer.

“Reimbursable Redevelopment Project Costs” means those Redevelopment Project Costs for which the Developer is eligible for reimbursement in accordance with the TIF Act and in accordance with the Redevelopment Agreement.

“Related Entity” means any party or entity related to the Developer by one of the relationships described in Section 267(b), Section 707(b)(1)(A) or Section 707(b)(1)(B) of the Internal Revenue Code of 1986, as amended.

“Revenue Fund” means the fund by that name created in Section 4.1 of this Ordinance.

“Apartments Phase Debt Service Reserve Fund” means the fund by the name created in Section 4.1 of this Ordinance.

“Apartments Phase Debt Service Reserve Fund Requirement” means that amount as reasonably determined by the underwriter or placement agent for the TIF Notes with the reasonable concurrence of the City's Financial Advisor with respect to the Apartments Phase TIF Notes.

“Hotel Phase Debt Service Reserve Fund” means the fund by the name created in Section 4.1 of this Ordinance.

“Hotel Phase Debt Service Reserve Fund Requirement” means that amount as reasonably determined by the underwriter or placement agent for the TIF Notes with the reasonable concurrence of the City's Financial Advisor with respect to the Hotel Phase TIF Notes.

“Special Allocation Fund” means the City of St. Louis, Missouri, The Laurel / 555 Washington Special Allocation Fund created pursuant to the Redevelopment Plan and including the accounts for the Redevelopment Project into which Apartments Phase Revenues and Hotel Phase Revenues are from time to time deposited in accordance with the TIF Act and this Ordinance, including a PILOTS Account and an EATS Account.

“Taxable TIF Notes” means any TIF Note, the interest on which (in the opinion of Bond Counsel), is not exempt from federal income taxation.

“Tax-Exempt TIF Notes” means any TIF Note, the interest on which (in the opinion of Bond Counsel), is exempt from

federal income taxation.

“TDD” or “Transportation Development District” means the Laurel Transportation Development District, a transportation development district and political subdivision of the State of Missouri formed or to be formed pursuant to Sections 238.200 to 238.275 RSMo. (2000) (the “TDD Act”), which includes a portion of the Redevelopment Area.

“TDD Act” means the Missouri Transportation Development District Act, Sections 238.200 to 238.275, Revised Statutes of Missouri (2000), as amended.

“TDD Project Costs” means the costs incurred by or on behalf of Developer with respect to that certain

“Transportation Project” as defined in that certain Petition to Establish a Transportation Development District filed with the Circuit Court of the City of St. Louis with respect to the TDD.

“TDD Revenues” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the TDD Sales Tax which are not captured as EATs but are instead pledged by the TDD to the City for deposit in the TDD Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of TIF Notes.

“TDD Sales Tax” means a sales and use tax imposed by the TDD of up to one percent (1%) upon all taxable retail sales within the TDD pursuant to the TDD Act.

“TIF Notes” or “Notes” means, individually or collectively, as the case may be, the Apartments Phase TIF Notes and the Hotel Phase TIF Notes.

Section 1.2 Rules of Construction. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

Words of masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Words importing the singular number shall include the plural and vice versa and words importing person shall include firms, associations and limited liability companies, including public bodies. The headings and captions herein are not a part of this document.

Terms used in an accounting context and not otherwise defined shall have the meaning ascribed to them by generally accepted principles of accounting.

Whenever an item or items are listed after the word “including,” such listing is not intended to be an exhaustive listing that excludes items not listed.

ARTICLE II AUTHORIZATION OF TIF NOTES

Section 2.1 Authorization of TIF Notes. There are hereby authorized and directed to be issued by the City to the Original Purchaser one or more series of the Apartments Phase TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs, and one or more series of the Hotel Phase TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs; provided the total amount of TIF Notes cannot exceed \$32,000,000 plus Issuance Costs. The Apartments Phase TIF Notes shall be in substantially the form of **Exhibit B-1**, and the Hotel Phase TIF Notes shall be in substantially the form of **Exhibit B-2(a)** and **Exhibit B-2(b)**, attached hereto and incorporated herein by reference.

Section 2.2 Description of TIF Notes.

(a) Title of TIF Notes.

(i) There shall be issued one series of one or more Apartments Phase Series A TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs authorized hereunder and one series of one or more Apartments Phase Series B TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs less the aggregate principal amount of Apartments Phase Series A TIF Notes. The Apartments Phase Series A TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Apartments Phase), Series 200_-A”. The Apartments Phase Series B TIF Notes shall

be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Apartments Phase), Series 200_-B”. The TIF Notes may have such further appropriate particular designation added to or incorporated in such title for the TIF Notes of any particular series as the City may determine.

(ii) There shall be issued one series of one or more Hotel Phase Series A TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs authorized hereunder and one series of two or more Hotel Phase Series B TIF Notes in an aggregate principal amount not to exceed \$_____ plus Issuance Costs less the aggregate principal amount of Hotel Phase Series A TIF Notes. The Hotel Phase Series A TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200_-A”. The Hotel Phase Series B TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200_-B”; the Hotel Phase TIF Notes shall be separated into one or more series that are secured by the Hotel Phase PILOTs Fund and after payment in full of the Hotel Phase Other Revenues TIF Notes, first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account and known as the “Hotel Phase Series A/B PILOTs TIF Notes” and a one or more series that are secured by the EATs Fund the CID Revenues Account, the TDD Revenues Account, and the Hotel Revenues Account and after payment in full of the Hotel Phase PILOTs TIF Notes the Hotel Phase PILOTs Fund and known as the “Hotel Phase Series A/B Other Revenues TIF Notes”. The TIF Notes may have such further appropriate particular designation added to or incorporated in such title for the TIF Notes of any particular series as the City may determine. PILOTs Fund, then after payment in full of the Hotel Phase Other Revenues TIF Notes, first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account for the purposes and in the amounts as follows:

(b) Form of TIF Notes. The TIF Notes shall be substantially in the form set forth in **Exhibit B-1** and **Exhibit B-2(a)** and **Exhibit B-2(b)**, attached hereto and incorporated herein by reference, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

(c) Terms of TIF Notes. The TIF Notes shall mature (subject to redemption and payment prior to maturity as provided in Article III hereof), on the date that is twenty-three (23) years after the effective date of the Approving Ordinance, which is July 28, 2031. Each TIF Note shall bear interest at a fixed rate per annum determined on the date that is not less than ten (10) and not more than sixty (60) business days prior to the scheduled closing date for issuance of the TIF Notes (the “Pricing Date”) based on the municipal yield curve for general obligation bonds (the “MMD”) compiled by Municipal Market Data Line ® (or its successors) and published by Thomson Financial, an operating unit of The Thomson Corporation (or its successors) using the MMD yield published as of the Issuance Date for general obligation bonds rated “AAA” that mature in the same year as the TIF Notes, (i) plus four percent (4%) if the interest on such TIF Note, in the opinion of Bond Counsel, is not exempt from Federal income taxation (the “Taxable Rate”), or (ii) plus two percent (2%) if the interest on such TIF Note, in the opinion of Bond Counsel, is exempt from Federal income taxation (the “Tax Exempt Rate”); provided, in no event shall the interest rate on the TIF Notes exceed ten percent (10%) per annum. All TIF Notes shall have a stated maturity of the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

(d) Denominations. The TIF Notes shall be issuable as fully registered TIF Notes in Authorized Denominations.

(e) Numbering. Unless the City directs otherwise, each series of TIF Notes shall be numbered from R-1 upward.

(f) Dating. The TIF Notes shall be dated as provided in Section 2.7, as evidenced by the Finance Officer's signature on Schedule A to each TIF Note.

(g) Evidence of Principal Payments. The payment of principal of the TIF Notes on each Payment Date shall be noted on the TIF Notes on Schedule A thereto. The original Schedule A to the TIF Note shall be held by the Finance Officer in trust, unless otherwise directed in writing by the Owners thereof. If such Schedule A is held by the Finance Officer, the Finance Officer shall, on each Payment Date, send a revised copy of Schedule A via facsimile to the Owner. Absent manifest error, the amounts shown on Schedule A held by the Finance Officer shall be conclusive evidence of the principal amount paid on the TIF Notes.

(h) Sale of TIF Notes. When TIF Notes have been executed and authenticated as required by this Ordinance, the Finance Officer shall hold the TIF Notes in trust or, if directed in writing by the Owners thereof, deliver the TIF Notes to or upon the order of the Owners thereof, as provided in paragraph (g) above, but only upon payment to the City of a purchase price equal to one hundred percent (100%) of the face amount of the TIF Notes, which payment shall be deemed to have occurred under the

circumstances described in Section 4.5 of this Ordinance.

Section 2.3 Finance Officer to Serve as Paying Agent and Registrar. The Finance Officer or the authorized representative thereof is hereby designated as the paying agent for the payment of principal of and interest on the TIF Notes and the bond registrar with respect to the registration, transfer and exchange of the TIF Notes and for allocating and holding funds as provided herein.

Section 2.4 Security for TIF Notes. The Apartments Phase Series A TIF Notes shall be equally and ratably secured by Apartments Phase Available Revenues. The Apartments Phase Series B TIF Notes shall be equally and ratably secured by the Apartments Phase Available Revenues on a subordinate basis to the Apartments Phase Series A TIF Notes. The Hotel Phase Series A TIF Notes shall be equally and ratably secured by Hotel Phase Available Revenues. The Hotel Phase Series B TIF Notes shall be equally and ratably secured by the Hotel Phase Available Revenues on a subordinate basis to the Hotel Phase Series A TIF Notes. The TIF Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The taxing power of the City is not pledged to the payment of the TIF Notes either as to principal or interest. The TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. TIF Notes for each Phase may be issued in two series, with one series subordinate to TIF Notes of the other series for that Phase issued hereunder (the "Subordinate Notes"), such that no payment of principal or interest on any such Subordinate Notes may be made while any TIF Notes are outstanding. **THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).**

Section 2.5 Method and Place of Payment of TIF Notes. The principal of and interest on the TIF Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. Payment shall be made by the Finance Officer as provided in this Note Ordinance and as set forth in Exhibit B. Principal and interest shall be payable by check or draft at the office of the Finance Officer or by wire transfer to the person in whose name such TIF Note is registered on the Register on each Payment Date.

Section 2.6 Registration, Transfer and Assignment. So long as the TIF Notes remain outstanding, the City shall cause to be kept at the office of the Finance Officer books for the registration, transfer and exchange of the TIF Notes as herein provided. The TIF Notes when issued shall be registered in the name of the Original Purchaser thereof on the Register.

The TIF Notes and beneficial interest therein may only be purchased by an Original Purchaser and transferred or assigned to the Developer, a Related Entity, a Qualified Institutional Buyer or Project Lender upon the execution by each proposed purchaser, transferee or assignee of a letter in substantially the form of **Exhibit C**, attached hereto and incorporated herein by reference, stating that such Original Purchaser, transferee or assignee (i) is an Approved Investor and (ii) has sufficient knowledge and experience in business and financial matters in general, and investments such as the TIF Notes in particular, to enable the Original Purchaser, transferee or assignee to evaluate the risks involved in an investment in the TIF Notes. The TIF Notes may be transferred and exchanged only upon the records of the City. Upon surrender of a TIF Note to the Finance Officer, the Finance Officer shall transfer or exchange the TIF Notes for a new TIF Note or TIF Notes, which shall be (i) in the form of fully registered Notes without coupons in minimum denominations of One Thousand Dollars (\$1,000), except with respect to the TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which TIF Notes may be issued in any denomination, subject to the limitation on the aggregate principal amount, and (ii) of the same Maturity Date and in the same aggregate principal amount outstanding as the TIF Note which was presented for transfer or exchange. The TIF Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Owner thereof or by the Owner's duly authorized agent. Upon any transfer, exchange or assignment as provided in this Section, the transferor shall reimburse the City for all of the reasonable out-of-pocket costs incurred by the City in connection with the administration of such transfer, exchange or assignment.

Section 2.7 Execution, Authentication and Delivery of the TIF Notes. Each of the TIF Notes, including any TIF Notes issued in exchange or as substitution for the TIF Notes initially delivered, shall be signed by the manual or facsimile signature of the Mayor and the Finance Officer of the City, attested by the manual or facsimile signature of the City Register, and shall have the official seal of the City affixed thereto or imprinted thereon. If any officer whose signature appears on any TIF Note ceases to be such officer before the delivery of such TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any TIF Note may be signed by such persons who at the actual time of the execution of such TIF Note are the proper officers to sign such TIF Note although at the date of such TIF Note such persons may not have been such officers.

The Mayor, Finance Officer and City Register are hereby authorized and directed to prepare and execute the TIF Notes

as hereinbefore specified, and when duly executed, to deliver the TIF Notes to the Finance Officer for authentication.

The TIF Notes shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Schedule A** of each TIF Note, which shall be manually executed by an authorized signatory of the Finance Officer, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the TIF Notes that may be issued hereunder at any one time. No TIF Note shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose until the certificate of authentication has been duly executed by the Finance Officer. Such executed certificate of authentication upon any TIF Note shall be conclusive evidence that such TIF Note has been duly authenticated and delivered under this Ordinance.

The TIF Notes for each Phase shall be initially executed and authenticated by the City upon the last to occur of the following: (i) acceptance or deemed acceptance of the Certificate of Substantial Completion with respect to such Phase; (ii) approval of a Certificate of Reimbursable Redevelopment Project Costs with respect to such Phase; (iii) receipt of an opinion of Bond Counsel regarding the taxable nature of the TIF Notes; (iv) the full payment of all advances required to be paid under Section 2.2 of the Redevelopment Agreement with respect to such Phase; and (v) receipt of such other documentation as the City shall reasonably require of the Developer for such Phase and any Original Purchaser, in order for the City to obtain an opinion of Bond Counsel as required by this Section 5.1 of the Redevelopment Agreement for such Phase.

Upon the Developer's satisfaction of the foregoing conditions and upon approval of each Certificate of Reimbursable Redevelopment Project Costs, the Finance Officer shall either: (i) at the request of the City upon instructions of the Developer, endorse an outstanding TIF Note on Schedule A thereto to evidence an increase in the aggregate principal amount equal to such Reimbursable Redevelopment Project Costs, or (ii) at the request of the City upon instructions of the Developer issue a new TIF Note in a principal amount equal to such Reimbursable Redevelopment Project Costs, or any combination thereof. Each date of endorsement of each such TIF Note shall be the date of acceptance by the City of each Certificate of Reimbursable Redevelopment Project Costs except that the initial endorsement of each TIF Note shall be dated the Issuance Date of such TIF Note. Thereupon, pursuant to Section 2.2(h), the TIF Notes shall either be held or delivered to or upon the order of the party submitting the Certificate of Reimbursable Redevelopment Project Costs relating to such TIF Notes. Upon acceptance by the City of such a Certificate of Reimbursable Redevelopment Project Costs in accordance with a Redevelopment Agreement and upon execution and authentication of the TIF Notes as required by this Ordinance, the Developer shall be deemed to have advanced funds to the City in an amount equal to the purchase price of the TIF Notes, which shall be one hundred percent (100%) of the face amount of the TIF Notes, and, upon the issuance of an endorsement of the TIF Notes as provided in the preceding paragraph, the City shall be deemed to have reimbursed the Developer in full for such Reimbursable Redevelopment Project Costs with respect to such Phase.

Section 2.8 Mutilated, Lost and Stolen TIF Notes. If any mutilated TIF Note is surrendered to the Finance Officer or the Finance Officer receives evidence to his/her satisfaction of the destruction, loss or theft of any TIF Note and there is delivered to the Finance Officer such security or indemnity as may be required by it to save the City and the Finance Officer harmless, then, in the absence of notice to the Finance Officer that such TIF Note has been acquired by a bona fide purchaser, the City shall execute and the Finance Officer shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen TIF Note, a new TIF Note with the same Maturity Date and of like tenor and principal amount. Upon the issuance of any new TIF Note under this Section, the City and the Finance Officer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. If any such mutilated, destroyed, lost or stolen TIF Note has become or is about to become due and payable, the Finance Officer may, in its discretion, pay such TIF Note instead of issuing a new TIF Note.

Section 2.9 Cancellation, Discharge and Abatement of TIF Notes. All TIF Notes that have been paid or redeemed or that otherwise have been surrendered to the Finance Officer, either at or before the Maturity Date, shall be canceled and destroyed by the Finance Officer in accordance with existing security regulations upon the payment or redemption of such TIF Note and the surrender thereof to the Finance Officer. The Finance Officer shall execute a certificate in duplicate describing the TIF Notes so cancelled and destroyed, and shall file an executed counterpart of such certificate with the City.

NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE TIF NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN THE REDEVELOPMENT AGREEMENT.

ARTICLE III REDEMPTION AND PAYMENT OF PRINCIPAL AND INTEREST

Section 3.1 Optional Redemption. The TIF Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption. The TIF Notes shall be called by the City for optional redemption pursuant

to this Section without the necessity of any action by the City other than as provided in Section 4.3 of this Ordinance. If only a partial redemption is to occur, then each TIF Note from within a Series shall be redeemed in the order of maturity designated by the City, and within any maturity the TIF Notes shall be redeemed in Authorized Denominations by the City in such manner as it may determine. In the event of an optional redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days (five days if all of the Notes are owned by the Developer) and not more than sixty (60) days prior to the date fixed for redemption, to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

All official notices of optional redemption shall be dated and shall contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all outstanding Notes are to be redeemed, the identification number and maturity date(s) (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed; (d) a statement that on the redemption date the redemption price will become due and payable upon each Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and (e) the place where such Notes are to be surrendered for payment of the redemption price, which shall be the office of the Finance Officer. The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Section 3.2 Special Mandatory Redemption. All TIF Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, which amount of principal being redeemed shall be an amount equal to Apartments Phase Available Revenues (with respect to Apartments Phase TIF Notes) or Hotel Phase Available Revenues (with respect to Hotel Phase TIF Notes) then on deposit in the applicable account of the Special Allocation Fund and which will not be required for the payment of interest on such Payment Date.

In the event of a special mandatory redemption of any Notes with a Registered Owner other than Developer or a Related Entity, unless waived by such Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption, to each Registered Owner other than Developer or a Related Entity of the Notes to be redeemed at the address shown on the Note Register.

Section 3.3 Selection of Notes to be Redeemed. TIF Notes shall be redeemed only in Authorized Denominations. When less than all of the outstanding TIF Notes are to be redeemed and paid prior to maturity, such TIF Notes or portions of TIF Notes from within the same Series to be redeemed shall be selected in Authorized Denominations by the Finance Officer in such equitable manner as it may determine. In the case of a partial redemption of TIF Notes from within the same Series when TIF Notes of denominations greater than the minimum Authorized Denomination are then outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate TIF Note of the denomination of the minimum Authorized Denomination.

