

ORDINANCE #65580
Board Bill No. 54
Floor Substitute

AN ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND APPORTIONMENT DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE OLD POST OFFICE REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; ESTABLISHING THE OLD POST OFFICE SPECIAL ALLOCATION FUND; APPROVING THE EXECUTION OF A REDEVELOPMENT AGREEMENT TO CARRY OUT THE REDEVELOPMENT PLAN; AND MAKING FINDINGS WITH RESPECT THERETO.

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

WHEREAS, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”); and

WHEREAS, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended (the “TIF Act”), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

WHEREAS, at the direction of the Board of Aldermen, staff and consultants prepared a plan for redevelopment titled “Tax Increment Blighting Analysis and Redevelopment Plan for the Old Post Office Redevelopment Area” dated April 2, 2002 (the “Redevelopment Plan”), for an area bounded by Eighth and Ninth Streets and Locust and Olive Streets (the “Redevelopment Area”), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and marked **Exhibit A**; and

WHEREAS, on April 10, 2002, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, the Redevelopment Project and the Redevelopment Proposal; and

WHEREAS, the TIF Commission recommended that the Board of Aldermen adopt the Redevelopment Plan and the Redevelopment Project or designate the Redevelopment Area as a “redevelopment area” within the meaning of the Act; and

WHEREAS, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a “redevelopment area” as provided in the TIF Act and adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

WHEREAS, the Board of Aldermen has determined that the Redevelopment Area qualifies for the use of tax increment allocation financing to alleviate the conditions that qualify it as a “redevelopment area” as provided in the TIF Act and that it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within and to establish a special allocation fund for the Redevelopment Area.

WHEREAS, the St. Louis’ U.S. Custom House and Post Office Building Associates, L.P. (the “Developer”), submitted a Redevelopment Proposal (the “Redevelopment Proposal”), to redevelop the Redevelopment Area and the City desires to enter into an agreement with Developer with regard to the redevelopment of the Redevelopment Area; and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Redevelopment Agreement attached as **Exhibit B** hereto (the “Redevelopment Agreement”) are acceptable and that the execution, delivery and performance by the City and the Developer of their respective obligations under the Redevelopment Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Act and the Redevelopment Plan.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF THE CITY OF ST. LOUIS, MISSOURI, AS FOLLOWS:

SECTION 1. The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a “blighted area”, as defined in Section 99.805(1) of the Act, and has not been subject to growth and development through private enterprise and the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of tax increment financing, the Redevelopment Plan and the Redevelopment Project. This finding includes, and the Redevelopment Plan sets forth and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “blighted area” and qualify the Redevelopment Project as a “redevelopment project” and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the Act have been met.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.

C. The estimated dates of completion of the Redevelopment Project and retirement of obligations incurred to finance redevelopment project costs have been stated in the Redevelopment Plan and these dates are 23 years or less from the date of approval of the Redevelopment Project.

D. A plan has been developed for relocation assistance for businesses and residences in Ordinance No. 62481 adopted December 20, 1991.

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is included in the Redevelopment Plan and is incorporated herein as if fully set forth herein, which cost-benefit analysis shows the impact on the economy if the project is not built and is built pursuant to the Redevelopment Plan.

F. The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

G. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefited by the proposed Redevelopment Project and improvements.

SECTION 2. The Redevelopment Area described in the Redevelopment Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of the TIF Act.

SECTION 3. The Redevelopment Plan and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION 4. Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed value of all taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the Act each year after the effective date of this Ordinance until the payment in full of all redevelopment project costs shall be divided as follows:

A. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing; and

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City’s Treasurer, who shall deposit such payments in lieu of taxes into a separate fund called the “Old Post Office Special Allocation Fund” for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of

the Redevelopment Project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

C. The Redevelopment Area is currently exempt from all real property taxes and it is anticipated that it shall remain so after redevelopment. If the real property in the Redevelopment Area, or any interest therein, is subjected to real property taxation during the twenty-three year period after adoption of the Redevelopment Plan by ordinance, then the amount of the “pay as you go” payments to be made under the Redevelopment Plan shall be the sum of the amount to be funded from EATs plus one-hundred percent of any such real property taxes imposed.

SECTION 5. In addition to the payments in lieu of taxes described in paragraph (B) of Section 4 of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project, over the amount of such taxes, penalties and interest in the calendar year prior to the adoption of this Ordinance, while tax increment financing remains in effect, but excluding any 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, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or taxes levied pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, for the purpose of public transportation, shall be allocated to and paid by the License Collector and Collector of Revenue to the City's Treasurer, who shall deposit such funds in a separate segregated account within the Old Post Office Special Allocation Fund.

SECTION 6. In addition to the payments in lieu of taxes described in paragraph (B) of Section 4 of this Ordinance and the economic activity taxes described in Section 5 of this Ordinance, (A) thirty-four and 25/100ths percent (34.25%) of the total additional revenue from taxes, penalties and interest, not otherwise subject to allocation pursuant to Section 99.845(3) of the Revised Statutes of Missouri, which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project, over the amount of such taxes, penalties and interest in the calendar year prior to the adoption of this Ordinance, while tax increment financing remains in effect, but excluding any 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, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or taxes levied pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, for the purpose of public transportation, shall be allocated to and paid by the License Collector and Collector of Revenue to the City's Treasurer, who shall deposit such funds in a separate segregated account within the Old Post Office Special Allocation Fund, and (B) the lesser of (i) an amount equal to the actual amount of taxes generated by economic activities within the area of the Redevelopment Project received by the City and deposited into the City's general fund in the calendar year ended December 31, 2001, but excluding 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, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, as certified to by the appropriate officers of the City responsible for receiving and processing economic activity taxes from taxpayers or the Missouri Department of Revenue, or (ii) Fifty Thousand Dollars (\$50,000.00), which amount shall be paid by the City's Treasurer who shall deposit such funds in a separate segregated account within the Old Post Office Special Allocation Fund.

SECTION 7. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the “Old Post Office Special Allocation Fund” for the purpose of paying redevelopment project costs and obligations incurred in the payment thereof. All moneys deposited in the Old Post Office Special Allocation Fund shall be applied in such manner consistent with the Redevelopment Plan and Redevelopment Agreement as determined by the Board of Aldermen.

SECTION 8. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Four, Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

SECTION 9. The Mayor and Comptroller are hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement between the City and the Developer, and the City Register is hereby authorized and directed to attest to the Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment Agreement shall be in substantially the form attached hereto as **Exhibit B**, which Redevelopment Agreement is hereby approved by the Board of Aldermen with such changes therein as shall be approved by the officers of the City executing the same.

SECTION 10. The City Register is hereby directed to submit a certified copy of this Ordinance to the Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within Redevelopment Area.

SECTION 11. The Mayor and Comptroller of the City and all other officers, agents, representatives and employees of the City are hereby authorized to take any and all actions as may be deemed necessary, desirable, convenient or proper to carry out and comply with the intent of this Ordinance with regard to the implementation of the Redevelopment Plan and to execute and deliver for and on behalf of the City all certificates, instruments or other documents as may be necessary, desirable, convenient or proper to carry out the matters herein authorized.

SECTION 12. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent

SECTION 13. If the Developer has not executed the Redevelopment Agreement within 60 days after passage of this Ordinance and its approval by the Mayor, all rights conferred by this Ordinance on St. Louis' U.S. Custom House and Post Office Building Associates, L.P., a Missouri limited partnership, shall terminate and the City may designate another entity as developer of the Redevelopment Area; *provided*, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

SECTION 14. Be it further ordained that all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby repealed.

SECTION 15. This being an ordinance for the preservation of public peace, health and safety, it is hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and shall become effective immediately upon its passage and approval by the Mayor.

Clerk, Board of Aldermen

President, Board of Aldermen

Approved: Date: _____

Mayor

Truly Engrossed and Enrolled

Chairman

EXHIBIT A
Redevelopment Plan
(Attached hereto.)

EXHIBIT B
Redevelopment Agreement
(Attached hereto.)

**TAX INCREMENT
BLIGHTING ANALYSIS AND REDEVELOPMENT PLAN**

FOR THE

OLD POST OFFICE
REDEVELOPMENT AREA
St. Louis, Missouri

February 22, 2002,
as amended April 2, 2002
as further amended June 28, 2002

**OLD POST OFFICE
REDEVELOPMENT PROJECT**

St. Louis Development Corporation
City of St. Louis
Francis Slay
Mayor

Barbara Geisman
Executive Director for Development

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I. DESCRIPTION OF THE REDEVELOPMENT AREA

A. Boundaries of the Redevelopment Area

The Old Post Office Redevelopment Area (the “Redevelopment Area” or “Area”) is City Block 193 bounded by Locust Street on the north, 8th Street on the east, Olive Street on the south and 9th Street on the west and is located in the Central Business District of downtown St. Louis as shown in *Exhibit A* of this Redevelopment Plan. The Redevelopment Area, which includes all property within its boundaries, has an address of 815 Olive Street. The Redevelopment Area encompasses approximately one acre and consists of one parcel with an existing facility (the “Old Post Office Building”) to be rehabilitated. A legal description of the Redevelopment Area is provided in *Exhibit B*.

B. Determination of Blight

The Redevelopment Area is qualified as a Blighted Area under the Real Property Tax Increment Allocation Redevelopment Act (the “Act”). Section 99.805(1) of the Act defines Blighted Area as one which, “by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire or other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or menace to the public health, safety, morals, or welfare” in its present condition or use.

A number of conditions exist which cause the Redevelopment Area to be classified as a Blighted Area for purpose of the Act. The Redevelopment Area comprises all of City Block 193.

Deterioration of Site Improvements: City Block 193, comprising approximately one acre, has been operated as a government facility. While the Area has been substantially occupied, all of the governmental users are scheduled to vacate the building in early 2002. The building is highly inefficient with only approximately 54% useable space. In addition it has a number of systems that are either functionally obsolete or outdated; the building is in need of a significant update to its telecommunications systems.

When combined with other redevelopment projects in the Central Business District, the Redevelopment Area will help foster commercial, educational and retail activities and as a result, stimulate economic development and prosperity. The proposed redevelopment project will also create significant new permanent jobs and generate substantial taxes for the City of St. Louis (“City”). At present, unemployment figures computed by the Missouri Department of Economic Development indicate a 7.4% unemployment rate for the City as of December, 2001.

Exhibit C shows the General Property Conditions in the Redevelopment Area.

