

ORDINANCE #65724
Board Bill No. 284

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE 1141-1151 SOUTH SEVENTH STREET 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 1141-1151 SOUTH SEVENTH STREET SPECIAL ALLOCATION FUND; PRESCRIBING THE FORM AND DETAILS OF A REDEVELOPMENT AGREEMENT AND APPROVING THE EXECUTION OF A REDEVELOPMENT AGREEMENT TO CARRY OUT THE REDEVELOPMENT PLAN; MAKING FINDINGS WITH RESPECT THERETO; AND AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS.

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 (2000), 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, the City and KRM Properties II, LLC prepared a plan for redevelopment titled “1141-1151 South Seventh Street TIF Redevelopment Plan” dated August 2, 2002 (the “Redevelopment Plan”), for an area located at 1141 – 1151 South Seventh Street and including 1146 South Seventh Street (the “Redevelopment Area”), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and marked **Exhibit A**; and

WHEREAS, on September 19, 2002, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

WHEREAS, the Redevelopment Plan envisions the complete renovation and rehabilitation of the Maloney Electric Building, located at 1141 – 1151 South Seventh Street into 48,000 square feet of office space with construction of additional adjacent parking at 1146 South Seventh Street (the “Redevelopment Project”); and

WHEREAS, the TIF Commission recommended that the Board of Aldermen adopt the Redevelopment Plan and the Redevelopment Project and designate the Redevelopment Area as a “redevelopment area” within the meaning of the TIF 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, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with Richard Yackey, an individual related to KRM Properties, II, LLC, as “Developer” (the “Redevelopment Agreement”), and in accordance with the Redevelopment Plan and the TIF Act, the Board of Aldermen hereby determines that it is necessary and advisable and in the best interest of the City and of its inhabitants to authorize and approve the Redevelopment Agreement and the transactions contemplated thereby; 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 TIF 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 TIF Act, and has not been subject to growth and development through investment by private enterprise and 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, 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 TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

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

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations issued to pay for certain Redevelopment Project costs and these dates are twenty three (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 as that term is defined in Section 99.805(6) of the TIF Act.

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 as reviewed and recommended by the TIF Commission including amendments thereto, if any, 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 TIF 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 of Revenue for the City 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 "1141-1151 South Seventh Street 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.

SECTION 5. In addition to the payments in lieu of taxes described in Section Four of this Ordinance, fifty percent of the total additional revenue from taxes 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 prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding those taxes enumerated as excluded in the TIF Act, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the 1141-1151 South Seventh Street Special Allocation Fund.

SECTION 6. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "1141-1151 South Seventh Street Special Allocation Fund." To the extent permitted by law, the City hereby pledges funds in the 1141 – 1151 South Seventh Street Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

SECTION 7. 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 and Five 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 8. 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**, with such changes therein as shall be approved by the officers of the City executing the same and as may be consistent with the intent of this Ordinance and necessary, desirable, convenient or proper in order to carry out the matters herein authorized.

SECTION 9. 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 10. 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 11. It is hereby declared to be the intention of the Board of Aldermen that each and every part, section and subsection of this Ordinance shall be separate and severable from each and every other part, section and subsection hereof and that the Board of Aldermen intends to adopt each said part, section and subsection separately and independently of any other part, section and subsection. In the event that any part, section or subsection of this Ordinance shall be determined to be or to have been unlawful or unconstitutional, the remaining parts, sections and subsections shall be and remain in full force and effect, unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with

the legislative intent.

**EXHIBIT A
Redevelopment Plan**

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET
TIF REDEVELOPMENT PLAN
Submitted to
City of St. Louis
Tax Increment Financing Commission
August 2, 2002**

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN**

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I. INTRODUCTION

The following is a plan prepared by the City of St. Louis ("City") in conjunction with KRM Properties II, LLC, a Missouri limited liability company (the "Developer") for redevelopment of the Maloney Electric Building located at 1141-1151 South Seventh Street and the parcel at 1146 South Seventh Street in St. Louis, Missouri (the "Redevelopment Area" or "Area"). A legal description of the Redevelopment Area is contained herein as **Appendix 1**.

The Redevelopment Area is comprised of the Maloney Electric Building, which is listed on the National Register of Historic Places, the structure located at 1146 South Seventh Street. The Redevelopment Area qualifies as a blighted area under Missouri's Real Property Tax Increment Allocation Redevelopment Act (Revised Statutes of Missouri § 99.800 et. seq.) (the "TIF Act"). In addition, the City of St. Louis has, by Ordinance No. 58505, previously blighted the Redevelopment Area under Chapter 99 R.S.Mo., as amended. Ordinance No. 58505 designates the Redevelopment Area as blighted and part of the "LaSalle Park Urban Renewal Area."

This Redevelopment Plan proposes to completely redevelop the Area by rehabilitating and renovating the Maloney Building into commercial office space and demolishing the structure on 1146 South Seventh to provide surface level parking (the "Redevelopment Project," or "TIF Project"). It is anticipated that the Redevelopment Project will serve as an incentive for private enterprise and investment in the Area, and will help serve as a catalyst for business to locate in the City.