Section 3.4 Notice and Effect of Call for Redemption. In the event of any optional or special mandatory redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

All official notices of redemption shall be dated and shall contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed; (d) a statement that on the redemption date the redemption price will become due and payable upon each Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and (e) the place where such Notes are to be surrendered for payment of the redemption price, which shall be the office of the Finance Officer. The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption. All Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

ARTICLE IV FUNDS AND REVENUES

Section 4.1 Creation of Funds and Accounts. There are hereby created or ratified and ordered to be established in the treasury of the City the Special Allocation Fund into which all TIF Revenues shall be deposited, and within it the following separate funds and accounts:

- (a) PILOTS Account, and within it (i) an Apartments Phase PILOTS Account and (ii) an Hotel Phase PILOTS Account;
- (b) an EATS Account, and within it, (i) an Apartments Phase EATS Account, and (ii) an Hotel Phase EATS Account;
- (c) Revenue Fund and, within it,
 - (i) an PILOTS Fund, and within that:
 - (A) an Apartments Phase PILOTS Fund; and
 - (B) an Hotel Phase PILOTS Fund; and
 - (ii) an EATS Fund, and within that:
 - (A) an Apartments Phase EATS Fund; and
 - (B) an Hotel Phase EATS Fund; and
 - (iii) an CID Revenues Account; and
 - (iv) an TDD Revenues Account; and
 - (v) a Hotel Revenues Account into which all Hotel Revenues shall be deposited.
- (d) a Debt Service Fund, and, within it, an Debt Service Fund, and within it:
 - (i) an Apartments Phase Debt Service Fund, and within it:
 - (A) an Apartments Phase Series A Account; and
 - (B) an Apartments Phase Series B Account; and
 - (ii) an Hotel Phase Debt Service Fund, and within it:
 - (A) a Hotel Phase Series A Account; and within it:
 - (i) an PILOTS Note Account; and
 - (ii) an Other Revenues Note Account; and
 - (B) a Hotel Phase Series B Account; and within it:
 - (i) an PILOTS Note Account; and
 - (ii) an Other Revenues Note Account; and
- (e) an Apartments Phase Debt Service Reserve Fund, if established on the Issuance Date; and
- (f) an Hotel Phase Debt Service Reserve Fund, if established on the Issuance Date; and
- (g) a Project Fund.

Section 4.2 Administration of Funds and Accounts. The Special Allocation Fund and the funds and accounts established therein shall be maintained in the treasury of the City and administered by the City solely for the purposes and in the manner as provided in the Act, this Ordinance, the Approving Ordinance, and the Authorizing Ordinance so long as any TIF Notes remain outstanding hereunder.

Section 4.3 Revenue Fund.

(a) On or before the date that is five (5) days prior to each Payment Date while the TIF Notes remain outstanding, the City shall transfer and deposit:

(i) Those Apartments Phase Available Revenues attributable to PILOTs into the Apartments Phase PILOTs Fund of the PILOTs Fund of the Revenue Fund; and

(ii) Those Hotel Phase Available Revenues attributable to PILOTs (in an amount equal to the Remaining Hotel PILOTs) into the Hotel Phase PILOTs Fund of the PILOTs Fund of the Revenue Fund; and

(iii) Those Hotel Phase Available Revenues attributable to EATs into the Hotel Phase EATs Fund of the EATs Fund of the Revenue Fund; and

(iv) Those Hotel Phase Available Revenues attributable to CID Revenues into the Hotel Phase CID Revenues Account of the CID Revenues Account; and

(v) Those Hotel Phase Available Revenues attributable to TDD Revenues into the Hotel Phase TDD Revenues Account of the TDD Revenues Account; and

(vi) Those Hotel Revenues into the Hotel Revenue Account of the Revenues Fund.

(b) Apartments Phase Available Revenues in the Revenue Fund (and Hotel Phase Available Revenues, if no Hotel Phase TIF Notes are outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account, fourth from the TDD Revenues Account, and fifth from the Hotel Revenues Account for the purposes and in the amounts as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Apartments Phase TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Apartments Phase TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Apartments Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Apartments Phase Series A TIF Notes on each Payment Date;

Fourth, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Apartments Phase Series A TIF Notes on each Payment Date;

Fifth, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Apartments Phase Series A TIF Notes on the next succeeding Payment Date;

Sixth, for transfer to the Apartments Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the Apartments Phase Debt Service Reserve Fund if the amount on deposit in the Apartments Phase Debt Service Reserve Fund is less than the Apartments Phase Debt Service Reserve Requirement;

Seventh, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Apartments Phase Series A TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date;

Eighth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Apartments Phase Series B Note on each Payment Date;

Ninth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Apartments

Phase Series B Note on each Payment Date;

Tenth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Apartments Phase Series B Notes on the next succeeding Payment Date;

Eleventh, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Apartments Phase Series B Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date; and

Twelfth, if no Apartments Phase TIF Notes are outstanding, all Apartments Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Hotel Phase, and shall be used to pay principal and interest on Hotel Phase TIF Notes in the same manner as Hotel Phase Available Revenues as set forth herein.

Thirteenth, all other remaining money in the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account, the Apartments Phase TDD Revenues Account, and the Hotel Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

(c) Hotel Phase Available Revenues in the Revenue Fund (and Apartments Phase Available Revenues if no Apartments Phase TIF Notes are then outstanding) shall be applied for the purposes and in the amounts as follows:

(i) With respect to the Hotel Phase PILOTs TIF Notes: first from the PILOTs Fund, then after payment in full of the Hotel Phase Other Revenues TIF Notes, first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account for the purposes and in the amounts as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase PILOTs TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Hotel Phase PILOTs TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Hotel Phase Series A PILOTs Notes on each Payment Date;

Fourth, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series A PILOTs Notes on each Payment Date

Fifth, to the PILOTs Note Account of Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series A PILOTs Notes on the next succeeding Payment Date;

Sixth, for transfer to the PILOTs Note Account of the Hotel Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the PILOTs Note Account of the Hotel Phase Debt Service Reserve Fund if the amount on deposit in the PILOTs Note Account of Hotel Phase Debt Service Reserve Fund is less than the Hotel Phase Debt Service Reserve Requirement [attributable to the Hotel Phase PILOTs TIF Notes];

Seventh, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series A PILOTs TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date until such time as the Hotel Phase Series A PILOTs TIF Notes are paid in full;

Eighth, if no Hotel Phase Series A PILOTs TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Hotel Phase Series B PILOTs Note on each Payment Date;

Ninth, if no Hotel Phase Series A PILOTs TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase

Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series B PILOTs Note on each Payment Date;

Tenth, if no Hotel Phase Series A TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series B PILOTs Notes on the next succeeding Payment Date;

Eleventh, if no Hotel Phase Series A TIF PILOTs Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series B PILOTs Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date until such time as the Hotel Phase Series B PILOTs TIF Notes are paid in full;

Twelfth, if no Hotel Phase PILOTs TIF Notes are outstanding, all PILOTs Note Available Revenues shall be applied for the purposes set forth in the Hotel Phase Other Revenues Notes, as set forth in the Note Ordinance;

Thirteenth, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth in the Note Ordinance; and

Fourteenth, after payment in full of the Hotel Phase TIF Notes and the Apartments Phase TIF Notes, all other remaining money in the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

(ii) With respect to the Hotel Phase Other Revenues TIF Notes: first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account, then from and after payment in full of the Hotel Phase PILOTs TIF Notes, from the PILOTs Fund for the purposes and in the amounts as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase Other Revenues TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Hotel Phase Other Revenues TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Hotel Phase Series A Other Revenues Notes on each Payment Date;

Fourth, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series A Other Revenues Notes on each Payment Date

Fifth, to the Other Revenues Note Account of Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series A Other Revenues Notes on the next succeeding Payment Date;

Sixth, for transfer to the Other Revenues Note Account of the Hotel Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the PILOTs Note Account of the Hotel Phase Debt Service Reserve Fund if the amount on deposit in the Other Revenues Note Account of Hotel Phase Debt Service Reserve Fund is less than the Hotel Phase Debt Service Reserve Requirement [attributable to the Hotel Phase Other Revenues TIF Notes]

Seventh, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series A Other Revenues TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date until such time as the Hotel Phase Series A Other Revenue TIF Notes are paid in full;

Eighth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing

as a result of prior deficiencies of moneys to pay interest due on the Hotel Phase Series B Other Revenues Note on each Payment Date;

Ninth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series B Other Revenues Note on each Payment Date;

Tenth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series B Other Revenues Notes on the next succeeding Payment Date;

Eleventh, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series B Other Revenues Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date until such time as the Hotel Phase Series A Other Revenues TIF Notes are paid in full;

Twelfth, if no Hotel Phase Other Revenues TIF Notes are outstanding, all Other Revenues Note Available Revenues shall be applied for the purposes set forth in the Hotel Phase PILOTs Notes, as set forth in the Note Ordinance;

Thirteenth, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth in the Note Ordinance; and

Fourteenth, after payment in full of the Apartments Phase TIF Notes and the Hotel Phase TIF Notes, all other remaining money in the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable..

If monies available in the Special Allocation Fund are insufficient to reimburse the City as provided above on any Payment Date, then the unpaid portion shall be carried forward to the next Payment Date, with interest thereon at the same rate as the Apartments Phase Series A TIF Notes.

(d) Upon the payment in full of the principal of and interest on all TIF Notes (or provision has been made for the payment thereof as specified in the Note Ordinance), payment in full of the fees and expenses of the Finance Officer and the St. Louis Development Corporation, and payment in full of any other amounts required to be paid under this Ordinance, all amounts remaining on deposit in the Revenue Fund shall be declared as surplus and distributed in the manner provided in the Act.

Section 4.4 Debt Service Fund.

(a) All amounts paid and credited to the Debt Service Fund shall be expended solely for (i) the payment of the principal of and interest on the TIF Notes as the same mature and become due or upon the redemption thereof, said TIF Notes all being subject to special mandatory redemption thereof, or (ii) to purchase Notes for cancellation prior to maturity.

(b) The City hereby authorizes and directs the Finance Officer to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the TIF Notes as the same become due and payable, and to make said moneys so withdrawn available for the purpose of paying said principal of and interest on the TIF Notes.

(c) After payment in full of the principal of and interest on the TIF Notes (or provision has been made for the payment thereof as specified in this Ordinance), payment of the fees and expenses of the Finance Officer, and payment of any other amounts required to be paid under this Ordinance, all amounts remaining in the Debt Service Fund shall be declared as surplus and distributed in the manner provided in the Act.

Section 4.5 Project Fund. Upon acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance or endorsement of a TIF Note pursuant to Section 2.7 of this Ordinance, the Developer shall be deemed to have advanced funds necessary to purchase such TIF Note and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer or paid for in full for such costs from the amounts deemed to be on deposit in the Project Fund.

Section 4.6 Debt Service Reserve Fund. Except as herein otherwise provided, funds on deposit in the Apartments

Phase Debt Service Reserve Fund shall be used and applied by the Finance Officer solely to prevent a default in the event moneys on deposit in the Apartments Phase Debt Service Fund shall be insufficient to pay the principal of and interest on the Apartments Phase Series A TIF Notes as the same become due, and funds on deposit in the Hotel Phase Debt Service Reserve Fund shall be used and applied by the Finance Officer solely to prevent a default in the event moneys on deposit in the Hotel Phase Debt Service Fund shall be insufficient to pay the principal of and interest on the Hotel Phase Series A TIF Notes as the same become due. The Finance Officer may disburse and expend moneys from the Apartments Phase Debt Service Reserve Fund and Hotel Phase Debt Service Reserve Fund whether or not the amount therein equals the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Requirement, as applicable. Moneys on deposit in the Apartments Phase Debt Service Reserve Fund and Hotel Phase Debt Service Reserve Fund may be used to pay Apartments Phase Series A TIF Notes or Hotel Phase Series A TIF Notes, respectively, called for redemption or to purchase such Notes in the open market, prior to the Maturity Date, provided all Notes at the time outstanding are called for redemption or purchased and sufficient funds are available therefore. Moneys on deposit in the Apartments Phase Debt Service Reserve Fund or Apartments Phase Debt Service Reserve Fund shall be used to pay and retire the Apartments Phase Series A TIF Notes or Hotel Phase Series A TIF Notes, respectively, last becoming due, unless such Notes and all interest thereon are otherwise paid.

So long as the sum on deposit in the Apartments Phase Debt Service Reserve Fund or Hotel Phase Debt Service Fund shall aggregate an amount equal to the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Fund Requirement, investment earnings on funds on deposit in the such fund shall be deposited into the Apartments Phase Series A Account or Hotel Phase Series A Account, respectively of the Debt Service Fund; provided, however, that if no Apartments Phase Series A TIF Notes or Hotel Phase Series B Notes, as applicable are then outstanding, such investment earnings shall be deposited into the corresponding Series B Account for such Phase of the Debt Service Fund. If the sum on deposit in the Apartments Phase Debt Service Reserve Fund or Hotel Phase Debt Service Reserve Fund shall be less than the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Fund Requirement, respectively, investment earnings on funds in such fund shall remain therein and be applied to reducing such deficiency.

So long as the sum on deposit in the Apartments Phase Debt Service Reserve Fund or Hotel Phase Debt Service Reserve Fund shall aggregate an amount equal to the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Fund Requirement, respectively, on each Payment Date, no further deposits to said fund shall be required. Investments and moneys in the Apartments Phase Debt Service Reserve Fund or Hotel Phase Debt Service Reserve Fund shall be valued at the market value thereof, exclusive of accrued interest, by the Finance Officer on and the amount on deposit therein determined accordingly. After payment in full of the principal of, premium, if any, and interest on the Notes (or provision has been made for the payment thereof as specified in the Ordinance), the fees, charges and expenses of the Finance Officer and any Paying Agent and any other amounts required to be paid under the Ordinance or any other instrument entered into with respect to the Notes, all amounts remaining in the Debt Service Reserve Fund shall be paid to the City.

Section 4.7 Nonpresentment of Notes. If any TIF Note is not presented for payment when the principal thereof becomes due at stated maturity or prior redemption date, if funds sufficient to pay such TIF Note have been made available to the Finance Officer, all liability of the City to the Registered Owner thereof for the payment of such TIF Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Finance Officer to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such TIF Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said TIF Note. If any TIF Note is not presented for payment within five (5) years following the date when such TIF Note becomes due at maturity, the Finance Officer shall repay to the City the funds theretofore held by it for payment of such TIF Note, and such TIF Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Finance Officer, and the City shall not be liable for any interest thereon and shall not be regarded as a Finance Officer of such money.

ARTICLE V REMEDIES

Section 5.1 Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owner. The Owner shall have the right:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of the Owner against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owner.

Section 5.2 Limitation on Rights of Owner. The Owner secured hereby shall not have any right in any manner whatever by its action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided.

Section 5.3 Remedies Cumulative. No remedy conferred herein upon the Owner is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of the Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owner by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by the Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to the Owner, then, and in every such case, the City and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owner shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VI DEPOSIT AND INVESTMENT OF MONEYS

Section 6.1 Deposits of Moneys. All moneys deposited with or paid to the Finance Officer for the account of the various funds established under this Ordinance shall be held by the Finance Officer in trust and shall be applied only in accordance with this Ordinance. The Finance Officer shall not be under any liability for interest on any moneys received hereunder except as otherwise provided herein.

Section 6.2 Investment of Moneys. Moneys held in any fund or account referred to in this Ordinance shall be invested by the City as set forth in Section 95.530 Revised Statutes of Missouri of Missouri, as amended. All earnings on any investments held in any fund shall accrue to and become a part of such fund or account, except the Apartments Phase Debt Service Reserve Fund and Hotel Phase Debt Service Reserve Fund, as provided in Section 4.6 herein.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.1 Covenant to Request Appropriations. The City agrees that it shall comply with its Charter, Article XVI, Section 3 for each fiscal year that the TIF Notes are outstanding and the City official(s) shall request an appropriation of all moneys on deposit in the Special Allocation Fund for transfer to the Finance Officer for deposit at the times and in the manner provided in Section 4.3 of this Ordinance.

Section 7.2 Tax Matters. Neither the City nor the Developer shall use or permit the use of any proceeds of the Tax Exempt TIF Note to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause the Tax Exempt TIF Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code. The City (to the extent within its power or discretion) and the Developer shall not use or permit the use of any proceeds of the Tax Exempt TIF Note, and shall not take or permit to be taken any other action or actions, which would result in the Tax Exempt TIF Note being treated as other than an obligation described in Section 103(a) of the Code. The City (to the extent within its power or discretion) and the Developers shall not use any portion of the proceeds of the Tax Exempt TIF Note, including any investment income earned on such proceeds, in any manner that would cause the Tax Exempt TIF Note to be a "private activity bond" within the meaning of Section 141(a) of the Code. The officers of the City, including the Mayor, the Finance Officer and the City Register, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Section.

Section 7.3 Payments Due on Saturdays, Sundays and Holidays. In any case where the Payment Date is a Saturday, a Sunday or a legal holiday or other day that is not a business day, then payment of principal or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the Payment Date, and no interest shall accrue for the period after such date.

Section 7.4 Notices, Consents and Other Instruments. Any notice, consent, request, direction, approval,

objection or other instrument required by this Ordinance to be signed and executed by the Owner of the TIF Notes may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owner in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of the TIF Note, if made in the following manner, shall be sufficient for any of the purposes of the Ordinance, and shall be conclusive in favor of the City with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of the TIF Note, the amount or amounts and other identification of the TIF Note, and the date of holding the same shall be proved by the registration books of the City.

Section 7.5 Execution of Documents; Further Authority. The City is hereby authorized to enter into and the Mayor and the Finance Officer of the City are hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the TIF Notes and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance. The officers of the City, including without limitation the Mayor, the Finance Officer and the Register, are hereby authorized and directed to execute, and the City Register is hereby authorized and directed where appropriate to attest, all certificates, documents or other instruments, and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instrument and other documents herein approved, authorized and confirmed which they determine to be in the City's best interest, and the execution or taking of such action shall be conclusive evidence of such determination.

Section 7.6 Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 7.7 Governing Law. This Ordinance shall be governed exclusively by and constructed in accordance with the applicable internal laws of the State of Missouri.

Section 7.8 Private Sale. The Board of Aldermen of the City hereby declares that it is in the City's best interest to sell the TIF Notes at private sale because a public sale of the TIF Notes would cause additional expense to the City and because the condition of the current financial markets makes such a public sale not feasible or the best course of action for the City.

Section 7.9 Termination. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that if, within ninety (90) days after the effective date of the Authorizing Ordinance, the Developers have not (i) executed the Redevelopment Agreements pertaining to their respective Phases of the Redevelopment Project and (ii) paid all fees due to the City in accordance with the terms of the Redevelopment Agreements, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developer, shall terminate, provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreements, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

Legal Description of the Redevelopment Area, Apartments Phase Property and Hotel Phase Property

Redevelopment Area:

Entire City Block 125 and the land and first floor of those buildings located in City Block 120 in the City of St. Louis, Missouri as bounded by Washington Avenue to the South, 7th Street to the West, Lucas Street to the North and Broadway Street to the East.