II. REDEVELOPMENT PLAN AND REGULATIONS

A. Redevelopment Plan Objectives

The primary objectives of this Redevelopment Plan are:

1. To enhance site improvements and provide an adequate 21st century facility that shall be developed with a comprehensive strategy to encourage commercial, educational and retail activities for the benefit of the businesses and residents of the City of St. Louis.
2. To create a large number of job opportunities for unemployed and underemployed residents of the City of St. Louis.
3. To stimulate the redevelopment and tax base of adjacent commercial, retail and residential districts by attracting more businesses and people to the Redevelopment Area.
4. To enhance the quality of life of nearby commercial, retail and residential areas through improvements to the commercial areas, including related parking and corresponding public improvements.
5. To reduce and eliminate a blighted and underutilized area which is an economic and social liability to commercial, retail and residential districts and to the City of St. Louis as well as a liability to the public health, safety and economic welfare of the City.

B. Existing General Land Use and Existing Zoning

The existing land use in the Redevelopment Area includes a soon to be vacant building in the center of the Central Business District in downtown St. Louis, which is generally obsolete and underutilized. The properties to the north of the Redevelopment Area are the several hotels and the convention center. The properties to the west and south of the Redevelopment Area are primarily vacant buildings; the Redevelopment Area and the buildings in the adjacent blocks currently contain over 2,000,000 square feet of vacant space. Various plans are being considered for the adjoining blocks which include commercial, retail, residential, parking and hotel uses.

In conjunction with this Redevelopment Plan, the Missouri Development Finance Board (“MDFB”) is considering an adjacent development. The current proposal is for MDFB to own the Syndicate Trust/Century block, construct the Ninth Street Garage a 1,050 car garage on the site of the Century Building and, with the City’s input, seek a developer for a residential, retail and/or commercial reuse of the Syndicate Trust Building.

The Redevelopment Area is zoned “T” Central Business District, pursuant to the Zoning Code of the City of St. Louis which is incorporated in this Redevelopment Plan by reference. *Exhibit D* of this Redevelopment Plan shows the Existing Zoning in the Redevelopment Area and it is proposed that the zoning remain the same.

C. Proposed General Land Use and Proposed Zoning

The primary objectives of this Redevelopment Plan are to encourage the renovation of the Old Post Office Building as a location for commercial, educational, court and retail activities and to pave the way for revitalization of the existing vacant commercial, retail and residential that are expected to be developed adjacent to the Redevelopment Area and thereby eliminate blighted conditions in the Redevelopment Area. *Exhibit A* shows the Proposed General Land Use plan for the Redevelopment Area.

Developer(s) selected by the City for the Redevelopment Project within the Redevelopment Area shall be required to develop property in accordance with this Redevelopment Plan. Property to be developed within the Redevelopment Area under this Redevelopment Plan shall not be permitted the following uses: pawn shops, adult bookstores, x rated movie houses, massage parlors or health spas, auto and truck dealers (new or used), storefront churches, pinball arcades, pool halls, secondhand or junk shops, tattoo parlors, truck or other equipment rentals requiring outside storage, blood donor facilities, free standing package liquor stores, check cashing centers, automobile service or stations, or storage facilities.

D. Proposed Employment

The Old Post Office project will generate about 350 construction jobs and permanent jobs with an annual payroll of nearly \$9,342,000. A significant portion of the employment created in the Redevelopment Area will provide skilled job opportunities with advancement potential. Many of the employees will hold a bachelor's degree or higher.

Developer(s) selected for the Redevelopment Project within the Redevelopment Area will be required to enter into a First Source Employment Agreement with the St. Louis Agency for Employment and Training for entry-level jobs, if any, to promote the hiring of City residents, particularly those living in neighborhoods near the Redevelopment Area.

E. Circulation/Parking

The Proposed General Land Use Plan, shown as *Exhibit A* to this Redevelopment Plan, indicates the proposed circulation system around the Redevelopment Area. The layouts, levels and grades of all public rights of way will remain unchanged.

In conjunction with the Project to be completed by the Developer, MDFB is considering an adjacent development. The current proposal is for MDFB to own the Syndicate Trust/Century block, construct the Ninth Street Garage which is a 1,050 car garage on the site of the Century Building and, with the City's input, seek a developer for a residential, retail and/or commercial reuse of the Syndicate Trust Building.

F. Buildings, Design Standards, Signs and Site Regulations

The Redevelopment Area shall be subject to all applicable federal historic preservation requirements. When developed in accordance with this Redevelopment Plan, the Redevelopment Area will comprise a coordinated, adjusted and harmonious development that promotes the health, safety, morals, order, convenience, prosperity, general welfare, efficiency and economy of the City.

G. Land Acquisition and Eminent Domain

This Redevelopment Plan does not authorize the City to acquire the property by eminent domain.

H. Property Disposition

The City may vacate any portion of its right of way in the Redevelopment Area, including but not limited to, streets, alleys and sidewalks areas.

III. REDEVELOPMENT PROJECT**A. Redevelopment Project Description**

The Redevelopment Area will be developed immediately for commercial, educational, court and retail uses. The Old Post Office Building contains approximately 242,000 gross square feet, but only approximately 130,000 usable square feet. Tax increment revenues generated by the Redevelopment Area project will be used to pay for eligible Redevelopment Project Costs within the Redevelopment Area on a "pay as you go" basis.

The Redevelopment Project will be constructed of high quality materials with an attractive design. It is anticipated that the permanent jobs created by the Project will have an annual payroll of nearly \$9,342,000. The Project is expected to remain exempt from real property taxes. The total development cost of the Project within the Redevelopment Area is estimated to be approximately \$34,950,000. As a result of the Project, a portion of the tax increment revenues from the Redevelopment Area are expected to generate in excess of \$6,655,220 of EATS; this stream of revenue distributed on a pay-as-you-go basis will initially support a mortgage loan in the amount of \$2,170,000, or about 6.2% of the total development costs within the Redevelopment Area. *Exhibit E* of this Redevelopment Plan describes the Estimated Redevelopment Project Costs. The City will not be requested to issue or guarantee any indebtedness for the Project.

B. Eligible TIF Public Redevelopment Project Costs

The TIF Act provides for the use of tax increment revenues generated by a designated redevelopment project area within

a TIF redevelopment area to pay all reasonable or necessary costs incurred, estimated to be incurred, or incidental to a redevelopment plan or redevelopment project within a TIF redevelopment area. A municipality may pledge all or any part of the funds in and to be deposited in the special allocation fund established for a redevelopment project area to the payment of redevelopment project costs and obligations within the redevelopment area, including the retention of funds for the payment of future redevelopment project costs. To the extent that tax increment revenues are deposited or are to be deposited in the special allocation fund, the redevelopment project costs may be paid directly in the year they are incurred or financed on a “pay as you go” basis, provided that the “pay as you go” obligations are repaid within twenty-three years. Eligible redevelopment project costs include, but are not limited to, the following:

1. Costs of studies, surveys, plans and specifications;
2. Professional service costs, including but not limited to, architectural, engineering, environmental, legal, planning, marketing, financing, placement, and special services;
3. Land acquisition, demolition, and site preparation costs including but not limited to, demolition of buildings, and the remediation, clearing and grading of land;
4. Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
5. Initial costs for an economic development area;
6. Costs of constructing public works or improvements, such as street lighting, street and alley construction or repairs, and parking;
7. Financing costs, including but not limited to, all necessary incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
8. All or a portion of a taxing district’s capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of this Redevelopment Plan and project, to the extent the City by written agreement accepts and approves such costs;
9. Relocation costs, to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal, state, or local law; and
10. Payments in lieu of taxes.

C. Estimated TIF Public Redevelopment Project Costs

Estimated Redevelopment Project Costs of the Redevelopment Project, including the use of “pay as you go” amounts to be paid by tax increment revenues and certain additional municipal revenues from the Project Area, are described below.

The proceeds from the “pay as you go” amounts shall be limited to \$6,655,220 together with any annual payments of the incremental real property taxes if such taxes should be imposed on the Redevelopment Area, and such amount shall be applied for a portion of the eligible Redevelopment Project Costs incurred or estimated to be incurred within the Redevelopment Area. Eligible Redevelopment Project Costs may include, but not be limited to, all uses described in Section III.B. of this Redevelopment Plan (the “Eligible Redevelopment Project Costs”) and as more particularly described in Section III.B. and in *Exhibit E* of this Redevelopment Plan (the “Estimated Redevelopment Area Project Costs”). Such costs are anticipated to include professional services, site preparation, public works and improvements, financing costs, and other related development costs of the Redevelopment Project.

Final estimated costs for site preparation and certain public improvements may depend upon qualified third party appraisals and final analyses. The costs identified herein, together with the private redevelopment project activities, are deemed adequate for the fulfillment of the Redevelopment Area project.

In addition, other sources of financing for Redevelopment Project Costs may include developer financing or public funds other than those generated by tax increment in the Redevelopment Area, such as bank loan, state brownfields tax credits, state historic tax credits, federal historic tax credits, etc.

D. Present and Future Equalized Assessed Valuations of the Redevelopment Area: Redevelopment Area

The total 2001 Equalized Assessed Valuation (the "EAV") of all taxable real property in the Redevelopment Area is \$2,900,000. The Redevelopment Area will be designated the Redevelopment Project Area pursuant to the TIF Act. The City intends to pledge the tax increment from all of the Redevelopment Area and certain additional municipal revenues for the Estimated Redevelopment Project Costs, which shall include the Redevelopment Project "pay as you go" obligations. The Redevelopment Area is currently exempt from all real property taxes and it is anticipated that it shall remain so after redevelopment. If the real property in the Redevelopment Area, or any interest therein, is subjected to real property taxation during the twenty-three year period after adoption of this Redevelopment Plan by ordinance, then the amount of the "pay as you go" payments to be made under this Plan shall be the sum of the amount to be funded from EATS plus one-hundred percent of any such real property taxes imposed.

E. Project Finance and Nature of Obligations

Tax increment revenues from the Redevelopment Area, certain additional municipal revenues and other public and private funds will be used in a variety of ways for redevelopment activities within the Redevelopment Area. In particular, the Redevelopment Area tax increment revenues may be pledged for repayment of special obligations to finance redevelopment costs in the Redevelopment Area, i.e., for reimbursement on a "pay as you go" basis.

It is anticipated that the funds to be utilized to finance eligible Redevelopment Project Costs will be paid on a "pay as you go" basis" and not generated through the sale by the City of TIF Bonds. Such "pay as you go" funds may be used during the twenty three year period of this Redevelopment Plan for payment of eligible Redevelopment Project Costs incurred or estimated to be incurred in the Redevelopment Area. Redevelopment Project Costs may include, but not be limited to, all uses as described in Section III.B. of this Redevelopment Plan (the "Eligible TIF Public Redevelopment Projects Costs") and as more particularly described in Sections III.A. and III.C. and *Exhibit E* of this Redevelopment Plan. Funds on deposit and accumulated in the Redevelopment Area Fund may be pledged for payment of present and future Redevelopment Project Costs in the Redevelopment Area as such costs are incurred and/or for repayment of special obligations issued by the City pursuant to the TIF Act.