Apartments Phase Property:

All apartments within the Redevelopment Area

Hotel Phase Property:

All areas within the Redevelopment Area, except the Apartments Phase Property, being used for retail and/or hotel uses

**EXHIBIT B-1
Form of Apartments Phase Note**

THIS TIF NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO THE "DEVELOPER," A "RELATED ENTITY" A "QUALIFIED INSTITUTIONAL BUYER" OR "PROJECT LENDER," AS DEFINED IN THE NOTE ORDINANCE, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered

Registered

No. R-__

**Not to Exceed \$_____,000
plus Issuance Costs
(See Schedule A attached)**

CITY OF ST. LOUIS, MISSOURI

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE
(THE LAUREL / 555 WASHINGTON REDEVELOPMENT PROJECT - APARTMENTS PHASE)
SERIES 200__-A/B**

Rate of Interest: Maturity Date: Dated Date: CUSIP Number:
[___%] July 28, 2031 _____, None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF Apartments, Inc. (the "Apartments Developer"), dated as of _____, 2009, as amended (the "Apartments Phase Redevelopment Agreement"), until all principal and interest accruing pursuant to this Apartments Phase TIF Note is paid in full except as otherwise provided herein. The Apartments Phase TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. _____ signed by the Mayor on _____, 2009 (the "Note Ordinance") or the Apartments Phase Redevelopment Agreement.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TIF NOTE TERMINATE ON JULY 28, 2031, WHICH IS TWENTY-THREE YEARS FROM THE EFFECTIVE DATE OF THE ORDINANCE APPROVING THE REDEVELOPMENT PROJECT (AS DEFINED IN THE NOTE ORDINANCE), WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

Subject to the preceding paragraph, the principal of and interest on this Apartments Phase TIF Note shall be paid at maturity or upon earlier redemption as provided in Article III of the Note Ordinance to the person in whose name this Apartments Phase TIF Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Apartments Phase TIF Note at the payment office of the Finance Officer of the City or her authorized agent (the "Finance Officer"). The principal of and interest on the Apartments Phase TIF Notes shall be payable in any coin or currency of the United States of America which, at the respective

dates of payment thereof, is legal tender for the payment of debts due the United States of America. The principal of or interest on this Apartments Phase TIF Note shall be payable by check or draft or by wire transfer to the person in whose name this Apartments Phase TIF Note is registered at the office of the Finance Officer to the Registered Owner on the Register on each Payment Date. Except as otherwise provided in Section 2.8 of the Note Ordinance with respect to mutilated, destroyed, lost or stolen TIF Notes, no principal on the Apartments Phase TIF Notes is payable unless the Registered Owner thereof has surrendered such Apartments Phase TIF Notes at the office of the Finance Officer.

This Apartments Phase TIF Note is one of an authorized series of fully registered TIF Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Apartments Phase, Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Apartments Phase TIF Notes"). The Apartments Phase TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with that certain Apartments Phase of the Redevelopment Project under the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance. The Note Ordinance also contemplates that the City may issue certain notes designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Hotel Phase TIF Notes"; the Apartments Phase TIF Notes and Hotel Phase TIF Notes being collectively, the "TIF Notes" or "Notes") pursuant to the Note Ordinance to pay a portion of Redevelopment Project Costs in connection with the Redevelopment Project and Redevelopment Plan.

The Apartments Phase TIF Notes and the interest thereon are and shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein. "Available Revenues" means all monies on deposit from time to time (including investment earnings thereon) in (a) the PILOTS Account, (b) subject to annual appropriation, the EATS Account that have been appropriated to the repayment of the TIF Notes, (c) the CID Revenues Account of the Revenue Fund, (d) the TDD Revenues Account of the Revenue Fund, and (e) the Hotel Revenues Account of the Revenue Fund;; excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

The monies on deposit in the PILOTS Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTS"), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section 99.855 of the Act) of such unit of property in the Redevelopment Area, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTS into the Special Allocation Fund while tax increment financing remains in effect.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts, subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the Act), while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

The monies on deposit in the CID Revenues Account of the Revenue Fund of the Special Allocation Fund are all revenues actually collected, pursuant to this Agreement and the CID Act, from the imposition of the CID Sales Tax. CID Revenues shall not include (a) 1% of the gross revenues generated by the CID Sales Tax, which the State of Missouri Department of Revenue (or other collection agency) may retain for the cost of collecting the CID Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (d) any amounts retained by the CID to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the CID Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment

Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the TDD Revenues Account of the Revenue Fund of the Special Allocation Fund are “TDD Revenues” means all revenues actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the TDD Sales Tax. TDD Revenues shall not include (a) any portion of the gross revenues generated by the TDD Sales Tax, which any collection agency may retain for the cost of collecting the TDD Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the TDD which is the subject of a suit or other claim communicated to the TDD which suit or claim challenges the collection of such sum, (d) any amounts retained by the TDD to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the TDD Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the Hotel Revenue Fund of the Revenue Fund are all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
 - (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
 - (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
 - (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto;
- and
- (e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto (the “Hotel Revenues”)

The Apartments Phase Series A TIF Notes shall be equally and ratably secured by Apartments Phase Available Revenues, and, if no Hotel Phase TIF Notes are outstanding, by Hotel Phase Available Revenues. The Apartments Phase Series B TIF Notes shall be equally and ratably secured by the Apartments Phase Available Revenues, and, if no Hotel Phase TIF Notes are outstanding, by Hotel Phase Available Revenues, on a subordinate basis to the Apartments Phase Series A TIF Notes. The Apartments Phase TIF Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The taxing power of the City is not pledged to the payment of the Apartments Phase TIF Notes either as to principal or interest. The Apartments Phase TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE APARTMENTS PHASE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE APARTMENTS PHASE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).

Apartments Phase Available Revenues in the Revenue Fund (and any Hotel Phase Available Revenues in the Revenue Fund, if no Hotel Phase TIF Notes are then outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account and fourth from the TDD Revenues Account for the purposes and in the amounts as follows:

First, First, to payment of arbitrage rebate, if any, owed with respect to the Apartments Phase TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Apartments Phase TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Apartments Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of

the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Apartments Phase Series A TIF Notes on each Payment Date;

Fourth, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Apartments Phase Series A TIF Notes on each Payment Date;

Fifth, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Apartments Phase Series A TIF Notes on the next succeeding Payment Date;

Sixth, for transfer to the Apartments Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the Apartments Phase Debt Service Reserve Fund if the amount on deposit in the Apartments Phase Debt Service Reserve Fund is less than the Apartments Phase Debt Service Reserve Requirement;

Seventh, to the Apartments Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Apartments Phase Series A TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date;

Eighth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Apartments Phase Series B Note on each Payment Date;

Ninth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Apartments Phase Series B Note on each Payment Date;

Tenth, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Apartments Phase Series B Notes on the next succeeding Payment Date;

Eleventh, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Apartments Phase Series B Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date;

Twelfth, if no Apartments Phase TIF Notes are outstanding, all Apartments Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Hotel Phase, and shall be used to pay principal and interest on Hotel Phase TIF Notes in the same manner as Hotel Phase Available Revenues as set forth in the note Ordinance;

Thirteenth, after payment in full of the Hotel Phase TIF Notes, all other remaining money in the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account and the Apartments Phase TDD Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

Upon the payment in full of the principal of and interest on the Apartments Phase TIF Notes and the Hotel Phase TIF Notes (or provision has been made for the payment thereof as specified in the Note Ordinance), payment in full of the fees and expenses of the Finance Officer and the St. Louis Development Corporation, and payment in full of any other amounts required to be paid under the Note Ordinance, all amounts remaining on deposit in Hotel Phase Debt Service Fund, the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account and the Apartments Phase TDD Revenues Account shall be declared as surplus and distributed in the manner provided in the Act.

The City covenants that it shall comply with the Charter of the City of St. Louis, Article XVI, Section 3 for each fiscal year that TIF Notes are outstanding and the City official(s) shall request an appropriation of all Available Revenues on deposit in the Special Allocation Fund for application to the payment of the principal of (including, but not limited to, payment of a premium, if any) and interest on the TIF Notes.

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE NOTE ORDINANCE TO THE CONTRARY, THE APARTMENTS PHASE TIF NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTION 7.8 OF THE REDEVELOPMENT AGREEMENT.

The Apartments Phase TIF Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the Apartments Phase TIF Note to be redeemed, plus accrued

interest thereon to the date fixed for redemption.

The Apartments Phase TIF Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in an amount equal to Apartments Phase Available Revenues on deposit in the applicable accounts of the Special Allocation Fund and which are not required for the payment of accrued interest on such Payment Date.

The Apartments Phase TIF Notes or portions of Apartments Phase TIF Notes to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Apartments Phase TIF Notes or portion of Apartments Phase TIF Notes shall cease to bear interest. Upon surrender of such Apartments Phase TIF Notes for redemption in accordance with such notice, the redemption price of such Apartments Phase TIF Notes shall be paid by the Finance Officer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Apartments Phase TIF Note, there shall be prepared for the Registered Owner a new Apartments Phase TIF Note or Apartments Phase TIF Notes of the same maturity in the amount of the unpaid principal as provided herein. All Apartments Phase TIF Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

Apartments Phase TIF Notes shall be redeemed only in the principal amount of One Thousand Dollars (\$1,000) or any integral multiple thereof. When less than all of the outstanding Apartments Phase TIF Notes are to be redeemed and paid prior to maturity, such Apartments Phase TIF Notes shall be selected by the Finance Officer in One Thousand Dollar (\$1,000) units of face value in such equitable manner as the Finance Officer may determine.

The Apartments Phase TIF Notes are issuable in the form of fully registered Notes without coupons in minimum denominations of One Hundred Thousand Dollars (\$100,000) or any integral multiple \$1,000 in excess thereof, except with respect to the Apartments Phase TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which Apartments Phase TIF Notes may be issued in any denomination, subject to the limitation on the aggregate Principal Amount.

This Apartments Phase TIF Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Apartments Phase TIF Note together with a written instrument of transfer satisfactory to the Finance Officer duly executed by the Registered Owner or the Registered Owner's duly authorized agent.

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS APARTMENTS PHASE TIF NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO THE DEVELOPER, A RELATED ENTITY A QUALIFIED INSTITUTIONAL BUYER OR PROJECT LENDER, AS SUCH TERMS ARE DEFINED IN THE NOTE ORDINANCE, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE NOTE ORDINANCE, SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR. "Approved Investor" is defined in the Note Ordinance, and includes, among others, (a) the Developer or a Related Entity, (b) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

Subject to the limitations of the preceding paragraph, upon surrender thereof at the office of the Finance Officer, the Finance Officer shall transfer or exchange any Apartments Phase TIF Note for a new Apartments Phase TIF Note of the same maturity and in the same principal amount as the outstanding principal amount of the Apartments Phase TIF Note that was presented for transfer or exchange. Any Apartments Phase TIF Note presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

This Apartments Phase TIF Note shall not be valid or binding on the City or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon has been executed by the Finance Officer.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Apartments Phase TIF Notes have existed, happened and been performed in due time, form and manner as required by law.

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

IN WITNESS WHEREOF, THE CITY OF ST. LOUIS, MISSOURI has executed this Apartments Phase TIF Note by causing it to be signed by the manual or facsimile signature of its Mayor and Finance Officer and attested by the manual or facsimile signature of its City Register, and its official seal to be affixed or imprinted hereon, and this Apartments Phase TIF Note to be dated as of the effective date of registration as shown on Schedule A attached hereto.

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Finance Officer

Attest:

(Seal)

City Register

Approved as to Form:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Print or Type Name, Address and Social Security Number or other Taxpayer Identification Number of Transferee)

the within TIF Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the books kept by the Finance Officer for the registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Note in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

SCHEDULE A
CERTIFICATE OF AUTHENTICATION

This Apartments Phase TIF Note is one of the Series 200_-A/B TIF Notes described in the within-mentioned Note Ordinance.

<u>Date</u> ⁽¹⁾	<u>Additions to Principal Amount</u> ⁽²⁾	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Finance Officer</u>
_____ , _____	\$ _____	\$ _____	\$ _____	
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				

(1) Date of approval of each Certificate of Reimbursable Redevelopment Project Costs, as provided in Section 5.2 of the Redevelopment Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.

(2) Limited to denominations of \$100,000 or any \$1,000 increment in excess thereof, except with respect to an advance pursuant to the final Certificate of Reimbursable Redevelopment Project Costs, which may be in any denomination, subject to the limitation on the aggregate principal amount provided for in the Note Ordinance

**EXHIBIT B-2(a)
Form of Hotel Phase PILOTs Note**

THIS TIF NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO THE "DEVELOPER," A "RELATED ENTITY" A "QUALIFIED INSTITUTIONAL BUYER" OR "PROJECT LENDER," AS DEFINED IN THE NOTE ORDINANCE, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered

Registered

No. R-__

Not to Exceed \$ _____,000
plus Issuance Costs
(See **Schedule A** attached)

CITY OF ST. LOUIS, MISSOURI

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE
(The Laurel / 555 Washington Redevelopment Project - Hotel Phase)
SERIES 200__-A/B**

Rate of Interest:
[__%]

Maturity Date:
July 28, 2031

Dated Date:

CUSIP Number:
None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF Hotel, Inc. (the "Hotel Developer"), dated as of _____, 2009, as amended (the "Hotel Phase Redevelopment Agreement"), until all principal and interest accruing pursuant to this Hotel Phase PILOTs TIF Note is paid in full except as otherwise provided herein. The Hotel Phase PILOTs TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. 68431 signed by the Mayor on August 27, 2009 (the "Note Ordinance") or the Hotel Phase Redevelopment Agreement.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TIF NOTE TERMINATE JULY 28, 2031, WHICH IS TWENTY-THREE YEARS FROM THE EFFECTIVE DATE OF THE ORDINANCE APPROVING THE REDEVELOPMENT PROJECT (AS DEFINED IN THE NOTE ORDINANCE), WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

Subject to the preceding paragraph, the principal of and interest on this Hotel Phase PILOTs TIF Note shall be paid at maturity or upon earlier redemption as provided in Article III of the Note Ordinance to the person in whose name this Hotel Phase PILOTs TIF Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Hotel Phase PILOTs TIF Note at the payment office of the Finance Officer of the City or her authorized agent (the "Finance Officer"). The principal of and interest on the Hotel Phase PILOTs TIF Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. The principal of or interest on this Hotel Phase PILOTs TIF Note shall be payable by check or draft or by wire transfer to the person in whose name this Hotel Phase PILOTs TIF Note is registered at the office of the Finance Officer to the Registered Owner on the Register on each Payment Date. Except as otherwise provided in Section 2.8 of the Note Ordinance with respect to mutilated, destroyed, lost or stolen TIF Notes, no principal on the Hotel Phase PILOTs TIF Notes is payable unless the Registered Owner thereof has surrendered such Hotel Phase PILOTs TIF Notes at the office of the Finance Officer.

This Hotel Phase PILOTs TIF Note is one of an authorized series of fully registered TIF Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Hotel Phase TIF Notes"). The Hotel Phase PILOTs TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with that certain Hotel Phase of the Redevelopment Project under the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance. The Note Ordinance also contemplates that the City may issue certain notes designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Apartments Phase TIF Notes"; the Apartments Phase TIF Notes and Hotel Phase TIF Notes being collectively, the "TIF Notes" or "Notes") pursuant to the Note Ordinance to pay a portion of Redevelopment Project Costs in connection with the Redevelopment Project and Redevelopment Plan.

The Hotel Phase PILOTs TIF Notes and the interest thereon are and shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein. "PILOTs Note Available Revenues" for purposes of this Hotel Phase PILOTs TIF Note (which constitutes a Hotel Phase Series __ PILOTs Note, pursuant to the terms of the Note Ordinance) means all monies on deposit from time to time (including investment earnings thereon) in (i) the PILOTs Account and (ii) from and after payment in full of the Hotel Phase Series __ Other Revenues Notes, (a) subject to annual appropriation, the EATS Account that have been appropriated to the repayment of the TIF Notes, (b) the CID Revenues Account of the Revenue Fund, (c) the TDD Revenues Account of the Revenue Fund, and (d) the Hotel Revenues Account of the Revenue Fund; excluding (x) any amount paid under protest until

the protest is withdrawn or resolved against the taxpayer or (y) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

The monies on deposit in the PILOTs Account of the Special Allocation Fund are those payments in lieu of taxes (“PILOTs”), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section 99.855 of the Act) of such unit of property in the Redevelopment Area, as allocated and paid to the City’s Treasurer by the City’s Collector of Revenue who shall deposit such PILOTs into the Special Allocation Fund while tax increment financing remains in effect.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts, subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the Act), while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

The monies on deposit in the CID Revenues Account of the Revenue Fund of the Special Allocation Fund are all revenues actually collected, pursuant to this Agreement and the CID Act, from the imposition of the CID Sales Tax. CID Revenues shall not include (a) 1% of the gross revenues generated by the CID Sales Tax, which the State of Missouri Department of Revenue (or other collection agency) may retain for the cost of collecting the CID Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (d) any amounts retained by the CID to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the CID Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the TDD Revenues Account of the Revenue Fund of the Special Allocation Fund are “TDD Revenues” means all revenues actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the TDD Sales Tax. TDD Revenues shall not include (a) any portion of the gross revenues generated by the TDD Sales Tax, which any collection agency may retain for the cost of collecting the TDD Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the TDD which is the subject of a suit or other claim communicated to the TDD which suit or claim challenges the collection of such sum, (d) any amounts retained by the TDD to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the TDD Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the Hotel Revenue Fund of the Revenue Fund are all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
- (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
- (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
- (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor

thereto; and

(e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto (the "Hotel Revenues")

The Hotel Phase Series A TIF Notes shall be equally and ratably secured by the PILOTs Note Available Revenues in the Revenue Fund; after payment in full of the Hotel Phase Series A Other Revenues TIF Notes, by the balance of the Hotel Phase Available Revenues, and, if no Apartments Phase TIF Notes are outstanding, also by Apartments Phase Available Revenues. The taxing power of the City is not pledged to the payment of the Hotel Phase PILOTs TIF Notes either as to principal or interest. The Hotel Phase PILOTs TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. **THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE HOTEL PHASE PILOTs TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE HOTEL PHASE PILOTs TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).**

With respect to the Hotel Phase PILOTs TIF Notes: first from the PILOTs Fund, then after payment in full of the Hotel Phase Other Revenues TIF Notes, first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account for the purposes and in the amounts as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase PILOTs TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Hotel Phase PILOTs TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Hotel Phase Series A PILOTs Notes on each Payment Date;

Fourth, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series A PILOTs Notes on each Payment Date

Fifth, to the PILOTs Note Account of Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series A PILOTs Notes on the next succeeding Payment Date;

Sixth, for transfer to the PILOTs Note Account of the Hotel Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the PILOTs Note Account of the Hotel Phase Debt Service Reserve Fund if the amount on deposit in the PILOTs Note Account of Hotel Phase Debt Service Reserve Fund is less than the Hotel Phase Debt Service Reserve Requirement [attributable to the Hotel Phase PILOTs TIF Notes];

Seventh, to the PILOTs Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series A PILOTs TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date until such time as the Hotel Phase Series A PILOTs TIF Notes are paid in full;

Eighth, if no Hotel Phase Series A PILOTs TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Hotel Phase Series B PILOTs Note on each Payment Date;

Ninth, if no Hotel Phase Series A PILOTs TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series B PILOTs Note on each Payment Date;

Tenth, if no Hotel Phase Series A TIF Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series B PILOTs Notes on the next succeeding Payment Date;

Eleventh, if no Hotel Phase Series A TIF PILOTs Notes are outstanding, to the PILOTs Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series B PILOTs Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date until such time as the Hotel Phase Series B PILOTs TIF Notes are paid in full;

Twelfth, if no Hotel Phase PILOTs TIF Notes are outstanding, all PILOTs Note Available Revenues shall be applied for the purposes set forth in the Hotel Phase Other Revenues Notes, as set forth in the Note Ordinance;

Thirteenth, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth in the Note Ordinance; and

Fourteenth, after payment in full of the Hotel Phase TIF Notes and the Apartments Phase TIF Notes, all other remaining money in the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

Upon the payment in full of the principal of and interest on the Hotel Phase TIF Notes and the Apartments Phase TIF Notes (or provision has been made for the payment thereof as specified in the Note Ordinance), payment in full of the fees and expenses of the Finance Officer and the St. Louis Development Corporation, and payment in full of any other amounts required to be paid under the Note Ordinance, all amounts remaining on deposit in Hotel Phase Debt Service Fund, the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account shall be declared as surplus and distributed in the manner provided in the Act.

The City covenants that it shall comply with the Charter of the City of St. Louis, Article XVI, Section 3 for each fiscal year that TIF Notes are outstanding and the City official(s) shall request an appropriation of all Available Revenues on deposit in the Special Allocation Fund for application to the payment of the principal of (including, but not limited to, payment of a premium, if any) and interest on the TIF Notes.

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE NOTE ORDINANCE TO THE CONTRARY, THE HOTEL PHASE TIF NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTION 7.8 OF THE REDEVELOPMENT AGREEMENT.

The Hotel Phase PILOTs TIF Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the Hotel Phase PILOTs TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The Hotel Phase PILOTs TIF Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in an amount equal to Hotel Phase Available Revenues on deposit in the applicable accounts of the Special Allocation Fund and which are not required for the payment of accrued interest on such Payment Date.

The Hotel Phase PILOTs TIF Notes or portions of Hotel Phase PILOTs TIF Notes to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Hotel Phase PILOTs TIF Notes or portion of Hotel Phase PILOTs TIF Notes shall cease to bear interest. Upon surrender of such Hotel Phase PILOTs TIF Notes for redemption in accordance with such notice, the redemption price of such Hotel Phase PILOTs TIF Notes shall be paid by the Finance Officer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Hotel Phase PILOTs TIF Note, there shall be prepared for the Registered Owner a new Hotel Phase PILOTs TIF Note or Hotel Phase PILOTs TIF Notes of the same maturity in the amount of the unpaid principal as provided herein. All Hotel Phase PILOTs TIF Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

Hotel Phase PILOTs TIF Notes shall be redeemed only in the principal amount of One Thousand Dollars (\$1,000) or any integral multiple thereof. When less than all of the outstanding Hotel Phase PILOTs TIF Notes are to be redeemed and paid prior to maturity, such Hotel Phase PILOTs TIF Notes shall be selected by the Finance Officer in One Thousand Dollar (\$1,000) units of face value in such equitable manner as the Finance Officer may determine.

The Hotel Phase PILOTs TIF Notes are issuable in the form of fully registered Notes without coupons in minimum denominations of One Hundred Thousand Dollars (\$100,000) or any integral multiple \$1,000 in excess thereof, except with respect to the Hotel Phase PILOTs TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which Hotel Phase PILOTs TIF Notes may be issued in any denomination, subject to the limitation on the aggregate Principal Amount.

This Hotel Phase PILOTs TIF Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Hotel Phase PILOTs TIF Note together with a written instrument of transfer satisfactory to the Finance Officer duly executed by the Registered Owner or the Registered Owner's duly authorized agent.

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS APARTMENTS PHASE TIF NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO THE DEVELOPER, A RELATED ENTITY A QUALIFIED INSTITUTIONAL BUYER OR PROJECT LENDER, AS SUCH TERMS ARE DEFINED IN THE NOTE ORDINANCE, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE NOTE ORDINANCE, SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR. "Approved Investor" is defined in the Note Ordinance, and includes, among others, (a) the Developer or a Related Entity, (b) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

Subject to the limitations of the preceding paragraph, upon surrender thereof at the office of the Finance Officer, the Finance Officer shall transfer or exchange any Hotel Phase PILOTs TIF Note for a new Hotel Phase PILOTs TIF Note of the same maturity and in the same principal amount as the outstanding principal amount of the Hotel Phase PILOTs TIF Note that was presented for transfer or exchange. Any Hotel Phase PILOTs TIF Note presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

This Hotel Phase PILOTs TIF Note shall not be valid or binding on the City or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon has been executed by the Finance Officer.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Hotel Phase PILOTs TIF Notes have existed, happened and been performed in due time, form and manner as required by law.

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

IN WITNESS WHEREOF, THE CITY OF ST. LOUIS, MISSOURI has executed this Apartments Phase TIF Note by causing it to be signed by the manual or facsimile signature of its Mayor and Finance Officer and attested by the manual or facsimile signature of its City Register, and its official seal to be affixed or imprinted hereon, and this Apartments Phase TIF Note to be dated as of the effective date of registration as shown on Schedule A attached hereto.

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Finance Officer

Attest:

(Seal)

City Register

Approved as to Form:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Print or Type Name, Address and Social Security Number or other Taxpayer Identification Number of Transferee)

the within TIF Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the books kept by the Finance Officer for the registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Note in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This Hotel Phase PILOTs TIF Note is one of the Series 200_-A/B TIF Notes described in the within-mentioned Note Ordinance.

<u>Date</u> ⁽¹⁾	<u>Additions to Principal Amount</u> ⁽²⁾	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Finance Officer</u>
_____, ____	\$	\$	\$	
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				

(1) Date of approval of each Certificate of Reimbursable Redevelopment Project Costs, as provided in Section 5.2 of the

Redevelopment Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.

(2) Limited to denominations of \$100,000 or any \$1,000 increment in excess thereof, except with respect to an advance pursuant to the final Certificate of Reimbursable Redevelopment Project Costs, which may be in any denomination, subject to the limitation on the aggregate principal amount provided for in the Note Ordinance.

**EXHIBIT B-2(b)
Form of Hotel Phase Other Revenues Note**

THIS TIF NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO THE "DEVELOPER," A "RELATED ENTITY" A "QUALIFIED INSTITUTIONAL BUYER" OR "PROJECT LENDER," AS DEFINED IN THE NOTE ORDINANCE, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered

Registered

No. R-__

**Not to Exceed \$_____,000
plus Issuance Costs
(See Schedule A attached)**

CITY OF ST. LOUIS, MISSOURI

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE
(The Laurel / 555 Washington Redevelopment Project - Hotel Phase)
SERIES 200__-A/B**

Rate of Interest:
[__%]

Maturity Date:
July 28, 2031

Dated Date:

CUSIP Number:
None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF Hotel, Inc. (the "Hotel Developer"), dated as of _____, 2009, as amended (the "Hotel Phase Redevelopment Agreement"), until all principal and interest accruing pursuant to this Hotel Phase Other Revenues TIF Note is paid in full except as otherwise provided herein. The Hotel Phase Other Revenues TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. 69431 signed by the Mayor on August 27, 2009 (the "Note Ordinance") or the Hotel Phase Redevelopment Agreement.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TIF NOTE TERMINATE JULY 28, 2031, WHICH IS TWENTY-THREE YEARS FROM THE EFFECTIVE DATE OF THE ORDINANCE APPROVING THE REDEVELOPMENT PROJECT (AS DEFINED IN THE NOTE ORDINANCE), WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

Subject to the preceding paragraph, the principal of and interest on this Hotel Phase Other Revenues TIF Note shall be paid at maturity or upon earlier redemption as provided in Article III of the Note Ordinance to the person in whose name this Hotel Phase Other Revenues TIF Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Hotel Phase Other Revenues TIF Note at the payment office of the Finance Officer of the City or her authorized agent (the "Finance Officer"). The principal of and interest on the Hotel Phase Other Revenues TIF Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. The principal of or interest on this Hotel Phase Other Revenues TIF Note shall be payable by check or draft or by wire transfer to the person in whose name this Hotel Phase Other Revenues TIF Note is registered at the office of the Finance Officer to the Registered Owner on the Register on each Payment Date. Except as otherwise provided in Section 2.8 of the Note Ordinance with respect to mutilated, destroyed, lost or stolen TIF Notes, no principal on the Hotel Phase Other Revenues TIF Notes is payable unless the Registered Owner thereof has surrendered such Hotel Phase Other Revenues TIF Notes at the office of the Finance Officer.

This Hotel Phase Other Revenues TIF Note is one of an authorized series of fully registered TIF Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Hotel Phase Other Revenues TIF Notes"). The Hotel Phase Other Revenues TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with that certain Hotel Phase of the Redevelopment Project under the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance. The Note Ordinance also contemplates that the City may issue certain notes designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project - Hotel Phase), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$ plus Issuance Costs (the "Apartments Phase TIF Notes"; the Apartments Phase TIF Notes and Hotel Phase TIF Notes being collectively, the "TIF Notes" or "Notes") pursuant to the Note Ordinance to pay a portion of Redevelopment Project Costs in connection with the Redevelopment Project and Redevelopment Plan.

The Hotel Phase Other Revenues TIF Notes and the interest thereon are and shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein. "Other Revenues Note Available Revenues" for purposes of this Hotel Phase Other Revenues TIF Note (which constitutes a Hotel Phase Series __ Other Revenues Note, pursuant to the terms of the Note Ordinance) means all monies on deposit from time to time (including investment earnings thereon) in (i) (a) subject to annual appropriation, the EATS Account that have been appropriated to the repayment of the TIF Notes, (b) the CID Revenues Account of the Revenue Fund, (c) the TDD Revenues Account of the Revenue Fund, and (d) the Hotel Revenues Account of the Revenue Fund; and (ii) from and after payment in full of the Hotel Phase Series __ PILOTs Notes, in the PILOTs Account; excluding (x) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (y) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

The monies on deposit in the PILOTs Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTs"), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section 99.855 of the Act) of such unit of property in the Redevelopment Area, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTs into the Special Allocation Fund while tax increment financing remains in effect.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts, subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the Act), while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

The monies on deposit in the CID Revenues Account of the Revenue Fund of the Special Allocation Fund are all revenues

actually collected, pursuant to this Agreement and the CID Act, from the imposition of the CID Sales Tax. CID Revenues shall not include (a) 1% of the gross revenues generated by the CID Sales Tax, which the State of Missouri Department of Revenue (or other collection agency) may retain for the cost of collecting the CID Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (d) any amounts retained by the CID to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the CID Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the TDD Revenues Account of the Revenue Fund of the Special Allocation Fund are "TDD Revenues" means all revenues actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the TDD Sales Tax. TDD Revenues shall not include (a) any portion of the gross revenues generated by the TDD Sales Tax, which any collection agency may retain for the cost of collecting the TDD Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the TDD which is the subject of a suit or other claim communicated to the TDD which suit or claim challenges the collection of such sum, (d) any amounts retained by the TDD to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the TDD Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the Hotel Revenue Fund of the Revenue Fund are all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
 - (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
 - (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
 - (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto;
- and
- (e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto (the "Hotel Revenues")

The Hotel Phase Other Revenue Series A TIF Notes shall be equally and ratably secured by the EATs Fund, the CID Revenues Account, the TDD Revenues Account, and the Hotel Revenues Account; after payment in full of the Hotel Phase Series A PILOTs TIF Notes, by the balance of the Hotel Phase Available Revenues including the PILOTs Note Available Revenues in the Revenue Fund, and, if no Apartments Phase TIF Notes are outstanding, also by Apartments Phase Available Revenues. The taxing power of the City is not pledged to the payment of the Hotel Phase Other Revenue TIF Notes either as to principal or interest. The Hotel Phase Other Revenues TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE HOTEL PHASE OTHER REVENUES TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE HOTEL PHASE OTHER REVENUES TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).

Other Revenues Note Available Revenues in the Revenue Fund (and any Apartments Phase Available Revenues in the Revenue Fund, if no Apartments Phase TIF Notes are then outstanding) shall be applied first from the EATs Fund, second from the CID Revenues Account, third from the TDD Revenues Account, and fourth from the Hotel Revenues Account, and then after payment in full of the Hotel Phase PILOTs TIF Notes, from the PILOTs Fund, for the purposes and in the amounts as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase Other Revenues TIF Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 0.2% of the Hotel Phase Other Revenues TIF Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

Third, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any Hotel Phase Series A Other Revenues Notes on each Payment Date;

Fourth, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series A Other Revenues Notes on each Payment Date

Fifth, to the Other Revenues Note Account of Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series A Other Revenues Notes on the next succeeding Payment Date;

Sixth, for transfer to the Other Revenues Note Account of the Hotel Phase Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the PILOTS Note Account of the Hotel Phase Debt Service Reserve Fund if the amount on deposit in the Other Revenues Note Account of Hotel Phase Debt Service Reserve Fund is less than the Hotel Phase Debt Service Reserve Requirement [attributable to the Hotel Phase Other Revenues TIF Notes]

Seventh, to the Other Revenues Note Account of the Hotel Phase Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series A Other Revenues TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date until such time as the Hotel Phase Series A Other Revenue TIF Notes are paid in full;

Eighth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Hotel Phase Series B Other Revenues Note on each Payment Date;

Ninth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Hotel Phase Series B Other Revenues Note on each Payment Date;

Tenth, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the Hotel Phase Series B Other Revenues Notes on the next succeeding Payment Date;

Eleventh, if no Hotel Phase Series A Other Revenues TIF Notes are outstanding, to the Other Revenues Note Account of the Hotel Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Hotel Phase Series B Other Revenues Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date until such time as the Hotel Phase Series A Other Revenues TIF Notes are paid in full;

Twelfth, if no Hotel Phase Other Revenues TIF Notes are outstanding, all Other Revenues Note Available Revenues shall be applied for the purposes set forth in the Hotel Phase PILOTS Notes, as set forth in the Note Ordinance;

Thirteenth, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth in the Note Ordinance; and

Fourteenth, after payment in full of the Apartments Phase TIF Notes and the Hotel Phase TIF Notes, all other remaining money in the Hotel Phase PILOTS Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable..

Upon the payment in full of the principal of and interest on the Hotel Phase TIF Notes and the Apartments Phase TIF Notes (or provision has been made for the payment thereof as specified in the Note Ordinance), payment in full of the fees and expenses of the Finance Officer and the St. Louis Development Corporation, and payment in full of any other amounts required to be paid

under the Note Ordinance, all amounts remaining on deposit in Hotel Phase Debt Service Fund, the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account shall be declared as surplus and distributed in the manner provided in the Act.

The City covenants that it shall comply with the Charter of the City of St. Louis, Article XVI, Section 3 for each fiscal year that TIF Notes are outstanding and the City official(s) shall request an appropriation of all Available Revenues on deposit in the Special Allocation Fund for application to the payment of the principal of (including, but not limited to, payment of a premium, if any) and interest on the TIF Notes.

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE NOTE ORDINANCE TO THE CONTRARY, THE HOTEL PHASE OTHER REVENUES TIF NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTION 7.8 OF THE REDEVELOPMENT AGREEMENT.

The Hotel Phase Other Revenues TIF Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the Hotel Phase Other Revenues TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The Hotel Phase Other Revenues TIF Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in an amount equal to Hotel Phase Available Revenues on deposit in the applicable accounts of the Special Allocation Fund and which are not required for the payment of accrued interest on such Payment Date.

The Hotel Phase Other Revenues TIF Notes or portions of Hotel Phase Other Revenues TIF Notes to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such Hotel Phase Other Revenues TIF Notes or portion of Hotel Phase Other Revenues TIF Notes shall cease to bear interest. Upon surrender of such Hotel Phase Other Revenues TIF Notes for redemption in accordance with such notice, the redemption price of such Hotel Phase Other Revenues TIF Notes shall be paid by the Finance Officer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Hotel Phase Other Revenues TIF Note, there shall be prepared for the Registered Owner a new Hotel Phase Other Revenues TIF Note or Hotel Phase Other Revenues TIF Notes of the same maturity in the amount of the unpaid principal as provided herein. All Hotel Phase Other Revenues TIF Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

Hotel Phase Other Revenues TIF Notes shall be redeemed only in the principal amount of One Thousand Dollars (\$1,000) or any integral multiple thereof. When less than all of the outstanding Hotel Phase Other Revenues TIF Notes are to be redeemed and paid prior to maturity, such Hotel Phase Other Revenues TIF Notes shall be selected by the Finance Officer in One Thousand Dollar (\$1,000) units of face value in such equitable manner as the Finance Officer may determine.

The Hotel Phase Other Revenues TIF Notes are issuable in the form of fully registered Notes without coupons in minimum denominations of One Hundred Thousand Dollars (\$100,000) or any integral multiple \$1,000 in excess thereof, except with respect to the Hotel Phase Other Revenues TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which Hotel Phase Other Revenues TIF Notes may be issued in any denomination, subject to the limitation on the aggregate Principal Amount.

This Hotel Phase Other Revenues TIF Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Hotel Phase Other Revenues TIF Note together with a written instrument of transfer satisfactory to the Finance Officer duly executed by the Registered Owner or the Registered Owner's duly authorized agent.

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS APARTMENTS PHASE TIF NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO THE DEVELOPER, A RELATED ENTITY A QUALIFIED INSTITUTIONAL BUYER OR PROJECT LENDER, AS SUCH TERMS ARE DEFINED IN THE NOTE ORDINANCE, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE NOTE ORDINANCE, SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR. "Approved Investor" is defined in the Note Ordinance, and includes, among others, (a) the Developer or a Related Entity, (b) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a "qualified institutional buyer" under Rule 144A promulgated under the

Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

Subject to the limitations of the preceding paragraph, upon surrender thereof at the office of the Finance Officer, the Finance Officer shall transfer or exchange any Hotel Phase Other Revenues TIF Note for a new Hotel Phase Other Revenues TIF Note of the same maturity and in the same principal amount as the outstanding principal amount of the Hotel Phase Other Revenues TIF Note that was presented for transfer or exchange. Any Hotel Phase Other Revenues TIF Note presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

This Hotel Phase Other Revenues TIF Note shall not be valid or binding on the City or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon has been executed by the Finance Officer.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Hotel Phase Other Revenues TIF Notes have existed, happened and been performed in due time, form and manner as required by law.

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

IN WITNESS WHEREOF, THE CITY OF ST. LOUIS, MISSOURI has executed this Apartments Phase TIF Note by causing it to be signed by the manual or facsimile signature of its Mayor and Finance Officer and attested by the manual or facsimile signature of its City Register, and its official seal to be affixed or imprinted hereon, and this Apartments Phase TIF Note to be dated as of the effective date of registration as shown on Schedule A attached hereto.

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Finance Officer

Attest:

(Seal)

City Register

Approved as to Form:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Print or Type Name, Address and Social Security Number or other Taxpayer Identification Number of Transferee)

the within TIF Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the books kept by the Finance Officer for the registration thereof, with full power of substitution in the premises.

Dated: _____.

NOTICE: The signature to this assignment must correspond with the name of the

Registered Owner as it appears on the face of the within Note in every particular.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240.17Ad-15).

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This Hotel Phase Other Revenues TIF Note is one of the Series 200_-A/B TIF Notes described in the within-mentioned Note Ordinance.

<u>Date</u> ⁽¹⁾	<u>Additions to Principal Amount</u> ⁽²⁾	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Finance Officer</u>
_____, ____	\$	\$	\$	
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				
_____, ____				

(1) Date of approval of each Certificate of Reimbursable Redevelopment Project Costs, as provided in Section 5.2 of the Redevelopment Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.