The Redevelopment Project Costs, including the "pay as you go" amounts, will be paid solely from the moneys on deposit in the Special Allocation Fund. The Special Allocation Fund will contain two accounts:

1. The "Pilots Account" which will contain all payments in lieu of taxes derived from all taxable, lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as such property is described in *Exhibit B* to this Redevelopment Plan; and
2. The "Economic Activity Taxes ("EATS") Account" which will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area as such property is described in *Exhibit B* to this Redevelopment Plan, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the Pilots Account. In addition, sixty-eight and one-half percent (68.5%) of the other fifty percent (50%) of the EATS taxes shall be deposited in the EATS Account for payment by the City of other Redevelopment Project Costs. In addition, the City has agreed to pledge certain additional municipal revenues not to exceed \$50,000 per year.

Funds on deposit in the Pilots Account will be pledged to the payment of the Redevelopment Project Costs, including the "pay as you go" amounts and the Redevelopment Area Fund. Funds on deposit in the EATS Account and certain additional municipal revenues will be subject to annual appropriation by the City for payment of the Redevelopment Project Costs, including for reimbursement on a "pay as you go" basis. The City would not be requested to issue or guarantee any indebtedness for the Project. This stream of revenue disbursed on a "pay as you go" basis would initially produce enough revenue to carry a \$2,170,000 mortgage loan (the "TIF mortgage loan").

The "pay as you go" amounts will constitute special obligations of the City payable solely from, and secured as to the payment from any amounts the Pilots Account (if any), and to the extent appropriated by the City on an annual basis, from funds derived from other taxes deposited into the Special Allocation Fund and certain additional municipal revenues, and from no other revenue or property of the City, the State of Missouri, or any political subdivision thereof. Such payment obligations shall not constitute debts or liabilities of the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the City nor the State of Missouri shall be liable thereon except from the Pilots Account, and, to the extent appropriated by the City on an annual basis, from funds derived from other taxes deposited into the Special Allocation Fund and certain additional municipal revenues.

F. School Surcharge Agreement

So long as the TIF remains in place, all tenants will be surcharged 5¢ per usable square foot per year on an assessment basis by the Developer or any successor manager or operator of the Project, which when collected will be donated to the Board of Education of the St. Louis City School District.

IV. BASIS OF FINDINGS FOR TAX INCREMENT FINANCING PLAN ADOPTION**A. Lack of Growth and Redevelopment**

The Redevelopment Area is qualified as a Blighted Area under the TIF Act, as described in Section I.B. of this Redevelopment Plan. The Redevelopment Area on the whole has not been subject to growth and development through investment by private enterprise, as evidenced by its current ownership and its present condition. Furthermore, the Redevelopment Area would not reasonably be anticipated to be developed without the adoption of this Redevelopment Plan. Development of the Redevelopment Area as proposed in this Redevelopment Plan would not occur but for the public financing from tax increment revenues.

B. Conformance with the Comprehensive Plan of the City of St. Louis

The proposed land uses, zoning, public facilities and utility plans are appropriate and consistent with local objectives as defined by the General Plan of the City of St. Louis which includes the “Comprehensive City Plan” (1947), the “St. Louis Development Program” (1973), and the “Economic Development Strategy” (1978).

C. Estimated Dates for Implementation

The estimated date for completion of this Redevelopment Plan is May, 2025 for a total development schedule of 23 years as permitted by the TIF Act. Special “pay as you go” disbursements from the City to finance the Redevelopment Project Costs within the Redevelopment Area will be completed over a time period not to exceed 23 years.

D. Relocation Plan

The property within the Redevelopment Area currently is partially occupied and is scheduled to be vacated in early 2002. The Developer is negotiating a lease covering the entire Project. Relocation activities are not anticipated, since the building will be vacated soon. While not currently allowed, should eminent domain be utilized, any eligible owners, businesses, and residential occupants within the Redevelopment Area displaced as a result of the implementation of this Redevelopment Plan shall be provided relocation assistance in accordance with all federal, state and local laws, ordinances, regulations and policies, including the federal Uniform Relocation Procedures Act, as amended, and the Revised Relocation Policy of the City of St. Louis which are incorporated into this Redevelopment Plan by reference.

V. ADMINISTRATIVE ISSUES**A. Plan Administration**

The City will administer this Redevelopment Plan and work with the various City departments and officials charged with specific responsibilities pursuant to the TIF Act.

B. Duration of Regulations and Controls

The regulations and controls set forth in this Redevelopment Plan shall be in full force and effect for twenty three years commencing with the effective date of approval of this Redevelopment Plan by ordinance or until the “pay as you go” amounts are paid and all obligations to reimburse Redevelopment Project Costs have been satisfied.

C. Procedures for Changes in Redevelopment Plan

Procedures for amending this Redevelopment Plan are set forth in Section 99.825(1) of the TIF Act, which is hereby incorporated by reference to this Redevelopment Plan.

D. Compliance with Affirmative Action, Equal Opportunity and Non-Discrimination Laws and Regulations

1. In any contract for work in connection with the Redevelopment Project related to any of the property in the Redevelopment Area, the Developer (which term shall include the Developer, any transferees, lessees, designees, successors and assigns thereof, including without limitation any entity related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended), its contractors and subcontractors shall comply with all federal and state laws, ordinances or regulations governing equal opportunity and nondiscrimination (the "Laws"). Moreover, the Developer shall contractually require its contractors and subcontractors to comply with the Laws.
2. The Developer and its contractors or subcontractors shall not contract with any party known to have been found in violation of the Laws.
3. The Developer shall make good faith efforts to observe Executive Order #28 dated July 24, 1997, relating to minority and women-owned business participation in City contracts.
4. The parties agree that the provisions of City Ordinance #60275, codified at Chapter 3.90 of the Revised Ordinances of the City of St. Louis, Missouri (the "First Source Jobs Policy"), do not specifically apply to the Developer as a potential recipient of TIF Revenues. Nonetheless, the Developer voluntarily agrees to make good faith efforts to observe the provisions of the First Source Jobs Policy related to the negotiation of an employment agreement with the St. Louis Agency on Training and Employment.

E. Developer Selection

The Redevelopment Project anticipates the use of tax increment financing for payment of Public Redevelopment Project Costs. As required by state law and upon authorization of the Tax Increment Finance Commission of the City of St. Louis, the City or its agent shall request proposals for a Developer to carry out the private rehabilitation and new construction activities contemplated by this Redevelopment Plan. The City or its agent shall establish procedures to provide a reasonable opportunity for any person to submit proposals for Developer of a Redevelopment Area. The City shall make available to the public the terms of all proposals made in response to its request for proposals, including the terms of agreements with the City for any proposed conveyance, lease, mortgage, or other disposition of land or redevelopment of property in a Redevelopment Area. In general, proposals shall be evaluated upon the extent to which they may achieve the objectives of this Redevelopment Plan. The City may reserve the right to reject any and all proposals, to negotiate with proponents, and to waive any informality in submissions whenever same is in the interest of the City.

F. Severability

The elements of this Redevelopment Plan satisfy all requirements of state and local laws. Should any provisions of this Redevelopment Plan be held invalid by a final determination of a court of law, the remainder of the provisions thereof shall not be affected thereby, and shall remain in full force and effect.

VI. EXHIBITS

All attached exhibits are hereby incorporated by reference into this Redevelopment Plan and made a part hereof.

EXHIBIT A: REDEVELOPMENT PLAN LOCATION AND LAND USE**EXHIBIT B: LEGAL DESCRIPTION**

All of City Block No. 193, formerly consisting of sixteen (16) parcels of land, bounded on the north by Locust Street, on the east by Eighth Street, on the south by Olive Street, and on the west by Ninth Street, situated in the City of St. Louis, State of Missouri, as recorded in the recorder of deeds office in the City of St. Louis in Book 8125, Page 476.

EXHIBIT C: GENERAL PROPERTY DESCRIPTION**EXHIBIT D: EXISTING ZONING
(TO REMAIN THE SAME)**

EXHIBIT E: ESTIMATED REDEVELOPMENT AREA PROJECT COSTS

**EXHIBIT F: DEVELOPER'S AFFIDAVIT
TIF COMMISSION - CITY OF ST. LOUIS
OLD POST OFFICE PROJECT**

TO: TAXING DISTRICTS
TIF COMMISSIONERS

FROM: ST. LOUIS' U.S. CUSTOM HOUR AND POST OFFICE
BUILDING ASSOCIATES, L.P.

DATE: _____, 2002

RE: OLD POST OFFICE
REDEVELOPMENT AREA

The undersigned has reviewed the Tax Increment Blighting Analysis and Redevelopment Plan dated February 22, 2002, as amended April 2, 2002, for the Old Post Office Redevelopment Area (the "Redevelopment Plan"). St. Louis' U.S. Custom House and Post Office Building Associates, L.P. submitted an application dated February 7, 2002, for the development of the Redevelopment Area under the Redevelopment Plan (collectively, the "Application").

The undersigned hereby certifies that "but for" the receipt of the benefits tax increment financing as described in the Redevelopment Plan, the undersigned would not pursue and complete the Project in accordance with the Application and as described in the Redevelopment Plan.

St. Louis' U.S. Custom House and Post Office
Building Associates, L.P.
By: Old Post Office Developers, LLC
By: The DESCO Group, Inc., a member

By: _____
Mark J. Schnuck, President

St. Louis' U.S. Custom House and Post Office
Building Associates, L.P.
By: Old Post Office Developers, LLC
By: The DFC Group, Inc., a member

By: _____
Steven J. Stogel, President

EXHIBIT G: COST-BENEFIT ANALYSIS

EXHIBIT H: TIF ANALYSIS

REDEVELOPMENT AGREEMENT
Among the
CITY OF ST. LOUIS, MISSOURI
MISSOURI DEVELOPMENT FINANCE BOARD
And
ST. LOUIS' U.S. CUSTOM HOUSE AND POST OFFICE
BUILDING ASSOCIATES, L.P.
Dated as of
_____, 2002
OLD POST OFFICE REDEVELOPMENT PROJECT

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EXHIBIT F Form of Notice of Commencement of Construction
EXHIBIT G Redevelopment Plan

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT is made and entered into as of this _____ day of _____, 2002, by and among the **CITY OF ST. LOUIS, MISSOURI**, a body corporate and a political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, the **MISSOURI DEVELOPMENT FINANCE BOARD**, a body corporate and politic duly organized and existing under the laws of the State of Missouri (the “Board”) and **ST. LOUIS’ U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, L.P.**, a limited partnership duly organized and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in **Article I** of this Agreement.)

RECITALS

- A. The City of St. Louis, Missouri is a body corporate and a political subdivision of the State of Missouri, duly created, organized and existing under and by virtue of its charter, the Constitution and laws of the State of Missouri; and
- B. On December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri; and
- C. The TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri, as amended, and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and
- D. At the direction of the Board of Aldermen, staff and consultants prepared a plan for redevelopment titled “Tax Increment Blighting Analysis and Redevelopment Plan for the Old Post Office Redevelopment Area” dated February 22, 2002, as amended, for City Block 193 which is an area bounded by Eighth and Ninth Streets and Locust and Olive Streets, which Redevelopment Area is more fully described in Exhibit B in the Redevelopment Plan, a copy of which is attached hereto as **Exhibit G** and incorporated herein by reference; and
- E. The Developer, in response to the City’s solicitation of proposals from developers, submitted its Redevelopment Proposal, for redevelopment of the Redevelopment Area; and
- F. On April 10, 2002, after all proper notice was given, the TIF Commission held a public hearing in conformance with the Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, the Redevelopment Project and the Redevelopment Proposal; and
- G. On _____, 2002, after due consideration of the TIF Commission’s recommendations and in

accordance with the requirements of the Act, the City adopted Ordinance No. _____ [Board Bill No. _____], which (i) designated a certain portion of the City a Redevelopment Area, (ii) approved the Redevelopment Plan, (iii) approved the Redevelopment Project described in the Redevelopment Plan, (iv) adopted tax increment allocation financing within the Redevelopment Area, and (v) established the Special Allocation Fund; and

H. On _____, 2002, the City adopted Ordinance No. _____ [Board Bill No. _____] authorizing the City to enter into a Redevelopment Agreement with the Developer.

I. Pursuant to provisions of the Act and Ordinance Nos. _____ and _____ [Board Bill Nos. _____ and _____], the City is authorized to enter into this Agreement to pay for certain Redevelopment Project Costs incurred by the Developer in furtherance of the Redevelopment Plan and the Redevelopment Project, and to allocate certain TIF Revenues to the payment of such Redevelopment Project Costs.

J. The Board will be the fee owner of the Property.

AGREEMENT

Now, therefore, in consideration of the premises and promises contained herein and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

1.1 Definitions. As used in this Agreement, the following words and terms shall have the following meanings: “*Acquisition Costs*” means all costs of acquiring leasehold title to the Property, including without limitation the lease payments, cost of improvements; brokerage commissions; costs of title commitments, reports or policies; surveys; engineering fees, environmental remediation, soil, hazardous waste and other site and property-related reports and expenses; appraisals; professional fees of any kind or nature, including attorneys’ fees, filing fees, recording fees, experts’ fees; and all litigation costs, including judgments, payments in settlement of litigation, and all associated court costs, fees and expenses.

“*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, as amended.

“*Agreement*” means this Redevelopment Agreement, as the same may be from time to time modified, amended or supplemented in writing by the parties hereto.

“*Approving Ordinances*” means Ordinance Nos. _____ and _____ [Board Bill Nos. _____ and _____], designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, adopting tax increment allocation financing within the Redevelopment Area, establishing the Special Allocation Fund, and authorizing the City to enter into a Redevelopment Agreement with Developer.

“*Available Revenues*” means all monies on deposit from time to time (including investment earnings thereon) in (a) the PILOTS Sub-Account, (b) subject to annual appropriation, the EATS Sub-Account, and (c) subject to annual appropriation, the Municipal Revenues Sub-Account within the Revenue Fund of the Special Allocation Fund. Available Revenues do not include any amount paid under protest until such protest is withdrawn or resolved against the taxpayer and any sum received by the City that is the subject of a suit or other claim communicated to the City, which suit or claim challenges the collection of such sum.

“*Board*” means the Missouri Development Finance Board, and its successors and assigns or any entity succeeding to or charged with the powers, duties and functions of the Board.

“*Board of Aldermen*” means the Board of Aldermen of the City.

“*Certificate of Reimbursable Redevelopment Project Costs*” means a document substantially in the form of **Exhibit D**, attached hereto and incorporated herein by reference, provided by the Developer to the City and the Board in accordance with this Agreement and evidencing Reimbursable Redevelopment Project Costs incurred by the Developer.

“*Certificate of Substantial Completion*” means a document substantially in the form of **Exhibit C**, attached hereto and

incorporated herein by reference, delivered by the Developer to the City and the Board in accordance with this Agreement and evidencing the Developer's expenditure of Reimbursable Project Costs in the amount of \$6,655,220.00 in satisfaction of all obligations and covenants to implement and construct the Work as set forth and described in the Redevelopment Plan and this Agreement.

"Certificate of Substantial Completion of the Work" means a document approved by the State of Missouri and delivered by the Developer to the City and the Board in accordance with this Agreement and evidencing the Developer's satisfaction of all obligations and covenants to implement and construct the Work.

"City" means the City of St. Louis, Missouri, a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri and the St. Louis Development Corporation, acting as an agent of the City.

"Concept Site Plan" means The Old Post Office Proposed Site Plan dated November 19, 2001 as prepared by Trivers Associates, depicting the conceptual site plan, as the same may be modified from time to time as provided for herein, which plan is attached as a part of Exhibit C to the Redevelopment Proposal.

"Construction Plans" means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work in accordance with the Concept Site Plan, together with all supplements, amendments or corrections, prepared by or on behalf of the Developer.

"Developer" means St. Louis' U.S. Custom House and Post Office Building Associates, L.P., a limited partnership duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

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

"EATs Sub-Account" means the Economic Activity Tax Sub-Account in the Special Allocation Fund.

"Local Governmental Approvals" means all applicable plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, occupancy permits, or other subdivision, zoning, or similar approvals required for the implementation of the Redevelopment Project related to the Redevelopment Area and consistent with the Redevelopment Plan, the Concept Site Plan, the Redevelopment Proposal and this Agreement; provided, however, that Local Governmental Approvals shall not apply to the Redevelopment Project to the extent that any such Local Governmental Approval conflicts with or is preempted by any applicable state or federal statute, regulation or executive order, including, but not limited to, the Historic Sites, Buildings and Antiquities Act of 1935, 49 Stat. 666 (1935), as amended, the National Historic Preservation Act of 1966, Pub. L. 89-665 (1966), as amended, the National Environmental Policy Act of 1969, Pub. L. 91-190 (1969) as amended, Executive Order 11593, 3 C.F.R. 559 (1971) and Regulations for the Protection of Historic and Cultural Properties, 36 C.F.R. 800 (2000).

"Municipal Revenues" means, while tax increment financing remains in effect and, subject to annual appropriation: (1) thirty four and twenty five/one hundredths percent (34.25%) of the total additional revenue from taxes, penalties and interest, not otherwise subject to allocation pursuant to Section 99.845(3) of the Revised Statutes of Missouri, which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year ended December 31, 2001, 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, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon; and (2) the lesser of (i) an amount equal to the actual amount of taxes generated by economic activities within the area of the Redevelopment Project received by the City and deposited into the City's general fund in the calendar year ended December 31, 2001, but excluding 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, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, as certified to by the appropriate officers of the City responsible for receiving and processing economic activity taxes from taxpayers or the Missouri Department of Revenue, or (ii) Fifty Thousand Dollars (\$50,000.00).

"Notice of Commencement of Construction" means a written notification from the Developer to the City and the Board

in substantially the same form of **Exhibit F**, attached hereto and incorporated herein by reference, indicating that the Developer has satisfied the conditions set forth in Section 3.4 of this Agreement.

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

“*PILOTs Sub-Account*” means the PILOTs Sub-Account in the Special Allocation Fund.

“*Project Account*” means the Old Post Office Project Account created in Section 5.2 of this Agreement.

“*Property*” means that portion of the real property (including without limitation all options held by third parties, fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) and existing improvements in the Redevelopment Area that is necessary for the implementation of the Redevelopment Project.

“*Redevelopment Area*” means the area described in Exhibit A, attached hereto and incorporated herein by reference, comprising all of City Block 193.

“*Redevelopment Plan*” means the plan titled “*Tax Increment Blighting Analysis and Redevelopment Plan for the Old Post Office Redevelopment Area*,” as approved by the City on _____, 2002, pursuant to Ordinance No. _____ [Board Bill No. 54], as such plan may from time to time be amended in accordance with the Act, attached hereto as Exhibit G and incorporated herein by reference.

“*Redevelopment Project*” means the redevelopment project contemplated by the Redevelopment Plan, the Redevelopment Proposal and this Agreement.

“*Redevelopment Project Costs*” shall have the meaning ascribed to such term in Section 99.805(14) of the Act.

“*Redevelopment Proposal*” means the document on file with the City and incorporated herein by reference, titled “*Application for Tax Increment Financing for Old Post Office Redevelopment Area*,” submitted by the Developer to the City on February 7, 2002, subject to the provisions of the Redevelopment Plan, the Concept Site Plan and this Agreement.

“*Reimbursable Redevelopment Project Costs*” means those Redevelopment Project Costs as described in **Exhibit B**, attached hereto and incorporated herein by reference, for which the Developer is eligible for reimbursement in accordance with this Agreement.

“*Special Allocation Fund*” means the City of St. Louis, Missouri, Special Allocation Fund for the Old Post Office Redevelopment Project, created by Ordinance No. _____ [Board Bill No. 54] in accordance with the Act, and including the sub-accounts into which TIF Revenues are from time to time deposited in accordance with the Act and this Agreement.

“*TIF Commission*” means the Tax Increment Financing Commission of the City of St. Louis, Missouri.

“*TIF Revenues*” means: (1) Payments in Lieu of Taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Redevelopment Area over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the Act) of each such unit of property, as paid to the City’s Treasurer by the City’s Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project, (2) fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year ended December 31, 2001, 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, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, in accordance with Section 99.845.3 of the Act, as may be amended from time to time, and (3) subject to annual appropriation, Municipal Revenues.

“*Work*” means all work necessary to prepare the Property and to construct or cause the construction of the Redevelopment Project as specifically described in the Redevelopment Proposal, the Redevelopment Plan, and this Agreement as approved or amended by the Concept Site Plan, including: (1) acquisition of leasehold title to the property and relocation; (2) professional fees, including without limitation architectural, engineering, surveying, legal and planning and consulting; (3) renovation of the existing

structure within the Redevelopment Area, including without limitation the construction, reconstruction or rehabilitation of the building interior, the shell, the façade and the structural elements of the Old Post Office Building; (4) construction, reconstruction or rehabilitation of related infrastructure or improvements, including without limitation surrounding roads and sidewalks; (5) installation of lighting, public furniture, decorative fencing, and landscaping; (6) all other work described in the Redevelopment Proposal and the Redevelopment Plan, as modified by the Concept Site Plan, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II. ACCEPTANCE OF PROPOSAL

2.1 Developer Designation. The City hereby selects the Developer to acquire the leasehold interest in the Property and to perform or cause the performance of the Work in accordance with the Redevelopment Plan, the Concept Site Plan, this Agreement and all Local Governmental Approvals. To the extent of any inconsistency among the foregoing, the parties agree that the Concept Site Plan shall govern so long as performance in accordance therewith does not constitute a change to the Redevelopment Plan or the Redevelopment Project as would require further hearing pursuant to the Act or a violation of Local Governmental Approvals.