(2) Limited to denominations of \$100,000 or any \$1,000 increment in excess thereof, except with respect to an advance pursuant to the final Certificate of Reimbursable Redevelopment Project Costs, which may be in any denomination, subject to the limitation on the aggregate principal amount provided for in the Note Ordinance.

EXHIBIT C**Form of Letter of Representations**

_____, 20__

City of St. Louis
City Hall
Tucker and Market Streets
St. Louis, Missouri 63103
Attention: Mayor, Room 200
Attention: Comptroller, Room 311

Re: Not to Exceed \$_____ (plus Issuance Costs) City of St. Louis, Missouri, Tax Increment Revenue Notes,
(The Laurel / 555 Washington Redevelopment Project - Apartments/Hotel Phase), Series 200_-A/B

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to the purchase by the undersigned of not to exceed \$_____ (plus Issuance Costs) aggregate principal amount of Tax Increment Revenue Notes, (The Laurel / 555 Washington Redevelopment Project - Apartments/Hotel Phase), Series 2008-A/B (the "TIF Notes"), issued by the City of St. Louis, Missouri (the "City"). The TIF Notes are secured in the manner set forth in Ordinance No. _____ [Board Bill No. ____] of the City adopted on _____, 200__ (the "Note Ordinance"). The undersigned hereby represents to each of you and agrees with each of you, as follows:

1. The undersigned is an Approved Investor (as defined in the Note Ordinance).
2. The undersigned acknowledges that the City has not made any representation or warranty concerning the accuracy or completeness of any information furnished in connection with the purchase by the undersigned of the TIF Notes. Accordingly, the undersigned has not relied upon the City as to the accuracy or completeness of such information. As a sophisticated investor, the undersigned has made its own decision to purchase the TIF Notes based solely upon its own inquiry and analysis.
3. The undersigned understands that the TIF Notes do not constitute an indebtedness of the City or a loan or credit thereof within the meaning of any constitutional or statutory debt limitation or restriction.
4. The undersigned is familiar with and has counsel who are familiar with the federal and state legislation, rules, regulations and case law pertaining to the transfer and distribution of securities, including, but not limited to, disclosure obligations of the seller incident to any such transfer or distribution. The undersigned hereby covenants and agrees that the undersigned will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph 6 below.
5. The undersigned is purchasing the TIF Notes for its own account for investment (and not on behalf of another) and, other than a contemplated pledge of the TIF Notes, has no present intention of reselling the TIF Notes or dividing its interest therein. Notwithstanding the foregoing, the undersigned has the right to sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes at some future date determined by it, provided that such disposition is not in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph 6 below.
6. The undersigned acknowledges that the right to sell, assign, negotiate or otherwise transfer the TIF Notes shall be limited to Approved Investors (as defined in the Note Ordinance).
7. The undersigned agrees to indemnify and hold you harmless from any and all claims, judgments, attorneys' fees and expenses of whatsoever nature, whether relating to litigation or otherwise, resulting from any attempted or affected sale, offer for sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of the TIF Notes in violation of this letter.
8. The undersigned has satisfied itself that the TIF Notes may be legally purchased by the undersigned.

Sincerely,

as Purchaser

By: _____
Title: _____

Approved: July 24, 2012

ORDINANCE #69245
Board Bill No. 12
Floor Substitute

An Ordinance establishing the Firefighters' Retirement Plan of the City of St. Louis; providing retirement, disability and death benefits for the firefighters of the City and their covered dependents, including severability and effective date clauses, and provisions pertaining to the repeal of Chapter 4.18 of the Revised Code of the City of St. Louis and the ordinances referenced therein, relating to The Firemen's Retirement System of St. Louis.

WHEREAS, in 1959 the City adopted Ordinance 49623, establishing The Firemen's Retirement System of St. Louis, effective January 1, 1960, under the general authority of Senate Bill 314, approved by the Missouri General Assembly.

WHEREAS, as a result of a series of amendments and actions by the trustees of The Firemen's Retirement System of St. Louis ("FRS"), the retirement plan originally adopted by the City has been transformed into an unsustainable system with many unaffordable secondary benefits, which must be funded by City.

WHEREAS, the City is required to fund FRS to the extent investment returns and other revenues are insufficient to fund benefit obligations.

WHEREAS, FRS incurred actuarial investment losses totaling more than \$256 million during the eleven-year period from 2001 through 2011, resulting in an unfunded liability in excess of \$117 million.

WHEREAS, during the same period of time, the City's required annual payment to FRS increased by 529 percent, from \$3,365,007 to \$21,176,763 (not including service of debt incurred to fund contributions).

WHEREAS, the cost of funding FRS currently totals more than fifty-six percent of the total firefighter's payroll, compared to 10.3 percent in 2001 (not including service of debt incurred to fund contributions), and approximately 14.3 percent of payroll to fund the pension plan for other City employees.

WHEREAS, firefighter pension costs now consume about one-third of the Fire Department's budget;

WHEREAS, these dramatic increases in FRS costs have created a severe budgetary hardship on the City, which lacks the financial resources to sustain this level of funding without drastically reducing other essential services, including services related to fighting fires.

WHEREAS, service-related disability benefits under the FRS are more generous than ordinary retirement benefits and have become a significant expense that is ultimately borne by the City.

WHEREAS, the City is committed to funding the entire amount certified by the actuary for the plan each year.

WHEREAS, given that there have historically been hundreds of applicants for each opening for entry level firefighter positions in the fire department, the City believes it can attract and retain qualified firefighters, and maintain a pension plan that is very competitive in the marketplace, with a reduced level of contributions for pensions.

WHEREAS, the City wishes to reform the current retirement plan for its firefighters, in order to (i) assure that firefighters receive all benefits accrued and earned to date; (ii) make modifications for future benefits in a manner that provides substantial retirement income benefits at an early retirement age of fifty-five, typical for firefighters generally; (iii) maintain a pension benefit that is competitive in the marketplace that will attract and retain qualified firefighters; (iv) preserve the long-term financial sustainability of the plan and the City; (v) and reduce the financial burden on taxpayers funding the system.

WHEREAS, the City wishes to preserve all benefits accrued to former employees (and their beneficiaries) who already have retired and have begun receiving retirement income benefits, and make limited changes to the pension benefits of Participants

employed as of the Effective Date; but establish a new pension benefit formula for Participants hired after the Effective Date that is separate from and independent of the formula applicable to Participants employed as of the Effective Date;

WHEREAS, City Ordinance 69149 repeals all ordinances establishing and implementing The Firemen's Retirement System of St. Louis, and freezes benefit accruals under such ordinances, effective upon enactment of a Board Bill that establishes a successor plan;

WHEREAS, this Board Bill establishes a successor plan to replace the plan administered by The Firemen's Retirement System of St. Louis; and

WHEREAS, for the above reasons, and others, the City has determined that it would be in the best interest of the City to replace the current Firemen's Retirement System with a new plan.

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

SECTION ONE. Pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri, the City of St. Louis hereby establishes the pension plan prescribed in this Ordinance, known as the Firefighters' Retirement Plan, as set forth as follows.

SECTION TWO.

**Chapter 4.19
FIREFIGHTERS' RETIREMENT PLAN**

Sections:

4.19.010 Establishment of the Plan

4.19.020 Definitions

4.19.030 Eligibility and Contributions

4.19.040 Service

4.19.050 Retirement Benefits

4.19.060 Grandfathered Pension Benefits

4.19.070 Disability Income

4.19.080 Death Benefits

4.19.090 Limitation of Benefits

4.19.100 Payment of Benefits

4.19.110 Special Payment Rules

4.19.120 Funding

4.19.130 Trust Fund Investments

4.19.140 Administration – Duties of Trustees

4.19.150 Claims and Review Procedure

4.19.160 Amendment and Termination

4.19.170 Miscellaneous

4.19.010 Establishment of the Plan.

A. Establishment of Plan. Pursuant to its authority under the home rule charter provisions of the Constitution of the State of Missouri and the laws of the State of Missouri, the City of St. Louis hereby establishes the pension plan prescribed in this Ordinance, known as the Firefighters' Retirement Plan (the "Plan"), to provide retirement, disability and death benefits for the firefighters of the City and their covered dependents.

B. Structure of Plan. The provisions of subsections 4.19.050(A) through (G) govern pension benefits accrued by Participants hired on and after the Effective Date. Before the Effective Date, the benefits of Participants accrued under the Firemen's Retirement System of St. Louis pursuant to Chapter 4.18 of the Revised Code (the "Prior Plan"). Benefit accruals under the Prior Plan were frozen as of the ~~Effective Date~~ **date of enactment of this Ordinance** by a separate Board Bill and Ordinance. The assets and liabilities of the Prior Plan are merged into this Plan, as provided in subsection 4.19.010(E). Subsections 4.19.060(A) through (G) contain rules relating to accrual of benefits of Participants hired before the Effective Date and payment of pension benefits accrued under the Prior Plan ("Grandfathered Benefits"). The provisions of subsections 4.19.060(A) through (F), governing pension benefits of Grandfathered Participants are independent of the provisions of subsections 4.19.050 (A) through (G) relating to Participants hired on and after the Effective Date.

C. Type of Plan. This Plan and the Trust established pursuant to this Plan are intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code of 1986, as amended from time to time.

D. Effective Date. This Ordinance is effective on and after the thirtieth day following the date this Ordinance is signed into law by the Mayor of the City of St. Louis, MO.

E. Merger of Prior Plan. Pursuant to the provisions of this Ordinance and City Ordinance 69149, upon establishment of the successor Plan created herein, the assets of the Prior Plan are hereby merged into the Trust Fund established under this Plan and shall be held and administered by the Trustees pursuant to the provisions of this Plan. The ordinances that are referenced and comprise Chapter 4.18 of the Revised Code of the City of St. Louis, as amended, are repealed, as provided in Ordinance 69149, the firemen's pension fund heretofore created by said ordinances and Chapter is dissolved, and the City Treasurer is directed to hold the cash securities and other assets of the said fund as of the Effective Date, as assets of the Trust Fund under the Firefighters' Retirement Plan of St. Louis hereby created and established. The City Treasurer shall take any action necessary or appropriate to effectuate such direction effective as of the Effective Date. Upon the consummation of such merger of assets, the liabilities of the Prior Plan shall be assumed by and paid pursuant to the terms of this Plan, and the provisions of the Prior Plan shall be repealed in their entirety.

4.19.020 Definitions.

A. Accrued Benefit. The amount from time to time payable to a Participant in the form of a single life annuity beginning on the Normal Retirement Date of the Participant determined in accordance with the Plan, as if the Participant had incurred a Termination of Employment at such time.

B. Actuarial Equivalent. The actuarial equivalent amount determined on the basis of the RP 2000 combined healthy mortality, sex distinct, projected to 2015 (static table) Mortality Table and an assumed annual rate of investment return of 7.625%.

C. Accumulated Contributions. The sum of all amounts deducted from the compensation of a Participant and credited to his individual account, together with interest thereon, less any previous withdrawals from such account.

D. Actuary. An actuary, enrolled by the Joint Board for the Enrollment of Actuaries, selected by the Board of Trustees.

E. Annuity Starting Date. The first day of the first period for which an amount (other than a disability benefit payable under Section 4.19.070) is paid in accordance with the Plan.

F. Average Final Compensation. The average monthly compensation of the Participant during his last five years of Covered Employment; or if he has less than five years of such service, the average compensation paid during his entire period of Covered Employment. The Final Average Compensation of a Grandfathered Participant shall be based on the last two years of Covered Employment, instead of the last five years. Compensation means the regular annual rate of compensation that a Participant would earn on the basis of the stated compensation for his rank or position.

G. Board of Aldermen. The Board of Aldermen of the City.

- H. Board of Trustees. The Board of Trustees provided for in Section 4.19.130 to hold and invest the assets of the Trust Fund.
- I. City. The City of St. Louis, Missouri.
- J. Code. The Internal Revenue Code of 1986. Reference to a section of the Code shall include that section and any comparable section or sections of any future legislation that amends, supplements or supersedes said section.
- K. Covered Employment. All service performed for the fire department of the City for which an Employee is compensated while classified by the fire department as an Employee performing services as a firefighter (without regard to any retroactive reclassification).
- L. Early Retirement Age. The date on which a Participant completes at least twenty Years of Service.
- M. Early Retirement Date. The first day of the month next following the date the Participant incurs a Termination of Employment after his Early Retirement Age but before his Normal Retirement Age.
- N. Effective Date. The date specified in subsection 4.19.010.
- O. Employee. Any officer or employee of the Fire Department of the City employed by the City for the duty of fighting fires, but does not include anyone employed in a clerical or other capacity not involving firefighting duties.
- P. Full-Time Student. A person enrolled in a degree program at a college, university, community college, or vocational or technical school with a schedule of at least twelve hours per semester.
- Q. Grandfathered Participant. A Participant of the Prior Plan who was employed on the day before the Effective Date.
- R. Interest. The short-term Applicable Federal Rate, as published by the Internal Revenue Service for the December immediately preceding the calendar year, for the purpose of interest for each calendar year for refund of Accumulated Contributions.
- S. Normal Retirement Age. The date on which a Participant first attains fifty-five years of age.
- T. Normal Retirement Date. The first day of the month next following the date the Employee incurs a Termination of Employment after his Normal Retirement Age and after completing at least twenty Years of Service.
- U. Participant. An Employee or former Employee who shall have become entitled to participate in this Plan and who continues to have rights to benefits under this Plan, or whose beneficiaries may be eligible to receive benefits under this Plan.
- V. Plan. The Firefighters' Retirement Plan, the terms and provisions of which are set forth in this Ordinance, as amended from time to time.
- W. Plan Year. The twelve-month period beginning October 1.
- X. Retirement Date. The first day as of which a retirement benefit is payable to a Participant in accordance with this Plan, and may be either a Normal Retirement Date or an Early Retirement Date.
- Y. Termination of Employment. Separation from the service of the City.
- Z. Trust Agreement. The trust agreement entered into between the City and the Trustee in accordance herewith for the purpose of holding and investing the Trust Fund.
- AA. Trust Fund. The Trust Fund as described in subsection 4.19.120(A) hereof.
- BB. Trustee or Trustees. The person or persons serving as trustee of the Trust Fund or any successor(s) thereto; provided that, to the extent that the Trust Fund is invested in an Annuity Contract, the insurance company shall be the Trustee.
- CC. Widow(er). The person to whom the Participant is lawfully married at throughout the one-year period ending at the death of the Participant, provided that a former spouse will be treated as the Widow(er) to the extent provided under a qualified domestic relations order as described in Section 414(p) of the Code.

A surviving domestic partner shall be deemed to be a widow(er). A surviving domestic partner means a person validly registered with the City as a domestic partner with the Participant in accordance with St. Louis City Ordinance 64401 throughout both the one-year period ending at the time benefit payments to the Participant from this Plan commenced and the one-year period ending at the death of the Participant, and with respect to whom it is substantiated in writing that such person and the Participant satisfied as least two of the following indicia of economic interdependence as of the date of death of the Participant:

- (1) Joint ownership of real property or a common leasehold interest in real property;
- (2) Common ownership of an automobile;
- (3) An open joint bank account or credit account;
- (4) A will designating the other person as the primary beneficiary;
- (5) A current designation of the other person as the primary beneficiary for life insurance or retirement benefits;
- (6) A current designation of the other person as durable power of attorney or health care power of attorney; and
- (7) A driver's licenses listing a common address.

4.19.030 Eligibility and Contributions.

A. Entry Date. On and after the Effective Date, an Employee shall be eligible to participate in the Plan on the first day such Employee is employed in Covered Employment.

B. Employee Contributions. The Board of Trustees shall certify to the chief of the fire department, and the chief of the fire department shall cause to be deducted from the compensation of each Participant each pay period, and remitted to the Trustee, nine percent of the compensation of each Participant. Such contributions shall be credited to the Accumulated Contributions account of the Participant. Such contributions shall be treated as before-tax ("pick-up") contributions under Section 414(h) of the Code.

The deductions provided for herein shall be made notwithstanding that the minimum compensation provided by law for any Participant shall be reduced thereby. Every Participant shall be deemed to consent to the deductions made and provided for herein, and payment of salary or compensation less the deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for services rendered during the period covered by the payment except as to benefits provided by this Plan.

C. Exclusive Plan. All Employees shall be Participants as a condition of their employment and shall receive no pension or retirement allowance from any other pension or retirement system supported wholly or in part by the City or the state because of Years of Service for which they are entitled to benefits under this Plan, nor shall they be required to make contributions under any other pension or retirement system of the City or the state.

4.19.040 Service.

A. Year of Service. The term "Year of Service," means each full 365 consecutive day period of time that elapses from the Effective Date, or the date the Employee first performs duties in Covered Employment for which such Employee is paid or entitled to payment by the City, whichever is later, and ending on the date of Termination of Employment, during which the Employee is employed in Covered Employment. Less than whole periods of such time shall be credited as a partial year based on the applicable portion of a 365 day period; and nonconsecutive periods of such time shall be aggregated, where applicable, in determining the number of Years of Service of a Participant. The period of service of an Employee on an approved paid leave of absence shall continue until the end of such leave of absence. An Employee shall be credited for no more than one month for an unpaid leave of absence.

B. Prior Plan Service. Conditional upon and effective upon the merger of assets of the Prior Plan into the Trust Fund in accordance with subsection 4.19.010(E), complete and partial years of service credited ~~under~~ pursuant to the terms of the Prior Plan, without regard to City Ordinance 69149, for periods before the Effective Date, shall count as Years of Service under this Plan.

C. Absence in Military Service. If, at any time since first becoming a Participant in the Plan, a Participant has served in the armed forces of the United States, in any war or period of armed hostilities between the armed forces of the United States and

those of a foreign power, and has subsequently been reinstated as a firefighter within ninety days after his discharge, he shall be granted credit for such service as if his service in the Fire Department of the City had not been interrupted by his induction into the armed forces of the United States, and as if he had made the required contributions during such service. If earnable compensation is needed for such period in computation of benefits it shall be calculated on the basis of the compensation payable to the officers of his rank during the period of his absence. Notwithstanding any provision of this Plan to the contrary, contributions, benefits and service credit with respect to military service will be provided in accordance with Section 414(u) of the Code.

D. Accumulated Contributions. An Employee shall not be credited for any service with respect to which the Employee had no contributions withheld; and shall not be credited for any service with respect to which the Employee withdrew or received a refund of Accumulated Contributions.

4.19.050 Retirement Benefits.

A. Normal Retirement Benefit. Subject to the conditions and limitations of the Plan, a Participant who incurs a Termination of Employment on or after his Normal Retirement Age and after completing at least twenty Years of Service will be entitled to a monthly retirement income payable to the Participant for his lifetime commencing at his Normal Retirement Date in an amount equal to two percent of the Participant's Average Final Compensation for each Year of Service up to twenty-five years, and two and one-half percent of the Participant's Average Final Compensation for each Year of Service over twenty-five years, up to a maximum of seventy-five percent of Average Final Compensation. The monthly amount of the retirement income of such a Participant shall not be increased actuarially to reflect an Annuity Starting Date deferred beyond the Normal Retirement Age of the Participant.

B. Early Retirement. Each Participant who incurs a Termination of Employment after completing at least twenty Years of Service but before his Normal Retirement Age of fifty-five, shall be entitled to a monthly retirement income payable to the Participant for his lifetime commencing on the first day of the month after he attains fifty-five years of age, calculated as for normal retirement in accordance with subsection 4.19.050(A), based on his Average Final Earnings and his Years of Service as of his Early Retirement Date.

In lieu of a deferred retirement income commencing at age fifty-five, a Participant who remains an Employee until his Early Retirement Age may elect to receive his retirement income beginning on his Early Retirement Date; or on the first day of any month thereafter prior to age fifty-five, provided that the monthly amount payable at age fifty-five shall be actuarially reduced from age fifty-five to the pension commencement date in accordance with subsection 4.19.020(B).

A Participant entitled to an early retirement pension in accordance with the preceding paragraphs of this subsection (B) may elect to receive a refund of his Accumulated Contributions with Interest in lieu of any early retirement pension benefit.

C. Vested Terminated Pension. Each Participant who remains an Employee until he has completed at least ten but fewer than twenty Years of Service shall be entitled to a monthly retirement income calculated as for normal retirement in accordance with Section 4.19.050(A), based on his Average Final Earnings and his Years of Service as of his Termination of Employment, payable to the Participant for his lifetime commencing when the Participant attains sixty-two years of age, or upon his Termination of Employment, if later.

A Participant entitled to a deferred vested pension in accordance with the preceding paragraph of this subsection (C) may elect to receive a refund of his Accumulated Contributions with Interest in lieu of any deferred vested pension benefit.

D. Unvested Participant. A Participant who incurs a Termination of Employment before completing ten Years of Service shall receive a refund of his Accumulated Contributions with Interest in lieu of any pension benefit.

E. Cost of Living Increases. Following a Participant's Annuity Starting Date, benefits paid to such Participant pursuant to subsections (A) and (B) of this Section (but not any other provisions) shall be increased as each October 1, with the first increase in the October following his retirement and subsequent increases in each October thereafter, by an amount equal to the lesser of three percent or the increase in the Consumer Price Index ("CPI") for the previous calendar year; up to a maximum aggregate increase of twenty-five percent. For purposes of this subsection, CPI shall mean the CPI for all urban consumers for the United States, or its successor index, approved by the Board of Trustees, such as the index as defined and officially reported by the Department of Labor.

F. Limitation on Compensation. Notwithstanding any other provision of this Plan, in no event shall the compensation of a Participant taken into account under this Plan for any Plan Year exceed the maximum amount permitted in Section 401(a)(17) of the Code for that Plan Year, as adjusted from time to time, as applicable to governmental plans. If the period for

determining compensation in a Plan Year is less than the full Plan Year, the maximum amount for that Plan Year shall be reduced proportionately.

G. Overpayment Recoupment. In the event a Participant is paid more than the amount to which the Participant is properly entitled under the terms of the Plan the amount of future payments from the Plan to the Participant may be reduced until such overpayment has been corrected.

4.19.060 Grandfathered Pension Benefits.

A. Grandfathered Benefits – General. The provisions of this Section are contingent upon and effective upon the consummation of the merger of the assets of the Prior Plan into the Trust Fund under this Plan; and are intended to apply to Grandfathered Participants and to preserve the retirement income pension benefits accrued under the Prior Plan as of the Effective Date, as specifically provided in subsections (B) through (G) of this Section. **Notwithstanding anything to the contrary in this Plan, this Plan shall pay benefits accrued under the Prior Plan as if the Prior Plan recognized compensation paid and service rendered up until the Effective Date, so the benefit of a Grandfathered Participant will be the same as if the Effective Date of City Ordinance 69149 were the Effective Date of this Plan.**

B. Benefits in Pay Status on the Effective Date. Retirement income benefits being paid to Participants of the Prior Plan as of the day before the Effective Date, shall continue to be paid under this Plan in accordance with the terms and conditions of the Prior Plan.

C. Grandfathered Normal Retirement Benefit. Subject to the conditions and limitations of the Plan, a Grandfathered Participant who incurs a Termination of Employment on or after his Normal Retirement Age of fifty-five years and after completing at least twenty Years of Service will be entitled to a monthly retirement income payable to the Participant for his lifetime commencing at his Normal Retirement Date in an amount equal to two percent of the Participant's Average Final Compensation for each Year of Service up twenty-five years, and five percent of the Participant's Average Final Compensation for each Year of Service over twenty-five years, up to a maximum of seventy-five percent of Average Final Compensation. The monthly amount of the retirement income of such a Participant shall not be increased actuarially to reflect an Annuity Starting Date deferred beyond the Normal Retirement Age of the Participant.

Solely for purposes of computing such Grandfathered Benefit, sick leave accumulated before September 26, 2010 shall be credited as Years of Service to no more than a total of thirty Years of Service for purposes of vesting and to allow such a Participant to receive a monthly retirement income benefit in excess of seventy-five percent of Average Final Compensation. Notwithstanding anything to the contrary herein, sick leave of a Participant who is participating in DROP shall be subject to the provisions of subsection 4.19.060E.

A Grandfathered Participant who receives such a retirement income benefit shall receive a refund of his contributions to the Prior Plan made before the Effective Date, without interest; contributions to the Plan made on and after the Effective Date are not refundable. All refundable contributions are payable at the time of his pension commencement date.

D. Early Retirement Benefit. A Grandfathered Participant who incurs a Termination of Employment after completing twenty Years of Service, but before attaining his Normal Retirement Age of fifty-five years, shall be entitled to a monthly retirement income payable to the Participant for his lifetime commencing on the first day of the month after he attains fifty-five years of age, calculated as for normal retirement in accordance with the preceding paragraph, based on his Average Final Compensation and his Years of Service as of his Termination of Employment. In lieu of a deferred retirement income commencing at age fifty-five, such a Participant may elect to receive his retirement income beginning on his Termination of Employment; or on the first day of any month thereafter prior to age fifty-five, provided that the monthly amount otherwise payable at age fifty-five that is attributable to Years of Service after the Effective Date shall be actuarially reduced from age fifty-five to the pension commencement date in accordance with subsection 4.19.020(B).

Solely for purposes of computing such Grandfathered Benefit, sick leave accumulated before September 26, 2010 shall be credited as Years of Service to no more than a total of thirty Years of Service for purposes of vesting and to allow such a Participant to receive a monthly retirement income benefit in excess of seventy-five percent of Average Final Compensation. Notwithstanding anything to the contrary herein, sick leave of a Participant who is participating in DROP shall be subject to the provisions of subsection 4.19.060E.

A Grandfathered Participant who receives such a retirement income benefit shall receive a refund of his contributions to the Prior Plan made before the Effective Date, without interest; contributions to the Plan made on and after the Effective Date are not refundable. All refundable contributions are payable at the time of his pension commencement date.

For example, a Participant with ten Years of Service on the Effective Date, who retires ten years after the Effective Date, at age fifty with a total of twenty Years of Service, with annualized Average Final Compensation of \$80,000 for the last two years before retirement, would be entitled to a deferred pension benefit of \$32,000 (40% of \$80,000) per year beginning at age fifty-five, or an immediate pension beginning at age fifty of \$26,272. (The \$16,000 attributable to the ten Years of Service before the Effective Date is unreduced; the \$16,000 attributable to the ten Years of Service the Effective Date is actuarially reduced from \$16,000 to \$10,272.)

A Grandfathered Participant who incurs a Termination of Employment before completing twenty Years of Service shall receive a refund of his Accumulated Contributions with Interest in lieu of any pension benefit.

E. **DROP.** Grandfathered Participants who have completed at least twenty Years of Service may elect to continue active employment and defer receipt of the retirement benefit for a period not to exceed five years. Any Grandfathered Participant who has at least twenty Years of Service may elect in writing before retirement to participate in the deferred retirement plan program ("DROP"). A Grandfathered Participant electing to participate in the DROP program shall continue in active employment and shall not receive any direct retirement benefit payments during the time of participation. Upon the start of participation in the DROP program, the Grandfathered Participant shall make contributions at the rate of one percent of compensation, instead of nine percent. During the period of participation in the DROP program, the amount that the Grandfathered Participant would have received as a retirement income benefit (Normal Retirement Benefit under subsection C or reduced Early Retirement Benefit under subsection D, whichever is applicable) shall be deposited monthly in the Grandfathered Participant's DROP account, which shall be established in his name by the Board of Trustees. Years of Service earned during the period of participation in the DROP program shall not be credited and shall not be counted in determination of any service-based retirement benefit.

A Grandfathered Participant who elects to stop participation in the DROP program shall make contributions at the rate of nine percent of compensation. Service rendered after restoration of the Grandfathered Participant to non-DROP participation status shall be counted as Years of Service. No Grandfathered Participant ending participation in the DROP program and returning to non-DROP participation status shall make any withdrawal from his or her DROP account until after Termination of Employment. If after return to non-DROP participation status, a Grandfathered Participant retires, the Grandfathered Participant's retirement benefit shall be computed on the combination of the Grandfathered Participant's pre-DROP retirement benefit (based on Average Final Compensation at the beginning of the DROP period and any applicable reduction for commencement before age fifty-five) plus an additional benefit earned by the Grandfathered Participant after returning to non-DROP participation status. Post-DROP Years of Service shall be the only years used in computing the additional benefit; however, total Years of Service shall be used to determine the appropriate accrual level of additional benefit, two percent or five percent, for each year of post-DROP service. Upon retirement the Grandfathered Participant shall receive retirement income benefits plus the amount which has accumulated in his or her DROP account. The amount in the Grandfathered Participant's DROP account shall be payable, at the Grandfathered Participant's option, either as a lump sum payment or as a series of periodic payments of reasonably equal amounts over a period of up to ten years.

If a Grandfathered Participant dies before Termination of Employment while participating in the DROP program, the funds in his DROP account shall be payable to the Grandfathered Participant's designated beneficiary under either of the following options:

- (1) A lump sum payment equal to the amount in the Grandfathered Participant's DROP account shall be paid to the Grandfathered Participant's beneficiary or the Grandfathered Participant's estate. The death benefits for the beneficiary under the provisions of Section 4.09.080 shall be based on the Grandfathered Participant's compensation and Years of Service before the Grandfathered Participant's participation in the DROP program.

or

- (2) The beneficiary may waive any claim to the Grandfathered Participant's DROP account, in which case any death benefits payable to the beneficiary under the provisions of Section 4.09.080 shall be calculated as if the Grandfathered Participant had continued as an employee and had not participated in the DROP program. Any funds in a DROP account which has been waived as provided in this paragraph shall become funds of the Plan.

If a Grandfathered Participant who has elected to participate in the DROP program subsequently applies for and receives benefits for a disability benefit under the provisions of Section 4.19.070, the Grandfathered Participant shall forfeit all rights, claims or interest in his DROP account and the Grandfathered Participant's benefits shall be calculated as if the Grandfathered Participant had continued in employment and had not elected to participate in the DROP program. Any funds in a DROP account which has been forfeited as provided in this Plan shall become funds of the Plan.

A Grandfathered Participant's DROP account shall earn interest (or loss) equal to the percentage rate of return of the Trust Fund's investment portfolio as certified annually by the actuary in the yearly evaluation report. The interest shall be credited annually

to the Grandfathered Participant's account beginning with the start of the second fiscal year of participation.

No Participant may elect to participate in the DROP program more than once.

Notwithstanding anything to the contrary in this Chapter, a Grandfathered Participant who is participating in the DROP program may elect upon Termination of Employment to have placed in his or her DROP account a dollar amount equal to the number of his sick leave hours accumulated before September 26, 2010 multiplied by his or her hourly rate of pay at the time of Termination of Employment; or to place one-half of such dollar amount in the Grandfathered Participant's DROP account, to have one-fourth of this dollar amount added to the Grandfathered Participant's Average Final Compensation, and to have the remaining one-fourth of this dollar amount remain as time and added to the Grandfathered Participant's Years of Service before the Effective Date.

F. Cost of Living Increases. The grandfathered benefit payable in accordance with subsections (C) and (D) of this Section shall be increased annually, as approved by the Board of Trustees beginning with the first increase in the October following retirement of the Participant and subsequent increases in each October thereafter, at the rates designated as follows:

- (1) One and one-half percent per year, compounded each year, up to age sixty for those retiring with twenty to twenty-four Years of Service,
- (2) Two and one-fourth percent per year, compounded each year, up to age sixty for those retiring with twenty-five to twenty-nine Years of Service,
- (3) Three percent per year, compounded each year, up to age sixty for those retiring with thirty or more Years of Service,
- (4) After age sixty, five percent per year for five years or until a total maximum increase of twenty-five percent is reached.

Each increase, however, is subject to a determination by the Board of Trustees that the consumer price index (United States Average Index) as published by the United States Department of Labor shows an increase of not less than the approved rate during the latest twelve-month period for which the index is available at date of determination. If the increase is in excess of the approved rate for any year, the excess shall be accumulated as to any retired Participant and increases granted in subsequent years subject to the maximum allowed for each full year from October following his retirement but not to exceed a total increase of twenty-five percent. If the Board of Trustees determines that the index has decreased for any year, the benefits of any retired Participant that have been increased shall be decreased but not below his initial benefit. No annual increase shall be made of less than one percent and no decrease of less than three percent except that any decrease shall be limited by the initial benefit.

In addition to the above, Grandfathered Participants may share in ad hoc COLAs, if any, to which they were entitled as of the day before the Effective Date in accordance with the terms and conditions of the Prior Plan.

G. Limitation on Benefits. Subsections 4.19.050(F) and (G) shall apply to all benefits, including grandfathered benefits.

4.19.070 Disability Income.

A. Disability Benefits – General. The disability income provisions of subsections (B) through (G) of this Section apply to Participants who incur a Termination of Employment on account of disability on or after the Effective Date. Contingent upon and effective upon the consummation of the merger of assets of the Prior Plan into the Trust Fund, disability benefits being paid to Participants in the Prior Plan as of the day before the Effective Date shall continue to be paid in accordance with the provisions of the Prior Plan, including the cost of living adjustment provisions of the Prior Plan.

B. Disability – Line of Duty.

- (1) A Participant who incurs a Termination of Employment because of a Total and Permanent Disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to engage in any gainful employment in any occupation, shall be entitled to receive a monthly disability income equal to seventy-five percent of his Average Final Compensation, while so disabled. A disability that is caused by lung disease is presumed to have been incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call, unless rebutted by evidence such as (but not limited to) habitual smoking.

- (2) A Participant who incurs a Termination of Employment because of a Total and Permanent Disability resulting from bodily injury incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call that renders the Participant totally and permanently unable to continue his employment as a firefighter, but not other gainful employment as described in paragraph B(1) of this Section, shall receive a disability income while so disabled equal to twenty-five percent of his Average Final Compensation; plus an additional two and seventy-five one hundredth percent (2.75%) of Average Final Compensation for each Year of Service in excess of ten years, up to twenty-five Years of Service; with a benefit of seventy-five percent of Average Final Compensation for a Participant with at least twenty-five Years of Service at the time of such a Termination of Employment. A disability that is caused by lung disease is presumed to have been incurred while engaged in the actual performance of duty as a firefighter in response to an emergency call, unless rebutted by evidence such as (but not limited to) habitual smoking.

A Participant who receives such a disability benefit shall receive a refund of his contributions to the Prior Plan made before the Effective Date, without interest; contributions to the Plan made on and after the Effective Date are not refundable. All refundable contributions are payable at the time of his disability commencement date.

C. Disability – Other. A Participant who incurs a Termination of Employment after completing at least five Years of Service because of a Total and Permanent Disability that is not described in subsection (B) (outside the line of duty) that renders the Participant totally and permanently unable to engage in any gainful employment in any occupation shall be entitled to receive a monthly disability income equal to the greater of twenty-five percent of his Average Final Compensation or ninety percent of the benefit accrued under the formula in subsection 4.19.050(A) as of the time of such a Termination of Employment, while so disabled.

A Participant who receives such a disability benefit shall receive a refund of his contributions to the Prior Plan made before the Effective Date, without interest; contributions to the Plan made on and after the Effective Date are not refundable. All refundable contributions are payable at the time of his disability commencement date.

D. Cost of Living Increases. Following commencement of disability income payments to a Participant, benefits paid to such Participant pursuant to subsection (B) or subsection (C) of this Section shall be increased as of each October 1, with the first increase in the October following commencement of disability income payments and each October thereafter, by an amount equal to the lesser of three percent or the increase in the Consumer Price Index (“CPI”) for the previous calendar year; up to a maximum aggregate increase of twenty-five percent. For purposes of this Section, CPI shall mean the CPI for all urban consumers for the United States, or its successor index, approved by the Board of Trustees, such as the index as defined and officially reported by the Department of Labor.

E. Total and Permanent Disability. An Employee shall be deemed to be Totally and Permanently Disabled when, on the basis of qualified medical evidence, he is found by the Board of Trustees to be totally and permanently prevented from performing the duties described in the applicable paragraph of subsection (B) or (C) of this Section.

F. Discontinuance of Disability Benefits. If, based on qualified medical advice, it is reasonably possible for a disabled beneficiary to recover for the condition that caused him to be Totally and Permanently Disabled, once each year during the first five years following the commencement of disability income, and once in every three year period thereafter, the Board of Trustees shall require the disability beneficiary to undergo a medical examination to be made at a place designated by the Board of Trustees, and to be made by a physician or physicians designated by the Board of Trustees. Should any disability beneficiary refuse to submit to a medical examination, his disability income shall be discontinued until his withdrawal of the refusal, and if his refusal continues for one year all rights in and to his disability income shall be revoked by the Board of Trustees.

Payment of disability benefits under this Section shall be discontinued upon the earliest of the following:

- (1) the refusal of the Participant to undergo a medical examination;
- (2) the time as of which the Board of Trustees finds the Participant is no longer Totally and Permanently Disabled;
or
- (3) the death of the Participant.

After the Board of Trustees finds the Participant is no longer Totally and Permanently Disabled and during such time as the Participant is not receiving a disability benefit pursuant to this Section, the Participant shall be entitled to a pension benefit in the amount and at the time or times determined in accordance with Sections 4.19.050 and 4.19.060, as applicable, based on Average Final Compensation and Years of Service at Termination of Employment.

G. Adjustment of Disability Income. If the disability beneficiary is engaged, or is able to engage, in a gainful occupation other than firefighter paying more than the difference between his disability income and the then current rate of pay for the rank held by the Participant at the time of retirement (indexed as described below), the amount of his disability income shall be reduced to an amount which together with the amount earnable by him in such other occupation shall equal the amount of such current rate of pay. If his earning capacity is later changed, the amount of his disability income may be further modified. The then current rate of pay for the rank held by the Participant at the time of retirement shall be increased as of each October 1, with the first increase in the October following commencement of disability income payments and each October thereafter, by an amount equal to the lesser of three percent or the increase in the CPI (as defined in subsection D of this Section) for the previous calendar year; up to a maximum aggregate increase of twenty-five percent.

A disabled beneficiary shall submit a copy his annual federal income tax return to the Board of Trustees for each calendar year for which the beneficiary is eligible of a disability benefit under this Section. Payment of disability benefits of a beneficiary shall be discontinued if the beneficiary fails to submit a copy of his federal income tax return to the Board of Trustees by the 15th day of October immediately following the end of calendar year. The Board of Trustees shall audit the validity of at least two percent of such tax returns.