2.2 Developer to Advance Costs. The Developer agrees to incur all Redevelopment Project Costs as necessary to acquire the leasehold interest in the Property and to complete the Work, all subject to the Developer's right to abandon the Redevelopment Project and to terminate this Agreement as set forth in Section 6.1 of this Agreement. Additionally, and not by way of limitation:

(i) the City acknowledges that, prior to the execution of this Agreement, the Developer has paid an initial fee of Six Thousand Five Hundred Ten Dollars (\$6,510.00), which monies have been paid to the City to reimburse the City's Comptroller and the St. Louis Development Corporation for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(ii) the Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Six Thousand Five Hundred Ten Dollars (\$6,510.00), which monies shall be paid to the City to reimburse the City's Comptroller and the St. Louis Development Corporation for their administrative costs incurred in connection with the negotiation of this Agreement;

(iii) the Developer shall pay to the Comptroller of the City an additional amount not to exceed Twenty Five Thousand and No Hundredths Dollars (\$25,000.00), which amount shall be paid upon execution of the Redevelopment Agreement to reimburse the Comptroller for its actual invoiced legal expenses incurred in connection with the adoption of the Approving Ordinances and the negotiation of the Redevelopment Agreement;

(iv) any amounts advanced by the Developer to the City pursuant to this Section shall represent Reimbursable Redevelopment Project Costs to be reimbursed exclusively from the disbursement of Available Revenues in the Project Account, if any, as provided in and subject to **Articles IV and V** of this Agreement.

ARTICLE III. CONSTRUCTION OF REDEVELOPMENT PROJECT

3.1 Acquisition of Property. Developer represents to the City that it will use reasonable efforts to acquire by negotiated purchase, donation, option, easement or lease, such leasehold interest or other like interest in the Property as is necessary for the implementation of the Work as depicted on the Concept Site Plan. With respect to the Property, the Developer shall obtain all title commitments, inspections, tests, surveys and reports, hire and retain all experts, professionals, including attorneys or engineers, and staff, and incur all Acquisition Costs as necessary to acquire such leasehold interest or other like interest in the Property, subject to the Developer's rights as set forth in Section 6.1 of this Agreement.

3.2 Relocation. The Developer shall obtain the leasehold interest or other like interest in the Property subject to no other tenancies, therefore there will be no persons or entities entitled to relocation payments or relocation assistance.

3.3 Project and Construction Schedule. The Developer shall commence and complete each of its obligations under this Agreement with respect to the acquisition, construction and completion of the Redevelopment Project in accordance with the following schedule set forth in this Section.

Activity	Maximum Time for Performance (Absent an Event of Force Majeure)	Maximum Time for Performance (Notwithstanding an Event of Force Majeure)
Submit Notice of Commencement of Construction	Fifteen (15) months from the date of this Agreement.	Twenty-Four (24) months from the date of this Agreement.
Submit Certificate of Substantial Completion of the Work	Thirty-Six (36) months from the date of this Agreement.	Forty Eight (48) months from the date of this Agreement.

3.4 Notice of Commencement of Construction. The Developer shall provide the City and the Board a Notice of Commencement of Construction in substantially the form of **Exhibit F**, attached hereto and incorporated herein by reference herein, within forty five (45) days after the Developer has (a) acquired all leasehold interests and other like interests in the Property pursuant to **Section 3.1** of this Agreement; (b) paid or incurred Reimbursable Redevelopment Project Costs of at least Two Hundred Fifty Thousand Dollars (\$250,000); and (c) provided for the private financing for all Redevelopment Project Costs to be initially financed and paid for by the Developer. The Developer shall submit the Notice of Commencement of Construction in strict accordance with the schedule set forth in **Section 3.3** of this Agreement.

3.5 Developer to Construct the Work; Construction Contracts; Insurance. The Developer shall commence or cause the commencement of the construction of the Work in a good and workmanlike manner in accordance with the terms of this Agreement and the Concept Site Plan. The Developer shall complete or cause the completion of all of the Work in accordance with the schedule set forth in Section 3.3 of this Agreement. The Developer may enter into or cause to be entered into one or more construction contracts to complete the Work. Prior to the commencement of construction of any portion of the Work, the Developer shall obtain or shall require that any of its contractors obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The Developer shall require that such insurance be maintained by any of its contractors for the duration of the construction of such portion of the Work. To the extent that laws pertaining to prevailing wage and hour apply to any portion of the Work, the City and the Developer agree to cooperate and take all actions necessary to apply for the wage and hour determinations and otherwise comply with such laws.

3.6 Local Governmental Approvals. The City agrees to employ reasonable and good faith efforts to cooperate with the Developer and the Board and to process and timely consider and respond to all applications for the Local Governmental Approvals as received, all in accordance with the applicable City ordinances and laws of the United States and the State of Missouri.

3.7 Construction Plans; Changes. The City approves the Concept Site Plan as set forth and attached as a part of Exhibit C to the Redevelopment Proposal. The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect to the Work shall be in conformity with all applicable federal, state and local laws, ordinances and regulations. During the progress of the Work, the Developer may make such reasonable changes, including without limitation modification of the areas in which the Work is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Developer, to enhance the viability of the Redevelopment Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided that (i) prior to any material changes, the Developer shall provide the City and the Board with advance written notice of any such changes; and (ii) prior to any change that substantially affects the use of the Old Post Office, as more specifically described and set forth in the Redevelopment Proposal and Redevelopment Plan, the Developer shall obtain the advance written consent of the City and the Board, which consent shall not be unreasonably withheld or delayed. For purposes of this Section, "material changes" shall mean only those changes that do not substantially conform to the Concept Site Plan.

3.8 Certificate of Substantial Completion. Promptly after substantial completion of the Work in accordance with this Agreement, the Developer shall furnish to the City and the Board its Certificate of Substantial Completion of the Work as approved by the State and a Certificate of Substantial Completion evidencing the expenditure of Reimbursable Redevelopment Project Costs. The City shall, within thirty (30) days following delivery of a Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in each Certificate

of Substantial Completion. A Certificate of Substantial Completion shall be deemed accepted by the City unless, within thirty (30) days following delivery of a Certificate of Substantial Completion, the City furnishes the Developer and the Board with specific written objections as to the status of the expenditures of Reimbursable Redevelopment Project Costs and describing such objections and the measures required to correct such objections in reasonable detail. Upon acceptance of each Certificate of Substantial Completion by the City or upon the lapse of thirty (30) days after delivery thereof to the City without any written objections thereto, the Developer may record the Certificate of Substantial Completion with the City's Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to perform the Work. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit C**, attached hereto and incorporated by referenced herein.

3.9 Payment in Lieu of Taxes to School District. So long as tax increment financing remains in effect in the Redevelopment Area, the Developer, or any successor manager or operator of the Redevelopment Project, shall annually assess and collect from each subtenant a surcharge equal to 60¢ per usable square foot per year. The Developer shall make such payment in lieu of taxes on or before February 1 of each year to the Board of Education of the St. Louis City School District (or its designee; provided that any such designee shall be a tax-exempt organization operating for the benefit of the City of St. Louis School District). The Developer may enter into an agreement with the Board of Education of the St. Louis City School District in connection with such payment in lieu of tax.

3.10 Property Tax Exemption. The Redevelopment Area is currently exempt from all real property taxes and it is anticipated that it shall remain so after redevelopment. If the real property in the Redevelopment Area, or any interest therein, is subjected to real property taxation during the twenty-three year period after adoption of the Redevelopment Plan by ordinance, then the amount of the "pay as you go" payments to be made under the Redevelopment Plan shall be the sum of the amount to be funded from EATs plus one-hundred percent of any such real property taxes imposed. The City covenants and agrees that as long as the Property is owned by the Board or the State of Missouri, the Property will not be subject to real property taxation.

3.11 Public Use Agreement. The Developer agrees that the City and other local public agencies may have the use of designated space within the Redevelopment Project for the conduct of meetings, receptions and other functions, both formal and informal, during the twenty year period after the State of Missouri accepts Developer's Certificate of Substantial Completion of the Work. Developer shall make available the lobby area of the Redevelopment Project for use by the City and other local public agencies, and shall use its best efforts to provide in its sub-leases with Webster University and the Missouri Court of Appeals, that designated classrooms, courtrooms and conference rooms leased by such sub-lessees may also be made available to the City and other local public agencies for the uses set forth herein, under conditions specified herein, and subject to the additional lease restrictions and scheduling requirements of the said sub-lessees.

A City or local public agency meeting or function shall be scheduled only on dates approved by the Developer, and the City or other local public agency shall provide not less than 90 days written notice to the Developer and the Board of any date on which it desires to schedule use of a portion of the Redevelopment Project for a meeting or other function. Such notice shall include the proposed date, time, length and a general description of such function.

No meeting or other function shall be permitted that, in the judgment of the Developer, would result in damage to or unreasonable use of the Redevelopment Project.

The Developer shall not charge any rent or license, use or other fee for use of space in the Redevelopment Project, but shall be reimbursed for actual expenses incurred by the Developer or its sub-lessees in connection with such use, including additional utilities, insurance, security, personnel and maintenance and repair costs, that would not have been incurred but for such use by the City or other local public agency. Payments for such expenses shall be made to the Developer within 30 days after submission of an invoice by the Developer to the City or other local public agency stating the expenses incurred. The City or other public agency shall comply and shall cause all other users of the Redevelopment Project in connection with its use to comply with the rules, regulations and other requirements imposed by the Developer, restrictions imposed by the terms of the sub-lease between Developer and its sub-lessees and with security requirements and scheduling limitations of Developer's sub-lessees. Upon request, the Developer shall provide to the City or other local public agency an estimate of the costs which the City or other local public agency will be required to reimburse in connection with its use of designated space within the Redevelopment Project.

ARTICLE IV. REIMBURSEMENT OF DEVELOPER COSTS

4.1 City's Obligation to Reimburse Developer. The City agrees to reimburse Developer for the verified Reimbursable Redevelopment Project Costs in the amounts and as set forth on **Exhibit B**, attached hereto and incorporated herein

by reference. Subject to the limitations of **Article IV** of this Agreement, the City agrees to reimburse the Developer for verified Reimbursable Redevelopment Project Costs in an amount not to exceed Six Million Six Hundred Fifty-five Thousand Two Hundred Twenty and No Hundredths Dollars (\$6,655,220.00), provided that the City's obligation to reimburse the Developer shall cease on the date that is twenty-three (23) years from the date of adoption of the Approving Ordinances whether or not the Developer has been reimbursed in full for its verified Reimbursable Redevelopment Project Costs.

4.2 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Developer's Right to Substitute.

Nothing in this Agreement shall obligate the City to reimburse the Developer for any cost that is not incurred pursuant to Section 99.820.1 of the Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the Act. The Developer shall provide itemized invoices, receipts or other information, if any, reasonably necessary for the City to confirm that any such cost is so incurred and does so qualify. Each such request shall be accompanied by a certification by the Developer that such cost is eligible for reimbursement under the Act. The parties agree that each of the categories of costs set forth in **Exhibit B**, attached hereto and incorporated herein by reference, shall constitute Reimbursable Redevelopment Project Costs that are eligible for reimbursement in accordance with the Act and this Agreement. The Developer shall not be limited to the total amount of reimbursement shown for each such category on **Exhibit B**, but shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth therein, without regard to the maximum amounts shown for each category, up to the maximum aggregate amount established in **Section 4.1** of this Agreement; provided that the Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i), (ii) and (iii)**, of this Agreement. If the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is not a "redevelopment project cost" under Section 99.805(14) of the Act, the City shall notify the Developer and the Board in writing within thirty (30) days by identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Developer shall have the right to contest such determination and/or identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment.

4.3 Reimbursement of the Developer on a "Pay-As-You-Go" Basis.

Prior to reimbursement by the City from for Reimbursable Redevelopment Project Costs, the Developer shall first provide to the Board and the Comptroller of the City (i) a Certificate of Substantial Completion; and (ii) a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference. The Developer may specify in the Certificate of Reimbursable Redevelopment Project Costs that the City reimburse directly the person, firm, or corporation that incurred the Reimbursable Redevelopment Project Costs identified. The Developer shall not submit more than one Certificate of Reimbursable Redevelopment Project Costs each month. Upon submission to and acceptance by the City of a Certificate of Substantial Completion evidencing the expenditure of Reimbursable Redevelopment Project Costs of \$6,655,220.00, no further documentation shall be required from the Developer in order to obtain the "pay-as-you-go" TIF Revenues hereunder. Subject to there being Available Revenues on deposit in the Project Account established pursuant to **Section 5.2** of this Agreement, the Comptroller or other financial officer of the City shall disburse any payment required hereunder within ten (10) days after acceptance of each Certificate of Reimbursable Redevelopment Project Costs by the Comptroller. In the event that Available Revenues on deposit in the Project Account are insufficient to reimburse the Developer as provided in this Section, then the unpaid portion shall be carried forward and paid from Available Revenues subsequently transferred to the Project Account.

4.4 City's Obligations Limited to Special Allocation Fund.

Notwithstanding any other term or provision of this Agreement to the contrary, any reimbursement by the City pursuant to **Section 4.3** of this Agreement is payable only from Available Revenues, if any, and from no other source.

**ARTICLE V.
SPECIAL ALLOCATION FUND;
COLLECTION AND USE OF TIF REVENUES**

5.1 Creation of Special Allocation Fund.

The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a Revenue Fund and, within such Revenue Fund, a "PILOTs Sub-Account," an "EATs Sub-Account," and a "Municipal Revenues Sub-Account," and such further funds, accounts or sub-accounts as are required by this Agreement or as the Comptroller of the City may deem appropriate in connection with the administration of the Special Allocation Fund pursuant to this Agreement. Subject to the requirements of the Act, the City will promptly upon receipt thereof deposit all TIF Revenues attributable to Payments in Lieu of Taxes into the PILOTs Sub-Account, all TIF Revenues attributable to Economic Activity Taxes into the EATs Sub-Account, and all TIF Revenues attributable to Municipal Revenues into the Municipal Revenues Sub-Account.

5.2 Creation of Project Account for Reimbursement on a “Pay-As-You-Go” Basis. The City hereby establishes and creates within the Special Allocation Fund a fund to be known as the Project Account, which Project Account shall be held in the custody of the Comptroller or other financial officer of the City. Except as provided in Section 5.3 of this Agreement, on or before the first business day of each calendar month, all Available Revenues shall be transferred to the Project Account. The City hereby agrees for the term of this Agreement to apply moneys in the Project Account, while it is in the custody of the Comptroller or other financial officer of the City, to the payment to the Developer or any person, firm, or corporation specified by the Developer pursuant to a Certificate of Reimbursable Redevelopment Project Costs submitted and approved by the Comptroller in accordance with **Section 4.3** of this Agreement.

5.3 Application of Available Revenues. Available Revenues transferred to the Project Account in accordance with **Section 5.2** of this Agreement shall be applied as follows:

(i) *First*, on or before April 1 of each calendar year, to payment of fees and expenses incurred by the Comptroller of the City in the administration of the Redevelopment Plan in an amount equal to Two Thousand Dollars (\$2,000.00), unless the City has incurred costs pursuant to Section 6.14 of this Agreement that have not otherwise been reimbursed to the City;

(ii) *Second*, to payment of Reimbursable Redevelopment Project Costs on a “pay-as-you-go” basis in accordance with **Article IV** of this Agreement.

If Available Revenues transferred to the Project Account during a particular calendar year are insufficient to reimburse the City as provided in clause (i) above, then the unpaid portion shall be carried forward to the next calendar year until such deficiency is paid.

5.4 Covenant to Appropriate Available Revenues. The City agrees that the officer of the City at any time charged with the responsibility of formulating budget proposals will include in the budget proposal submitted to the Board of Aldermen, for each fiscal year during the term of this Agreement, a request for an appropriation of all Available Revenues to be deposited into the Special Allocation Fund for application to the payment of Reimbursable Redevelopment Project Costs.

5.5 Certification of Base for PILOTS and EATS. No later than 90 days after the execution of this Agreement, the City shall provide to Developer and the Board a certification of the amount of revenue from taxes, penalties and interest which are imposed by the City and other taxing districts and which are generated by economic activities within the Redevelopment Area for the calendar year ending December 31, 2001, but excluding those taxes, licenses, fees or special assessments identified in Section 99.845.3 of the Act. The City shall provide to Developer and the Board a true, correct and complete copy of the City Assessor’s calculation of the total initial equalized assessed valuation of the taxable real property within the Redevelopment Area for the calendar year ending December 31, 2001, subject, however, to Section 3.10 of this Agreement.

5.6 Cooperation in Determining TIF Revenues. The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the TIF Revenues to be paid into the Special Allocation Fund, including the City’s enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement. The Developer (or its successor(s) in interest as an owner or owner(s) of the affected portion(s) of the Property) shall require each “seller” (as that term is defined in Section 144.010(11) of the Missouri Revised Statutes, as amended) located on the Property to provide to the Comptroller of the City the following information:

(i) Each “seller’s” federal and state tax identification numbers.

(ii) Within thirty (30) days of filing, copies of all sales tax returns filed with the Missouri Department of Revenue (on Form 53-S.F. Missouri Department of Revenue or such successor form) with respect to the sales taxes originating from businesses located within the Redevelopment Area. In the event that a “seller” has multiple business operations within the City, such “seller” shall file separate sales tax returns for the sales taxes originating from the business located within the Redevelopment Area.

(iii) Within thirty (30) days of filing, copies of all earnings tax returns filed with the City (on Business Return Form 234 or such successor form) with respect to earnings taxes originating from the business located within the Redevelopment Area. In the event that a business has multiple operations within the City, such business shall file separate earnings tax returns for the earnings taxes originating from the business located within the Redevelopment Area.

(iv) Within thirty (30) days of filing, copies of all earnings tax withholding reports filed with the City (on Form W-10 or such successor form) with respect to earnings tax withholdings originating from the business located within the Redevelopment Area. In the event that a business has multiple operations within the City, such business shall file separate earnings tax withholding reports for the earnings tax withholdings originating from the business located within the Redevelopment Area.

(v) Within thirty (30) days of receipt, copies of monthly invoices received for utility services provided to the property on which the business within Redevelopment Area is located, including without limitation electric, water, natural gas, and telephone services.

(vi) Within thirty (30) days of the end of each calendar quarter, copies of a completed Tax Increment Financing District Quarterly Information Form for each business located within the Redevelopment Area.

The Developer (or its successor(s) in interest as an owner or owner(s) or lessee or lessee(s) of any portion(s) of the Property) shall also request any purchaser or transferee of real property and any lessee, sublessee or other user of real property located within the Redevelopment Area to designate sales subject to sales taxes pursuant to Chapter 144 of the Revised Statutes of Missouri, as amended, to be reported as originating from the Redevelopment Area to the fullest extent permitted by law (including reasonable efforts to negotiate for the inclusion of a clause so providing in the leases of the Property). The Developer shall satisfy this requirement by including the obligations set forth in this Section within any deed conveying a portion of the property to or any lease entered into with any "seller."

ARTICLE VI. GENERAL PROVISIONS

6.1 Developer's Right of Termination. At any time prior to the delivery of the Certificate of Substantial Completion of the Work, the Developer may, by giving written notice to the City and the Board, abandon the Redevelopment Project and terminate this Agreement and the Developer's obligations hereunder if the Developer determines, in its sole and absolute discretion, that the Redevelopment Project is no longer economically feasible. Upon such termination, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

6.2 City's Right of Termination. Subject to **Section 6.4(b)** of this Agreement, the City may terminate this Agreement by written notice to the Developer and the Board: (a) if the Developer defaults in or breaches any provision of this Agreement and fails to cure such default or breach pursuant to **Section 6.4** of this Agreement; or (b) notwithstanding **Section 6.4** of this Agreement, the Developer fails to substantially complete any portion of the Work in accordance with the construction schedule provided in **Section 3.3** of this Agreement. Upon termination of this Agreement by the City as provided for in this Section, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

6.3 Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns. The Developer may assign any or all of its rights, title and interests in this Agreement to the Board with written notice to, but without the consent of, the City.

6.4 Remedies.

(a) Except as otherwise provided in this Agreement and subject to the Developer's and the City's respective rights of termination, in the event of any default in or breach of any term or conditions of this Agreement by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party specifying such default or breach, proceed immediately to cure or remedy such default or breach, and shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default or breach. In the event that the defaulting or breaching party (or successor) diligently and in good faith commences to cure or remedy such default or breach but is unable to cure or remedy such default or breach within thirty (30) days after receipt of notice, the defaulting or breaching party (or successor) shall, prior to the end of such thirty (30) days, provide notice to the other party that it has in good faith commenced to cure or remedy such default or breach, whereupon the defaulting or breaching party (or successor) shall have an additional thirty (30) days to cure or remedy such default or breach. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied prior to the end of the additional thirty (30) day period, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and

remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party.