H. Tuition Reimbursement. Except for a disability described in paragraph B(1) or paragraph C of this Section, a Participant receiving disability benefits under this Section may receive reimbursement for educational tuition expenses for attending a college, university, community college, or vocational or technical school as a Full-Time Student upon proof of payment to such institution in an amount not to exceed the tuition for a state resident at the University of Missouri – St. Louis. A Participant receiving disability benefits shall apply for such tuition reimbursement no later than three years after the Participant first becomes entitled to a disability benefit under this Plan. Such right to reimbursement shall cease when the disabled Participant ceases to be a Full-Time Student, fails to provide verified proof of achievement of a grade point average of two on a four-point scale or the equivalent on another scale for each academic term, or if the disabled Participant is restored to active service as a firefighter, but in no event shall such education reimbursement be available after the end of the five-year period beginning when the Participant first becomes entitled to a disability benefit under this Plan.

4.19.080 Death Benefits.

A. Active Participants or Participants Receiving Retirement or Disability Income. Upon the receipt of proper proof of the death of a Participant, or a Participant of the Prior Plan, while an Employee, or who incurred a Termination of Employment while in service and was receiving a retirement income benefit or a disability benefit at the time of his death, provided no other benefits are payable, there shall be paid a retirement allowance to the widow(er) of the Participant or Participant of the Prior Plan during her or his widowhood of twenty-five percent of the deceased Participant's Average Final Compensation, or two hundred dollars per month, whichever is greater, plus ten percent of such compensation to or for the benefit of each unmarried dependent child of the deceased Participant who is either under age eighteen or who is totally and permanently mentally or physically incapacitated regardless of age, but not in excess of three children, and paid as the Board of Trustees in its discretion directs. Any widow who is receiving retirement benefits upon application to the Board of Trustees shall be made, constituted, appointed and employed by the Board as a special consultant on the problems of retirement, aging, and other state matters, for the remainder of her life, and upon request of the Board, give opinions, and be available to give opinions in writing, or orally, in response to such request, as may be required, and for such services shall be compensated monthly, in an amount, which when added to any monthly retirement benefits being received, shall not exceed fifty percent of the deceased Participant's average final compensation or two hundred dollars (\$200.00) whichever is greater. This compensation shall be consolidated with any other retirement benefits payable to such widow and shall be paid in the manner and from the same fund as her other retirement benefits under this chapter, and shall be treated in all aspects under the laws of this state as retirement benefits paid pursuant to this chapter.

If no widow(er) benefits are payable pursuant to this Section, such total benefit as would have been paid had there been a widow(er) (twenty-five percent of compensation) shall be divided among the unmarried dependent children under age eighteen and such unmarried children, regardless of age, who are totally and permanently mentally or physically incapacitated, and paid to, or for the benefit of, each such child, as the Board of Trustees in its discretion directs, until the respective child attains the age of eighteen or is no longer incapacitated, whichever is applicable.

Any benefit payable to, or for the benefit of, a child or children under the age of eighteen years pursuant to this Section shall be paid beyond the age of eighteen years through the age of twenty-five years in such cases where the child is a Full-Time Student at a regularly accredited college, business school, nursing school, school for technical or vocational training or university, but such benefit shall cease whenever the child ceases to be a Full-Time Student. A college or university shall be deemed to be regularly accredited which maintains membership in good standing in a national or regional accrediting agency recognized by any state college or university.

B. Accidental Death in Line of Duty. Upon the receipt of evidence and proof that a Participant died as the result of an accident or exposure at any time, or place, provided that at such time or place the Participant was in the actual performance of his duty as a firefighter and, in the case of an exposure, while in response to an emergency call, or was acting pursuant to orders, there shall be paid in lieu of all other benefits the following benefits:

- (1) A retirement income to the widow(er) during the person's widowhood of fifty percent of the deceased Participant's Average Final Compensation, plus ten percent of such compensation to or for the benefit of each unmarried dependent child of the deceased Participant, who is either under the age of eighteen, or who is totally and permanently mentally or physically incapacitated, regardless of age, but not in excess of a total of three children, including both classes, and paid as the Board of Trustees in its discretion directs.
- (2) If no widow(er) benefits are payable pursuant to subdivision (1), the total income that would have been paid had there been a widow(er) shall be divided among the unmarried dependent children under the age of eighteen and such unmarried children, regardless of age, who are totally and permanently mentally or physically incapacitated, and paid to, or for the benefit of, each such child, as the Board of Trustees in its discretion directs, until the respective child attains the age of eighteen or is no longer incapacitated, whichever is applicable.
- (3) Any benefit payable to, or for the benefit of, a child or children under the age of eighteen years pursuant to subdivisions (1) and (2) of this Section shall be paid beyond the age of eighteen years through the age of twenty-five years in such cases where the child is a Full-Time Student at a regularly accredited college, business school, nursing school, school for technical or vocational training or university, but such benefit shall cease whenever the child ceases to be a student. A college or university shall be deemed to be regularly accredited which maintains membership in good standing in a national or regional accrediting agency recognized by any state college or university.
- (4) Wherever any dependent child designated by the Board of Trustees to receive benefits pursuant to this Section is in the care of the widow(er) of the deceased Participant, the child's benefits may be paid to the widow(er) of the child.
- (5) The widow(er) of a Participant who receives such a death benefit shall receive a refund of the contributions of the Participant to the Prior Plan made before the Effective Date, without interest, if any; and a refund of one-half of the contributions of the Participant to the Plan made after 2011, without interest, payable at the time of his or her death benefit commencement date.

The benefit of a widow(er) entitled to a death benefit in accordance with subsection B(1) whose Participant spouse died on the scene of a fire as a direct and proximate cause of an accident that occurred while the Participant was engaged in the actual performance of his duty as a firefighter shall be increased from fifty percent to sixty-two and one-half percent.

C. Funeral Expenses. In addition to any other benefit to which an active or retired fire fighter may be entitled, whenever an active or retired firefighter shall die, the Board of Trustees shall pay from the Trust a sum of two thousand dollars to the widow(er) or family for funeral expenses.

D. Accumulated Contributions. A beneficiary shall be repaid the total amount of the contributions to the Prior Plan before the Effective Date, without interest, made by a deceased Participant who died while employed in Covered Employment, upon receipt of proof of the death of the Participant; contributions to the Plan made on and after the Effective Date are not refundable.

4.19.090 Limitations of Benefits.

A. Limitation on Benefits. In no event shall the annual benefit under this Plan and all other defined benefit plans maintained by the City exceed the lesser of:

- (1) The amount specified in Section 415(b)(1)(A) of the Code, as adjusted for any applicable increases in the cost of living in accordance with Section 415(d) of the Code, as in effect on the last day of the Plan Year; and
- (2) One-hundred percent of the average compensation of such Participant for his high three consecutive Plan Years as provided in Section 415 of the Code.

Notwithstanding anything to the contrary in this Section, the annual benefit, when paid in the form of a joint and survivor annuity, can be as great as that of a Single Life Annuity for the Participant, not in excess of the limitations contained in the first

sentence of this Section, plus a survivor annuity at the same level for the Participant's Spouse.

For purposes of this Section, Section 415 of the Code, which limits the benefits and contributions under qualified plans, is hereby incorporated by reference; provided that the repeal of Section 415(e) of the Code, which is effective for limitation years beginning on or after April 1, 2000, shall apply only to a Participant whose Accrued Benefit increases on or after April 1, 2000. The reduced limitation for early retirement benefits shall be determined in accordance with applicable regulations using the Actuarial Equivalent assumptions prescribed in subsection 4.19.020(B), except as otherwise required by Section 415(b)(2)(E) of the Code. The cost-of-living adjustments under Section 415(d) of the Code to the limits under Section 415(b) of the Code are hereby incorporated by reference as provided under Section 1.415(a)-1(d)(3)(v) of the Treasury Regulations. Pursuant to Treas. Reg. Section 1.415(b)-1(c)(5), no adjustment shall be required to a benefit that is paid in a form that is not a straight life annuity to take into account the inclusion of an automatic benefit increase feature in such form of benefit. In no event will the amount payable in any limitation year to a Participant under a form of benefit with an automatic benefit increase feature be greater than the Code Section 415(b) limit applicable at the annuity starting date, as increased in subsequent years pursuant to Section 415(d) of the Code and Treas. Reg. §1.415(d)-1. In the case of a Participant who received a portion of his or her benefit in the form of a lump sum (a DROP), the annuity equivalent of such lump sum portion, calculated in accordance with Treas. Reg. §1.415(b)-1(b) taking into account the cost of living adjustments assumed in calculating such lump sum, shall be treated as an amount payable in the applicable limitation year for purposes of such test.

For purposes of this Section, "City" means the City and any corporation or other business entity that from time to time is, along with the City, a Participant of a controlled group as defined in Section 414 of the Code, as modified by Section 415(h) of the Code (fifty percent control test); and effective April 1, 1998, "Compensation" means wages paid by the City within the meaning of Section 3401(a) of the Code (for purposes of income tax withholding at the source) but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or the services performed, plus the amount of salary reduction as a result of an election pursuant to a plan or plans governed by Section 125, Section 401(k) or Section 403(b) of the Code and, effective on and after April 1, 2001, Section 132(f)(4) of the Code (inclusively).

4.19.100 Payment of Benefits.

A. Claim for Benefits. No pension or other benefit shall be payable under this Plan to any Participant or beneficiary except as expressly provided for in this Section. The Board of Trustees shall authorize payments under this Plan.

No pension or other benefit shall be payable until the Participant or beneficiary shall have filed a claim for benefits with the Board of Trustees or its designated representative. Such claim must be submitted in writing on a form provided by, or suitable to, the Board of Trustees at least fifteen days prior to the date on which payments begin. The Board of Trustees may require any applicant to furnish it with such information as may be reasonably necessary, including a copy of the Participant's death certificate, if applicable.

B. Latest Time of Payment. This section does not contain the general rules of the Plan governing the time and form of distribution. In particular, this Section in and of itself does not give any right to a Participant or Beneficiary to defer distributions beyond the time of distribution provided in the preceding Sections. The provisions of this Section shall apply only to the extent they specifically override the other provisions of this Plan governing the payment of pensions.

Notwithstanding anything to the contrary in the Plan and regardless of any election of the Participant, distribution of the Participant's retirement benefit shall commence no later than the Participant's Required Beginning Date. The Required Beginning Date of a Participant is April 1st of the calendar year following the later of (i) the calendar year in which the Participant attains age seventy and one-half; and (ii) the calendar year in which the Participant incurs a Termination of Employment.

The Participant's entire interest under the Plan shall be distributed in the form of nonincreasing periodic annuity payments beginning on the Participant's Required Beginning Date and extending over the life of the Participant or the joint lives of the Participant and a designated beneficiary (as determined in accordance with Treas. Reg. §1.401(a)(9)-4), or over a period not extending beyond the life expectancy of the Participant or the joint life expectancy of the Participant and a designated beneficiary.

If a Participant dies after payments have begun in accordance with the immediately preceding paragraph but before the Participant's entire interest has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution in effect as of the date of the Participant's death. If a Participant dies before payments have begun in accordance with the immediately preceding paragraph, the entire interest of the Participant shall be distributed:

- (1) if payable to (or for the benefit of) a designated beneficiary in a form other than a single sum distribution, over the life of the designated beneficiary (or over a period not extending beyond the life expectancy of such

beneficiary), beginning not later than one year after the date of the Participant's death, or if the sole designated beneficiary is the Participant's surviving spouse, by December 31st of the calendar year in which the Participant would have attained age seventy and one-half, if later; and

- (2) if payable to (or for the benefit of) a designated beneficiary in the form of a single sum distribution, the entire interest of the Participant shall be distributed within five years after the Participant's death.

If the surviving spouse described in subdivision (1) above dies before the distributions to such spouse begin, this subdivision shall be applied as if the surviving spouse were the Participant.

All distributions required under this Section shall be determined and made in accordance with Section 401(a)(9) of the Code and Treas. Reg. §§1.401(a)(9)-2 through 1.401(a)(9)-9, including the incidental death benefit requirements of Section 401(a)(9)(G) of the Code and Treas. Reg. thereunder. The requirements of this Section will take precedence over any inconsistent provisions of the Plan. The provisions of Section 401(a)(9) of the Code, including the incidental death benefit requirements of Section 401(a)(9)(G), and the regulations thereunder, are hereby incorporated by reference.

C. Payments to Legal Incompetents. If the Board of Trustees shall receive satisfactory evidence that a Participant or beneficiary entitled to receive any benefit under this Plan is, at the time when such benefit becomes payable, physically unable or mentally incompetent to receive such benefit and to give a valid release therefor and that another person or an institution is then maintaining or has custody of such Participant or beneficiary, and that no guardian or other representative of the estate of such Participant or beneficiary shall have been duly appointed, then the Board of Trustees may authorize payment of such benefit otherwise payable to such Participant or beneficiary to such other person or institution, and the release of such other person or institution shall be valid and complete discharge for the payment of such benefit.

D. Misstatement in Application for Pension. If any Participant or any beneficiary in his application for a pension or in response to a request of the Board of Trustees for information gives any material fact which is erroneous or omits any material fact or fails before receiving his first payment to correct any material fact that he previously incorrectly furnished, the amount of his annuity shall be adjusted on the basis of the correct information and the amount of any overpayment or underpayment theretofore made to such Participant shall be deducted from or added to his next succeeding payments as the Board of Trustees shall direct.

4.19.110 Special Payment Rules.

A. Offset of Benefits. Notwithstanding anything to the contrary in this ordinance, any amounts paid by the City under the provisions of The Workers' Compensation Law of the state of Missouri to a Participant, or to the dependents of a Participant on account of any disability or death, shall be offset against and payable in lieu of any benefits payable out of the Trust Fund.

B. Benefits for Re-Hired Retirees. If a Participant is re-employed after his or her Annuity Starting Date, pension payments shall be suspended while the Participant is re-employed as an active Employee. Such a Participant shall continue to accrue benefits based on Years of Service, if any, credited after such re-employment. The Participant's benefit shall be recomputed upon a subsequent Termination of Employment in accordance with the terms of the Plan in effect at such time.

C. Qualified Domestic Relations Orders. In the event the former spouse of a Participant is entitled to a benefit under this Plan pursuant to a Qualified Domestic Relations Order, as described in Section 414(p) of the Code, such former spouse may receive such benefit in the form of a single life annuity for the lifetime of such spouse commencing on or after such Participant attains his Early Retirement Date. The monthly amount of such a single life annuity shall be determined so that such benefit is the Actuarial Equivalent, determined as of the benefit commencement date in accordance with subsection 4.19.020(B), of the portion of the Accrued Benefit of the Participant payable to the former spouse pursuant to the Qualified Domestic Relations Order. Notwithstanding anything to the contrary in the Plan, the Accrued Benefit of a Participant shall be reduced by an amount equal to the Actuarial Equivalent of any benefit paid to his former spouse pursuant to a Qualified Domestic Relations Order.

To the extent a former spouse is treated as the spouse of the Participant by reason of a Qualified Domestic Relations Order, any current spouse of the Participant shall not be treated as the spouse. Where, because of a Qualified Domestic Relations Order, more than one individual is to be treated as the spouse of a Participant, the total amount paid from the Plan shall not exceed the amount that would be paid if there were only one spouse.

No benefit shall be payable to a former spouse pursuant to a Qualified Domestic Relations Order, as described in Section 414(p) of the Code, until the former spouse shall have filed a claim for benefits with the Board of Trustees or its designated representative. Such a claim must be submitted in writing on a form provided by or suitable to the Board of Trustees at least fifteen days prior to the date on which payments begin. Payments to a former spouse in the form prescribed in this Section may be made

prior to the time payments are made to the Participant.

D. Direct Rollover of Eligible Rollover Distributions. Notwithstanding any provision of the Plan to the contrary that would otherwise limit a distributee's election under this Section, a distributee may elect, at the time and in the manner prescribed by the Board of Trustees, to have any portion of an eligible rollover distribution, if any, paid directly to an eligible retirement plan specified by the distributee in a direct rollover.

Definitions.

- (1) *Eligible rollover distribution:* An eligible rollover distribution is any distribution of all or any portion of the balance to the credit of the distributee, except that an eligible rollover distribution does not include: any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee's designated beneficiary, or for a specified period of ten years or more; any distribution to the extent such distribution is required under Section 401(a)(9) of the Code; any hardship distribution described in Section 401(k)(2)(B)(I)(IV) of the Code; and the portion of any distribution that is not includable in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities).
- (2) *Eligible retirement plan:* An eligible retirement plan is an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code, an annuity plan described in Section 403(a) of the Code, or a qualified trust described in Section 401(a) of the Code, that accepts the distributee's eligible rollover distribution. However, in the case of an eligible rollover distribution to the surviving spouse, an eligible retirement plan is an individual retirement account or individual retirement annuity.
- (3) *Distributee:* A distributee includes an Employee or former Employee. In addition, the Employee's or former Employee's surviving spouse and the Employee's or former Employee's spouse or former spouse who is the alternate payee under a qualified domestic relations order, as defined in Section 414(p) of the Code, are distributees with regard to the interest of the spouse or former spouse.
- (4) *Direct rollover:* A direct rollover is a payment by the plan to the eligible retirement plan specified by the distributee.

For purposes of the direct rollover provisions in this Section, an eligible retirement plan shall also mean an annuity contract described in Section 403(b) of the Code and an eligible plan under Section 457(b) of the Code which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from this Plan. The definition of eligible retirement plan shall also apply in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the alternate payee under a qualified domestic relation order, as defined in Section 414(p) of the Code.

4.19.120 Funding.

A. Pension Fund. The City shall establish a Trust Fund into which it shall make contributions at such times and in such amounts as the Actuary shall determine to keep the Trust Fund actuarially sound with respect to the obligation to pay the benefits under the Plan. The assets in the Trust Fund shall be held by the Trustee for the exclusive benefit of the Participants and beneficiaries and at no time prior to the satisfaction of all of the liabilities under the Plan to pay benefits to Participants and beneficiaries shall any part of the Trust Fund be used for or diverted to any purpose other than for their exclusive benefit or to pay administrative expenses of the Plan, except as specifically provided in this Plan.

B. Annual Actuarial Examination. At least once each year, the Board of Trustees shall cause the liabilities of the Plan with respect to retirement benefits to be evaluated by an Actuary who shall report on the soundness and solvency of the Trust Fund in relation to such liabilities and on the amount of the contribution for the year which is appropriate to keep the Trust Fund actuarially sound with respect to the obligation to pay the benefits under the Plan. Except as described below, each such report shall be delivered to the City's Budget Director no later than March 1st of each year.

Beginning with the actuarial valuation as of October 1, 2011, and continuing thereafter, the Actuary shall use the entry age normal method, amortizing the unfunded accrued liability as a level percent of payroll. If the Board of Trustees fails to provide the actuarial valuation on or before the deadline for a Plan Year, the amount of the contribution for such year shall be determined by an Actuary retained by the City.

The Board of Trustees shall obtain and deliver the actuarial valuation as of October 1, 2011 to the Budget Director of the City, which is based on the provisions of this Plan, no later than thirty days after the Effective Date. If the Board of Trustees fails to submit such a report within thirty days after the Effective Date, the Budget Director of the City is hereby authorized and directed to obtain an actuarial report for such year for purposes of determining the City's contribution amount for the pertinent Plan Year.