(b) Notwithstanding the provisions of subsection (a) of this Section, the City shall not terminate this Agreement unless (i) written notice is given to the Board of the intent of the City to terminate the Agreement, which notice shall specify the default or breach, (ii) the Board is given thirty (30) days after receipt of such notice in which to cure such breach or default; or, in the default that the Board diligently and in good faith commences to cure or remedy such default or breach but is unable to cure or remedy such default or breach within thirty (30) days after receipt of notice, the Board shall, prior to the end of such thirty (30) days, provide notice to the City that it has in good faith commenced to cure or remedy such default or breach, whereupon the Board shall have an additional thirty (30) days to cure or remedy such default or breach. Upon any such cure by the Board, at the option of the Board, exercised by written notice to the City and the Developer, the Developer shall be deemed to have assigned all of its rights, title and interests in this Agreement to the Board and the Board shall thereafter be deemed the Developer hereunder.

6.5 Force Majeure. Neither the City nor the Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended (but with respect to the times for performance set out in Section 3.3 of this Agreement, only to the extent provided therein and established thereunder) in the event of any delay caused by force majeure, including without limitation damage or destruction by fire or casualty; strike; lockout; civil disorder; war; act of terrorism, restrictive government regulations; lack of issuance of any permits and/or legal authorization by the governmental entity necessary for the Developer to proceed with construction of the Work or any portion thereof; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other like causes beyond the parties' reasonable control, including without limitation any litigation, court order or judgment resulting from any litigation affecting the validity of the Redevelopment Plan, the Redevelopment Project or this Agreement, if any; provided that such event of force majeure shall not be deemed to exist as to any matter initiated or sustained by the Developer in bad faith, and further provided that the Developer notifies the City in writing within thirty (30) days of the commencement of such claimed event of force majeure.

6.6 Notices. Any notice, demand or other communication required by this Agreement to be given by a party hereto to the other parties hereto shall be in writing and shall be sufficiently given or delivered if dispatched by hand delivery, certified United States mail, postage prepaid, or delivered personally,

(i) In the case of the Developer, to:

St. Louis' U.S. Custom House and Post Office Building Associates, L.P.
c/o Desco Group, Inc.
8040 Forsyth Boulevard
St. Louis, MO 63105
Attention: Mark Schnuck

And

DFC Group, Inc.
7777 Bonhomme
Suite 1210
St. Louis, MO 63105
Attention: Steven J. Stogel

With a copy to:

Rosenblum Goldenhersh Silverstein & Zafft PC
7733 Forsyth Avenue, Fourth Floor
St. Louis, Missouri 63105
Attention: Carl C. Lang

(ii) In the case of the Board, to:

Missouri Development Finance Board

Harry S. Truman Building
301 West High Street
Room 680
Jefferson City, Missouri 65102
Attention: Robert V. Miserez

And

Gilmore & Bell, P.C.
2405 Grand Boulevard
Suite 1100
Kansas City, MO 64108
Attention: David Queen

(iii) In the case of the City, to:

City of St. Louis
Office of the Mayor
City Hall
1200 Market Street, Room 200
St. Louis, Missouri 63103
Attention: Barbara Geisman, Deputy Mayor for Development

And

City of St. Louis
Office of the Comptroller
City Hall
1200 Market Street, Room 212
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy Comptroller

And

St. Louis Development Corporation
1015 Locust Street
Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz

With a copy to:
Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102

Attention: James E. Mello

or to such other address(es) with respect to a party as that party may, from time to time, designate in writing and forward to the others as provided in this paragraph.

6.7 Conflict of Interest. No member of the Board of Aldermen, the TIF Commission, or any branch of the City's government who has any power of review or approval of any of the Developer's undertakings, or of the City's contracting for goods or services for the Redevelopment Area, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Board of Aldermen the nature of such interest and seek a determination by the Board of Aldermen with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

6.8 Inspection. The City may conduct such periodic inspections of the Work as may be generally required in applicable federal, state and local laws, ordinances and regulations. In addition, the Developer shall allow other authorized representatives of the City reasonable access to the Work site from time to time upon advance notice prior to the completion of the Work for inspection thereof. The Developer shall not unreasonably deny the City and its officers, employees, agents and independent contractors the right to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as the City determines are reasonable and necessary to verify the Developer's compliance with the terms of this Agreement.

6.9 Choice of Law. This Agreement shall be taken and deemed to have been fully executed, made by the parties in, and governed by the laws of State of Missouri for all purposes and intents.

6.10 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. The parties acknowledge that the Redevelopment Plan and Redevelopment Proposal have been incorporated in this Agreement by reference and form a part of this Agreement. To the extent that this Agreement conflicts with any provisions of the Redevelopment Plan and Redevelopment Proposal as incorporated herein, the terms of the Agreement shall prevail over the Redevelopment Plan and Redevelopment Proposal and the terms of the Redevelopment Plan shall prevail over the Redevelopment Proposal. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

6.11 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

6.12 Severability. In the event any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

6.13 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of the City shall be personally liable to the Developer or the Board in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

6.14 Actions Contesting the Validity and Enforceability of the Redevelopment Plan. During the term of this Agreement, in the event a third party brings an action against the City or the City's officials, agents, attorneys, employees or representatives or the Board or the Board's officials, members, agents, attorneys, employees or representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Plan or the ordinance approving this Agreement, the Developer may, at its option, join the City or the Board in defense of such claim or action. The parties expressly agree that, so long as no conflicts of interest exist among them with regard to the handling of such litigation, the same attorney or attorneys may simultaneously represent the City, the Board and the Developer in any such proceeding. The Developer shall be responsible for all reasonable and necessary costs and expenses incurred by the City, the Board and by the Developer in connection with the defense of such claim or action, provided that if the City does not approve a settlement or compromise which the Developer would agree to, the Developer shall not be responsible for any costs or expenses incurred by the City thereafter in the defense of such claim or action and provided further that if the City is found to be grossly negligent or to have engaged in willful misconduct in establishing and/or approving the Redevelopment Area, the Redevelopment Plan or the ordinance approving this Agreement, the City shall reimburse the Developer for any costs or expenses incurred in the defense of such claim or action and provided further that if the Board does not approve a settlement or compromise which the Developer would agree to, the Developer shall not be responsible for any costs or expenses incurred by the Board thereafter in the defense of such claim or action. All cost of any such defense, whether incurred by the City, the Board or the Developer, shall be deemed to be Reimbursable Redevelopment Project Costs and reimbursable from any amounts in the Special Allocation Fund, subject to **Article IV** of this Agreement.

6.15 Release and Indemnification. The indemnifications and covenants contained in this Section shall survive termination or expiration of this Agreement.

6.15.1 Neither the City and its governing body members, officers, agents, attorneys, employees and independent contractors nor the Board and its governing body members, officers, agents, attorneys, employees and independent contractors shall be liable to the Developer for damages or otherwise in the event that all or any part of the Act, or any ordinance adopted in connection with either the Act, this Agreement or the Redevelopment Plan, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been

exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof, except for such matters that arise out of the gross negligence or willful misconduct of the City, its governing body members, officers, agents, attorneys, employees and independent contractors.

6.15.2 The Developer releases from and covenants and agrees that the City, the Board and their respective governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, the Board, their respective governing body members, officers, agents, attorneys, employees and independent contractors against any and all claims, demands, liabilities and costs, including reasonable attorneys' fees, costs and expenses, arising from damage or injury, actual or claimed (excluding consequential and punitive damages), to persons or property occurring or allegedly occurring as a result of any negligent or malicious acts or omissions of the Developer, its governing body members, officers, agents, attorneys, employees and independent contractors, in connection with its or their activities conducted pursuant to this Agreement.

6.15.3 Neither the City, the Board nor their respective governing body members, officers, agents, attorneys, employees and independent contractors shall be liable for any damage or injury to the persons or property of the Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Property or the Work except, with respect to the liability of the City, for matters arising out of the gross negligence or willful misconduct of the City and its governing body members, officers, agents, attorneys, employees and independent contractors and, with respect to the liability of the Board, for matters arising out of the gross negligence or willful misconduct of the Board and its governing body members, officers, agents, attorneys, employees and independent contractors.

6.15.4 All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, attorneys, employees or independent contractors in their individual capacities. All covenants, stipulations, promises, agreements and obligations of the Board contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Board and not of any of its governing body members, officers, agents, attorneys, employees or independent contractors in their individual capacities.

6.15.5 No governing body members, officers, agents, attorneys or employees of the City or the Board shall be personally liable to the Developer (i) in the event of a default or breach by any party under this Agreement or (ii) for any amount which may become due to any party under the terms of this Agreement.

6.15.6 The Developer releases from and covenants and agrees that the City, the Board, their respective governing body members, officers, agents, attorneys and employees shall not be liable for, and agrees to indemnify and hold the City, the Board, their respective governing body members, officers, agents, attorneys and employees, harmless from and against any and all third party suits, interest, claims and cost of reasonable attorneys fees incurred by any of them, resulting from, arising out of, or in any way connected with: (i) the enforcement of this Agreement or the enforcement or validity of any other agreement or obligation made in connection therewith and their approvals (excluding opinions of counsel and of the City's or the Board's financial advisors whenever such claim is based on such party's own negligence); (ii) the negligence or willful misconduct of the Developer or its officers, agents, employees or independent contractors in connection with the design, management, development, redevelopment and construction of the Work, or (iii) the compliance by the Developer with all applicable state and federal environmental laws, regulations and ordinances as applicable to the Property, to the extent such condition existed prior to the acquisition thereof by the Developer. The foregoing release and indemnification shall not apply to the City in the case of such liability arising directly out of the negligence or malicious acts or omissions of the City or its governing body members, officers, agents, attorneys, employees and independent contractors in connection with its or their activities conducted pursuant to this Agreement or which arises out of matters undertaken by the City following termination of this Agreement as to the Redevelopment Project or any particular portion thereof. The foregoing release and indemnification shall not apply to the Board in the case of such liability arising directly out of the negligence or malicious acts or omissions of the Board or its governing body members, officers, agents, attorneys, employees and independent contractors in connection with its or their activities conducted pursuant to this Agreement or which arises out of matters undertaken by the Board following the assignment of the Developer's right, title and interest in this Agreement to the Board as to the Redevelopment Project or any particular portion thereof.

6.16 Survival. Notwithstanding the expiration or termination or breach of this Agreement by either party, the

agreements contained in **Section 2.2, clause (i), (ii) and (iii), Article V, Sections 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17 and Article VII** of this Agreement shall, except as otherwise expressly set forth herein, survive such early expiration or early termination of this Agreement by either party.

6.17 Maintenance of the Property. To the extent that the Developer leases, owns or otherwise acquires any of the Property, the Developer shall remain in compliance with all applicable provisions of the City’s ordinances relating to maintenance and appearance of the Property during the construction of the Work or any portion thereof.