Actuaries retained by the Board of Trustees shall be subject to the procurement rules contained in Ordinance 64102, or its successor.

At least every five years, the Board of Trustees shall engage the Actuary to review the mortality, service and compensation experience of the Participants and beneficiaries of the Plan and update mortality and other assumptions as appropriate.

C. Rights of Participants. No person shall have any financial interest in, or right to, any assets in the Trust Fund, except as expressly provided for in this Plan. Each Participant shall be entitled to look only to assets in the Trust Fund for satisfaction of any benefit payable to such person under this Plan. No liability for payment of benefits under this Plan shall be imposed upon the City or the Board of Trustees.

D. Return of Employer Contributions. In the event a contribution by the City is made by reason of a mistake of fact, the excess of the amount contributed over the amount that would have been contributed had there not occurred a mistake of fact (without earnings attributable to such excess, but after reduction of losses attributable thereto) may be returned to the City within one year of such a mistaken payment.

4.19.130 Trust Fund Investments.

A. Trust Fund. The funds accumulated under the Plan shall be held in trust for the exclusive benefit of the Participants of the Plan and their beneficiaries by the Board of Trustees in accordance with this Section.

B. Investment of Trust Assets. The Board of Trustees shall have the authority and discretion to invest the assets of the Plan in accordance with this Section, except to the extent that the authority to manage, acquire or dispose of assets of the Plan is delegated to one or more investment managers. The Board of Trustees may, but shall not be required to, appoint an investment manager or managers to manage all or any portion of the assets of the Trust Fund. An investment manager shall have the authority and discretion to manage and control the assets of the Plan assigned to it by the Board of Trustees, in accordance with the agreement between the investment manager and the Board of Trustees. The Board of Trustees shall not be obligated to invest or otherwise manage any assets of the Plan so assigned to an investment manager, nor shall the Board of Trustees be liable for the acts or omissions of such an investment manager.

The selection of investment managers shall be based solely on sound investment principles in the best interest of the Trust Fund. No member of the Board of Trustees shall have any personal interest in the selection of an investment manager, except benefits from an interest in investments common to all Participants in the Plan. The Board of Trustees shall keep a record of the process for the selection of investment managers, which shall be open to public inspection.

Upon transfer of the assets of the Prior Plan to the Trust Fund, each investment manager of assets of the Prior Plan shall continue to manage the assets assigned to it at the time of the transfer, until the Board of Trustees removes such investment manager or reduces the amount of assets assigned to it.

C. Standard of Care. The Board of Trustees shall invest and manage the assets of the Trust Fund as a prudent investor would, taking into account the purposes, terms, distribution requirements, and other circumstances of the Plan. In satisfying this standard, the Board of Trustees shall exercise reasonable care, skill and prudence. No member of the Board of Trustees shall have any interest in the gains or profits made on any investment, except benefits from an interest in investments common to all Participants in the Plan.

D. Appointment of Board of Trustees. The initial Board of Trustees shall be comprised of the individuals who were members of the Board of Trustees of the Prior Plan immediately before the Effective Date. Thereafter, The Board of Trustees shall be constituted as follows:

- (1) The Chief of the Fire Department of the City, ex officio;
- (2) The Comptroller or Deputy Comptroller of the City, ex officio;
- (3) Two members to be appointed by the Mayor of the City to serve for a term of two years;

- (4) Three members to be elected by actively employed Participants in the Plan for a term of three years who shall hold office while Participants in the Plan;
- (5) One member who shall be a retired firefighter to be elected by the retired firefighter who shall hold office for a term of three years.

The initial three members to be elected by actively employed Participants in the Plan (subsection 4 above) and the one member who shall be a retired firefighter (subsection 5 above) shall each serve an initial term of one year commencing on the Effective Date, after which they shall be elected to serve three-year terms as described above.

If a vacancy occurs in the office of the Trustee the vacancy shall be filled for the unexpired term in the same manner as the office was previously filled.

The Trustees shall serve without compensation, but they shall be reimbursed from the expense fund for all necessary expenses which they may incur through service on the Board.

Each Trustee shall within ten days after his appointment or election take an oath of office before the Clerk of the Circuit Court of the City, that, so far as it devolves upon him, he will diligently and honestly administer the affairs of the Board and that he will not knowingly violate or willingly permit to be violated any of the provisions of the law applicable to the Plan. The oath shall be subscribed to by the member making it and certified by the Clerk of the Circuit Court.

Each Trustee shall be entitled to one vote on the Board. Five affirmative votes shall be necessary for a decision by the Trustees at any meeting of the Board.

E. Powers of the Board of Trustees. Without limiting the powers of the Trustees, the Trustees are authorized and empowered:

- (1) To invest the Trust Fund in such bonds, notes, debentures, mortgages, insurance contracts, trust certificates, preferred or common stocks or in any other property, real or personal, as the trustees may deem advisable; and to hold in cash such portion of the Trust Fund as shall be reasonable under the circumstances, pending investment or payment of expenses or distribution of benefits;
- (2) To sell, exchange, convey, transfer or dispose of and also to grant options with respect to any property, whether real or personal, at any time held by it; any sale may be made by private contract or by public auction; and no person dealing with the trustees shall be bound to see to the application of the purchase money or to inquire into the validity, expediency or propriety of any such sale or other disposition;
- (3) To retain, manage, operate, repair and improve and to mortgage or lease for any period any real estate held by the Board of Trustees;
- (4) To compromise, compound and settle any debt or obligation due to or from it as trustee hereunder and to reduce the rate of interest on, to extend or otherwise modify, to foreclose upon default, or to otherwise enforce any such obligation;
- (5) To vote in person or by proxy on any stocks, bonds or other securities held by it; to exercise any options appurtenant to any stocks, bonds or other securities for the conversion thereof into other stocks, bonds or other securities or to exercise any rights to subscribe for additional stocks, bonds or other securities and to make any and all necessary payments; to join in, or to dissent from, and to oppose the reorganization, recapitalization, consolidation, sale or merger of corporations or properties in which it may be interested as trustees, upon such terms and conditions as they may deem wise, and to accept any securities which may be issued upon any such reorganization, recapitalization, consolidation, sale or merger;
- (6) To make, execute, acknowledge and deliver any and all deeds, leases, assignments and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;
- (7) Subject to the limitations set forth in this ordinance, to enforce any right, obligation or claim and, in general, to protect in any way the interests of the Trust Fund, either before or after default, and, where it shall consider such action in the best interest of the Trust Fund to abstain from the enforcement of any right, obligation or claim and to abandon any property, whether real or personal, which at any time may be held by it;

- (8) To cause any investment from time to time held by it to be registered in, or transferred to, their name as trustees or in the name of their nominee, or to retain in book entry or unregistered form or in a form permitting transferability by delivery; provided, that the books and records of the Board of Trustees shall at all times show that all such investments are part of the Trust Fund;
- (9) To do all acts which it may deem necessary or proper, and to exercise any and all of the powers of the trustees under this Plan upon such terms and conditions as it may deem to be in the best interest of the Trust Fund, as established in this ordinance;
- (10) To invest and reinvest all or any part of the Trust Fund through the medium of any common, collective or commingled trust fund maintained by state and federally chartered financial institutions (which institution may be the trustee or affiliated with the trustee) as the same may have heretofore been or may hereafter be established or amended, which is qualified under the provisions of Section 401(a) of the Code and exempt under Section 501(a) of the Code, and during such period of time as an investment through any such medium shall exist, the declaration of trust of such fund shall constitute a part of the Plan;
- (11) To invest assets of the Trust Fund in deposits of a bank or similar financial institution that bear a reasonable rate of interest;
- (12) To establish an investment policy, which sets out investment objectives, goals and guidelines for the investment of the assets over which the Board of Trustees or an Investment Manager has discretionary control; and
- (13) To enforce collection of receivables, including an obligation of the City to make a contribution to the plan.

F. Removal of Trustee. The mayor of the City of St. Louis may remove a member of the Board of Trustees appointed by the mayor.

G. Audit. At the direction of the Director of Personnel, the Board of Trustees shall obtain an audit by an unrelated accounting or pension consulting firm to verify that the directions of the Trustees, and the payments from the Plan, are made in accordance with the terms of the Plan.

H. Bond. Each member of the Board of Trustees shall be bonded for at least \$500,000, or any other amount set by the Director of Personnel. The bond shall provide protection to the Plan against loss to the Plan by reason of acts of fraud or dishonesty, or intentional disregard of the terms of the Plan.

4.19.140 Administration – Duties of Trustees

A. Plan Administrator. The authority and responsibility for the interpretation, operation and general administration of the Plan shall be vested in the Board of Trustees.

B. Duties of Plan Administrator. The Board of Trustees shall have the discretionary authority and responsibility to interpret and manage the Plan and exercise all fiduciary responsibilities with respect to the Plan. The duties and powers of the Board of Trustees as Plan Administrator shall include, but not be limited to, the following:

- (1) To interpret the Plan provisions and to decide all questions concerning the Plan and the eligibility of any Employee to participate in the Plan and to receive benefits from the Plan;
- (2) To authorize the payment of benefits at such times and in such manner as they determine are consistent with the terms of the Plan;
- (3) To keep accurate and detailed records of the administration of the Plan, including the amount of Accumulated Contributions credited to the account of each Participant, which records shall be open to inspection by the City at all reasonable times;
- (4) To establish and enforce such rules, regulations and procedures as it shall deem necessary or proper for the efficient administration of the Plan;
- (5) To delegate to any agents such duties and powers, both ministerial and discretionary, as it deems appropriate, by an instrument in writing which specifies which such duties are so delegated and to whom each such duty is

so delegated; and

- (6) To keep a record of all its proceedings, which shall be open to public inspection, and to publish annually a report showing the fiscal transactions of the Plan for the preceding fiscal year and the financial statement showing the assets of the Plan.

Notwithstanding any other provision of this ordinance, the Board of Trustees shall have no duty or authority with respect to the establishment, design, amendment or termination of the Plan. Such functions are settlor functions, which are reserved to the City, not fiduciary functions, in accordance with trust law. In particular, the Board of Trustees shall have no duty or authority to challenge actions taken by the City with respect to the establishment, design, amendment or termination of the Plan, or any other action taken by the City in its capacity as settlor of the Plan or employer of Plan Participants; and shall not authorize the expenditure of any assets of the Plan to fund such a challenge or objection. The fiduciary authority of the Board of Trustees includes discretionary control over investment of assets of the Trust Fund. In particular, enforcing collection of a receivable, such as an obligation of the City to make a contribution to the plan, is included in the scope of the fiduciary duties and authority of the Board of Trustees. A Trustee shall be liable to the City for any damages to, or expense incurred by, the City as a result of any action by the Board of Trustees in contravention of this paragraph if such Trustee voted in favor of such action, and for damages as a result of the Trustee approving an action clearly contrary to the terms of this Plan if such Trustee voted in favor of such action.

Any action by the Board or Trustees in contravention of, or not pursuant to a reasonable, good faith interpretation of, the explicit terms of the Plan shall be null and have no effect.

C. Written Instructions and Information. All claims, elections, instructions and requests by a Participant must be made in writing to the Board of Trustees. Each Participant shall furnish the Board of Trustees any requested information as needed to administer the Plan. The City shall furnish the Board of Trustees with the information needed to administer the Plan.

D. Compensation of Actuaries and Money Managers. Any member of the Board of Trustees, Actuary or investment manager may receive reasonable compensation from the Trust Fund for services rendered on behalf of the Plan or Trust, provided that no person who renders services to the Plan who already receives full-time pay from the City shall receive compensation from the Trust Fund except for reimbursement of expenses properly and actually incurred. The selection of any actuary shall be subject to a competitive bidding process in accordance with the terms and conditions of Ordinance 64102 and any subsequently enacted requirements governing contracts for professional services.

E. Allocation and Delegation Procedures. The Board of Trustees may appoint one or more of its Participants to carry out any particular duty or duties or to execute any and all documents on its behalf. Any documents so executed shall have the same effect as though executed by all the Participants. Such appointments shall be made by an instrument in writing that specifies what duties and powers are so allocated and to whom each such duty or power is so allocated. The Board of Trustees may delegate to any agents (including the Trustee) such duties and powers, both ministerial and discretionary, as it deems appropriate, by an instrument in writing which specifies which such duties are so delegated and to whom each such duty is so delegated.

F. Indemnification of Board of Trustees. The Plan shall indemnify any person serving on the Board of Trustees against all liabilities and claims (including reasonable attorneys' fees and expenses in defending against such liabilities and claims) other than liability arising out of a breach of fiduciary responsibility caused by the action of such person, liability for acting outside the scope of the person's authority, including but not limited to the authority and limitations stated in this Section 4.19.140, and liability for directing payment of benefits that are not made pursuant to a reasonable, good faith interpretation of the explicit terms of the Plan.

G. Officers and Employees. The Plan's Board of Trustees shall elect a chairman from its membership by a majority vote. The Board of Trustees, at its first board meeting and as its first matter of business, shall determine whether the individuals who were employed by FRS on the effective date of this board bill in the positions of executive directors and/or assistant executive director of FRS should be employed by the City to perform similar functions for the Plan created herein. In the event the Plan's Board of Trustees decides that the executive directors and/or assistant executive director formerly employed by FRS should be employed by the City, such employment shall be accomplished through non-competitive conversion as provided in Civil Service Rule VII, Section 10, subject to all of the terms and conditions of said Civil Service Rule VII. If the Board of Trustees does not request the conversion of either or both of said individuals, or if either or both of said individuals do not accept a position with the City and the Plan, the position(s) shall be filled through competitive examination in accordance with Article XVIII of the Charter and shall be appointed by the director of personnel. The director of personnel shall be the appointing authority for all employees described in this subsection. The terms and conditions of employment of all employees and agents of the Plan shall be governed by the City's Civil Service rules and regulations, and City Charter provisions regarding Civil Service employees. The compensation of all employees of referenced in this subsection shall be paid in accordance with the comprehensive compensation plan of the City. A

relative of any member of the Board of Trustees may not be employed to perform any services for the Plan or its Board of Trustees, or receive any compensation from the Trust Fund. The Board of Trustees shall comply with all Charter and ordinance requirements governing contracts for professional services, including but not limited to the provisions of Ordinance 64102.

4.19.150 Claims and Review Procedure.

A. Claims for Benefits. A Participant or beneficiary who believes that he is being denied or will be denied benefits to which he is entitled under the Plan may file a written request for such benefits with the Board of Trustees setting forth his claim.

B. Written Denials of Claims. Within ninety days after receipt of the request, the Board of Trustees shall provide to every claimant who is denied a claim for benefits, written notice setting forth in a manner calculated to be understood by the claimant:

- (1) The specific reason or reasons for the denial;
- (2) Specific reference to pertinent Plan provisions on which the denial is based;
- (3) A description of any additional material or information necessary for the claimant to perfect the claim and an explanation of why such material or information is necessary; and
- (4) An explanation of the claim review procedure and the time limits applicable to such procedures.

If special circumstances require an extension of time beyond the initial ninety day period, prior to the end of such initial ninety day period the Board of Trustees shall provide to the claimant written notice of the extension, the special circumstances requiring the extension, and the date by which the Board of Trustees expects to render the final decision.

C. Appeal of Denial. Within sixty days after a claim is denied, the claimant or his duly authorized representative may appeal such denial to the Board of Trustees by filing a written notice of appeal of the claim denial with the Board of Trustees, provided that if the claimant or his duly authorized representative fails to file such appeal within sixty days after the claim is denied, the claimant shall be deemed to have waived any right to appeal the denial of the claim. The notice of appeal shall reasonably apprise the Board of Trustees of the reasons and grounds for such appeal and shall specify the scope of review desired by requesting any or all of the procedures as follows:

- (1) Review, upon request and free of charge, all documents, records and other information in the possession of the Board of Trustees that are relevant to the claim; and
- (2) Submit written comments, documents, records and other information relating to the claim.

If review of a decision is requested, such review shall include a review of all comments, documents, records and other information submitted by the claimant relating to the claim without regard to whether such information was submitted or considered in the initial determination. Any denial shall inform the claimant of the specific reason or reasons for the denial, refer to the specific Plan provisions on which the denial is based, state that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of all documents, records and other information relevant to the claim. The decision on review shall be final and legally binding on all parties.

4.19.160 Amendment and Termination.

Amendment. The City reserves the right at any time, and from time to time, to modify or amend the Plan in whole or in part by duly adopting an Ordinance, provided that the obligation of the City to make contributions to the Plan, as provided in subsection 4.19.120(A), and the provisions relating to the enforcement of that obligation, may not be diminished.

4.19.170 Miscellaneous.

A. Rights of Employee. Neither the action of the City in establishing this Plan, nor any action taken by an Employer or the Trustee, nor any provision of the Plan shall be construed as giving to any Employee the right to be retained in the employ of the City or the right to any payments other than those expressly in the Plan to be paid from the Trust Fund. The City expressly reserves the right to modify the Plan terms and benefits at any time. The City also expressly reserves the right to dismiss any Employee without any liability for any claim against such Employer or against the Trust Fund other than with respect to the benefits provided for by the Plan.

B. Source of Benefits. All benefits to be paid to a Participant or his beneficiary under this Plan shall be paid solely out of the Trust Fund, and the City assumes no liability or responsibility therefor.

C. Notice of Address. Each person entitled to benefits under this Plan must file with the Board of Trustees, in writing, his Social Security number, his post office address and each change of post office address. Any communication, statement, or notice addressed to such person at his latest post office address as filed with the Board of Trustees will be binding upon such person for all purposes of the Plan, and neither the Trustee nor the Board of Trustees shall be obliged to search for or to ascertain the whereabouts of any such person.

D. Rules of Construction. The terms and provisions of this Plan shall be construed in accordance with the meaning under, and which will bring the Plan into conformity with Section 401(a) of the Code, and in accordance with the laws of the State of Missouri. The Plan shall be deemed to contain the provisions necessary to comply with such laws. If any provision of this Plan shall be held illegal or invalid, the remaining provisions of this Plan shall be construed as if such provision had never been included and such remaining provisions shall remain valid and operative; provided that the benefits accrued under the Prior Plan on account of earnings and service before the Effective Date shall be assumed by and paid under this Plan if and only if the assets of the Prior Plan are merged into the Trust Fund under this Plan in accordance with subsection 4.19.010(E). Wherever applicable, the masculine pronoun as used herein shall include the feminine, and the singular shall be the plural.

E. Legal Action. No action may be brought in law or equity to recover under this Plan until the Claims and Review Procedures of Section 4.19.150 have been exhausted with respect to a claim; and no action may be brought after one year of the final denial of an appeal pursuant to subsection 4.19.150(C).

In the event of a failure or refusal by the Trustees to administer the Plan according to the terms of this Ordinance, or if the Trustees act in manner contrary to their scope of authority, including but not limited to the authority and limitations stated in Section 4.19.140, the City may seek and pursue any or all legal remedies to enforce adherence to the terms and conditions stated in this ordinance, including but not limited to a suit for injunction, writ of mandamus or prohibition or court appointment of a successor Trustee.

Approved: July 29, 2012