6.18 Non-Discrimination and Fair Employment. Without limiting any of the foregoing, the Developer voluntarily agrees to observe the Equal Opportunity and Nondiscrimination Guidelines set forth as **Exhibit E**, attached hereto and incorporated herein by reference. By execution of this Agreement, the Developer certifies and agrees that it is under no contractual or other disability that would materially impair its ability to observe the Guidelines set forth as **Exhibit E**, attached hereto and incorporated herein by reference. The Developer agrees that, during the term of this Agreement, there shall be no discrimination upon the basis of race, creed, color, national origin, sex, age, marital status or physical handicap in the sale, lease, occupancy or use of any of the facilities under its control within the Redevelopment Area or any portion thereof and said covenant may be enforced by the City or the United States of America or any of their respective agencies. The Developer further agrees that a provision containing the covenants of this paragraph shall be included in all agreements pertaining to the lease or conveyance or transfer (by any means) of all or a portion of the Redevelopment Project and any of the facilities under its control in the Redevelopment Area. Except as provided in this Section, the Developer shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities within the Redevelopment Area.

**ARTICLE VII.
REPRESENTATIONS OF THE PARTIES**

7.1 Representations of the City. The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

7.2 Representations of the Developer. The Developer hereby represents and warrants it has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

7.3 Representations of the Board. The Board hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Board, enforceable in accordance with its terms.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the City and the Developer have caused this Agreement to be executed in their respective names and the City has caused its seal to be affixed thereto, and attested as to the date first above written.

“CITY”:

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

(SEAL)

Attest:

City Register

Approved as to Form:

City Counselor

“DEVELOPER”:

ST. LOUIS’ U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, L.P.

By: OLD POST OFFICE DEVELOPERS, LLC

By: THE DESCO GROUP, INC., a managing member

By: _____
Mark J. Schnuck
President

“BOARD”:

MISSOURI DEVELOPMENT FINANCE BOARD

By: _____
Thomas P. Rackers
Chairman

[SEAL]

ATTEST:

By: _____
Robert V. Miserez
Assistant Secretary

STATE OF MISSOURI)
) SS
CITY OF ST. LOUIS)

On this _____ day of _____, 2002, before me appeared Francis G. Slay, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

(SEAL)

My Commission Expires:

STATE OF MISSOURI)
) SS

CITY OF ST. LOUIS)

On this _____ day of _____, 2002, before me appeared Darlene Green, to me personally known, who, being by me duly sworn, did say that she is the Comptroller of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

(SEAL)

My Commission Expires:

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 2002, before me appeared Mark J. Schnuck, to me personally known, who, being by me duly sworn, did say that he is the President of THE DESCO GROUP, INC., a managing member of OLD POST OFFICE DEVELOPERS, LLC, a partner of ST. LOUIS' U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, LP, a Missouri limited partnership, and that he is authorized to sign the instrument on behalf of said limited partnership, and acknowledged to me that he executed the within instrument as said limited partnership's free act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Notary Public

(SEAL)

My Commission Expires:

STATE OF MISSOURI)
) SS
COUNTY OF _____)

On this _____ day of _____, 2002, before me appeared Thomas P. Rackers, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the MISSOURI DEVELOPMENT FINANCE BOARD, a body corporate and politic duly organized and existing under the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said Board, and said instrument was signed and sealed in behalf of said Board by authority of its members, and said individual acknowledged said instrument to be the free act and deed of said Board.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the City and State aforesaid, the day and year first above written.

Notary Public

(SEAL)

My Commission Expires:

**EXHIBIT A
Legal Description of the Redevelopment Area**

All of City Block No. 193, formerly consisting of sixteen (16) parcels of land, bounded on the north by Locust Street, on the east by Eighth Street, on the south by Olive Street, and on the west by Ninth Street, situated in the City of St. Louis, State of Missouri, as recorded in the recorder of deeds office in the City of St. Louis in Book 8125, Page 476.

**EXHIBIT B
Reimbursable Redevelopment Project Costs**

	REIMBURSABLE COSTS	ESTIMATED COST**
A.	Public infrastructure, lighting, sidewalks and landscaping	\$2,000,000.00
B.	Rehabilitation, reconstruction and repair of existing building	\$2,355,220.00
C.	Architecture and Engineering	\$1,700,000.00
D.	Professional fees	\$ 600,000.00
	TOTAL OF REIMBURSABLE REDEVELOPMENT PROJECT COSTS*	\$6,655,220.00

*Includes repayment of principal and interest on any indebtedness incurred to finance costs set forth in categories A through D.

Subject to the limitations of **Article IV of this Agreement.

**EXHIBIT C
Form of Certificate of Substantial Completion**

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, ST. LOUIS' U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, L.P., a Missouri limited partnership (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 2002, among the City of St. Louis, Missouri (the "City"), the Missouri Development Finance Board (the "Board") and the Developer (the "Agreement"), hereby certifies to the City and the Board as follows:

1. That as of _____, 20__, the construction of the Work (as that term is defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. That the Work has been substantially completed or funded pursuant to **Exhibit B** to the Agreement and the Concept Site Plan set forth in the Redevelopment Plan.
3. That the Work has been performed in a workmanlike manner and substantially in accordance with the Construction Plans, as that term is defined in the Agreement.

4. Lien waivers for the Work in excess of Five Thousand Dollars (\$5,000) have been obtained.

5. This Certificate of Substantial Completion is accompanied by the project architect’s or owner representative’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), if applicable, a copy of which is attached hereto as **Appendix A** and by this reference incorporated herein, certifying that the Work has been substantially completed in accordance with the Agreement.

6. This Certificate of Substantial Completion is being issued by the Developer to the City and the Board in accordance with the Agreement to evidence the Developer’s satisfaction of all material obligations and covenants with respect to the Work.

7. The acceptance (below) or the failure of the City to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the City (which written objection, if any, must be delivered to the Developer and the Board prior to the end of such thirty (30) days) shall evidence the satisfaction of the Developer’s agreements and covenants to perform the Work.

Upon such acceptance by the City, the Developer may record this Certificate in the office of the City’s Recorder of Deeds. This Certificate is given without prejudice to any rights against third parties which exist as of the date hereof or which may subsequently come into being. Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

IN WITNESS WHEREOF, the undersigned has hereunto set his/her hand this ____ day of _____, 20__.

ST. LOUIS’ U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, L.P.

By: OLD POST OFFICE DEVELOPERS, LLC

By: THE DESCO GROUP, INC., a managing member

By: _____
Mark J. Schnuck
President

ACCEPTED:

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

(Insert Notary Form(s) and Legal Description)

EXHIBIT D
Form of Certificate of
Reimbursable Redevelopment Project Costs

Certificate of Reimbursable Redevelopment Project Costs

City of St. Louis
Office of Comptroller
1200 Market Street, Room 212
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy Comptroller

Missouri Development Finance Board
Harry S. Truman Building
301 West High Street
Room 680
Jefferson City, Missouri 65102
Attention: Robert V. Miserez

Re: City of St. Louis, Missouri, Old Post Office Redevelopment Project

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____, 2002 (the "Agreement"), among the City, the Board and St. Louis' U.S. Custom House and Post Office Building Associates, L.P., a Missouri limited partnership (the "Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:

1. This is requisition number _____ for disbursement from the Project Account.

2. The name and address of the person, firm or corporation to whom the disbursement is due is as follows:

3. The amount to be disbursed is \$_____.

4. All items listed on **Schedule 1** hereto are Reimbursable Redevelopment Project Costs and were incurred in connection with the construction of the Redevelopment Project.

5. The nature of the obligation for which the disbursement is requested is as follows:

6. These Reimbursable Redevelopment Project Costs have been have been paid or incurred by the Developer and are reimbursable pursuant to the Agreement.

7. Each item listed on **Schedule 1** has not previously been paid or reimbursed from money derived from the Project Account of the Special Allocation Fund, and no part thereof has been included in any other certificate previously filed with the City and the Board.

8. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.

9. All necessary permits and approvals required for the portion of the Work for which this certificate relates have been issued and are in full force and effect.

11. All Work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Concept Site Plan and the Agreement.

12. If any cost item to be reimbursed under this Certificate is deemed not to constitute a "redevelopment project cost" within the meaning of the Act and the Agreement, the Developer shall have the right to substitute other eligible Reimbursable Redevelopment Project Costs for payment hereunder in accordance with the Agreement.

13. The Developer is not in default or breach of any material term or condition of the Agreement beyond the applicable cure period, if any.

Dated this ____ day of _____, _____.

ST. LOUIS' U.S. CUSTOM HOUSE AND POST OFFICE BUILDING ASSOCIATES, L.P.

By: OLD POST OFFICE DEVELOPERS, LLC

By: THE DESCO GROUP, INC., a managing member

By: _____
Mark J. Schnuck
President

Approved for Payment this ____ day of _____, _____.

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

EXHIBIT E
Equal Opportunity and Nondiscrimination Guidelines

In any contract for Work in connection with the Redevelopment Project related to any of the Property in the Redevelopment Area, the Developer (which term shall include the Developer, any transferees, lessees, designees, successors and assigns thereof, including without limitation any entity related to the Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended), its contractors and subcontractors shall comply with all applicable federal, state and local laws, ordinances or regulations governing equal opportunity and nondiscrimination (the "Laws"). Moreover, the Developer shall contractually require its contractors and subcontractors to comply with the Laws.

The Developer and its contractors or subcontractors shall not contract with any party known to have been found in violation of the Laws.

The Developer shall make good faith efforts to observe Executive Order #28 dated July 24, 1997, relating to minority and women-owned business participation in City contracts.

The parties agree that the provisions of City Ordinance #60275, codified at Chapter 3.90 of the Revised Ordinances of the City of St. Louis, Missouri (the "First Source Jobs Policy"), do not specifically apply to the Developer as a potential recipient of TIF Revenues. Nonetheless, the Developer voluntarily agrees to make good faith efforts to observe the provisions of the First Source Jobs Policy related to the negotiation of an employment agreement with the St. Louis Agency on Training and Employment.

EXHIBIT F
Form of Notice of Commencement of Construction

The undersigned, being a duly authorized officer of St. Louis' U.S. Custom House and Post Office Building Associates, L.P., a Missouri limited partnership (the "Developer"), delivers this notice to the City of St. Louis, Missouri, (the "City") and the Missouri Development Finance Board (the "Board") in connection with the Redevelopment Agreement dated as of _____, 2002 (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned hereby certifies as to the following:

1. The Developer has acquired all leasehold interests and other like interests in the Property as necessary to complete the Work in accordance with the Agreement.
2. The Developer has paid or incurred Reimbursable Redevelopment Project Costs of at least Two Hundred Fifty Thousand Dollars (\$250,000).
3. The Developer has provided for the private financing for all Redevelopment Project Costs to be initially financed and paid for by the Developer.

ST. LOUIS' U.S. CUSTOM HOUSE AND POST OFFICE
BUILDING ASSOCIATES, L.P.

By: OLD POST OFFICE DEVELOPERS, LLC

By: THE DESCO GROUP, INC., a managing member

By: _____
Mark J. Schnuck
President

Date: _____

EXHIBIT G
Redevelopment Plan

(On file with the City Register.)

Approved: July 23, 2002