This Redevelopment Plan proposes that a Tax Increment Financing Note ("TIF Note") be authorized and issued by the City in an amount equal to one million one hundred thousand dollars and no/100 (\$1,100,000.00) plus issuance costs to fund a portion of the Project Costs. Fifty percent of Economic Activity Taxes, as defined in the TIF Act, generated within the designated Redevelopment Area will be allocated to retire the TIF Note. Payments in lieu of real estate taxes within the Redevelopment Area ("PILOTS") will also be allocated to retire the TIF Note.

Further, this Redevelopment Plan calls for amortization of the TIF Note for a period of up to 23 years after PILOTS and EATS are initially generated. Other financing aspects of the Redevelopment Project are discussed in more detail in Section V.

II. OVERVIEW OF TAX INCREMENT FINANCING ("TIF")

In order to promote the redevelopment of a declining area, or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private, and initiate public, investment. One such tool is the TIF Act.

The TIF Act allows cities and counties to (1) identify and designate redevelopment areas that qualify as Blighted Areas, Conservation Areas, or Economic Development Areas as each are defined in the TIF Act; (2) adopt a redevelopment plan that designates the redevelopment area and states the objectives to be attained and the program to be undertaken; (3) approve a redevelopment project(s) for implementation of the redevelopment plan; and (4) utilize the tools set forth in the TIF Act to assist in reducing or eliminating those conditions that cause the area to qualify as a redevelopment area. Generally, the TIF Act allows municipalities to foster economic and physical improvements in a redevelopment or project area and to enhance the tax base of all taxing districts that levy taxes in such area. Within redevelopment areas, municipalities may use the power of eminent domain to provide necessary property acquisition for the implementation of a redevelopment plan and redevelopment project.

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The project then makes PILOTS on the increased assessed value of the improved property. The project also generates new EATS resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year prior to the approval of the redevelopment project. New development is made possible within the redevelopment area through the municipality's use of incremental revenues to finance certain costs of developing or redeveloping the area.

The municipality segregates these incremental revenues into a special account, the "special allocation fund," during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. All taxing districts that levy taxes on property within the redevelopment or project area continue to receive tax revenues based upon property values which existed prior to the adoption of ordinances establishing the redevelopment or project area. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area.

These taxes resulting from development of the redevelopment project are not deposited in the special allocation fund pursuant to the provisions of the TIF Act.

The TIF Act requires that, prior to establishing a redevelopment area or approving or amending TIF redevelopment plans and projects, a municipality must create a TIF Commission. A TIF Commission is comprised of six individuals appointed by the chief elected official of the municipality, with the consent of its governing body, and three individuals who are appointed by the other taxing districts within the proposed redevelopment area. Two of these three members are to represent the school district(s) that tax property within the proposed redevelopment area; the other member is appointed by all the remaining taxing districts. The TIF Commission's role is to review, consider, and make recommendations to the municipality's governing body concerning the adoption of redevelopment plans and redevelopment projects and the designation of redevelopment areas; and to exercise such other powers as are available to it under the TIF Act.

III. FINDING THAT REDEVELOPMENT AREA IS A BLIGHTED AREA

The City, by Ordinance No. 55266 made a finding that the La Salle Park Urban Renewal Project Area, of which the Redevelopment Area is a part, is a blighted area. By Ordinance Nos. 55319 and 55950, the City adopted and approved an Urban Renewal Plan for the La Salle Park Urban Renewal Area. The City, by Ordinance No. 58505 subsequently amended and affirmed such finding of blighting. Despite the incentives available through such a plan, the Redevelopment Area remains unoccupied and underutilized.

As defined in the TIF Act, a "blighted area" is:

An area 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 and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.

The Redevelopment Area is a blighted area as defined above based upon the City's finding and the fact that it exhibits the factors enumerated above, which are further discussed as follows:

- i. Defective or Inadequate Street Layout. The Redevelopment Area severely lacks the necessary infrastructure and adequate street layout to provide for commercial development in the Area. The Redevelopment Area was initially developed prior to the existence of a community plan. The streets, alleys, sidewalks and blocks in and around the Redevelopment Area were originally platted and developed on a parcel-by-parcel and building-by-building basis with little evidence of coordination and planning among the surrounding buildings and activities for growth or future development needs.

As a whole, the Redevelopment Area is characterized by inadequate street layout and obsolete platting as evidenced by: (i) insufficient access for vehicular service, and (ii) inadequate area to provide off-street parking or loading.

- ii. Unsanitary or Unsafe Conditions. The Redevelopment Area is characterized by a lack of ventilation, light and sanitary facilities according to contemporary development and code standards for commercial uses. The Area has remained vacant since 1999, and the windows and doors were blocked in and painted over until 2001. Problems include lack of mechanical ventilation for interior rooms, lack of natural light, lack of adequate bathroom facilities, lack of fire escape routes and exit stairwells, inadequate provision for the storage of garbage, and inadequate access for the disabled.
- iii. Deterioration of Site Improvements. In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling panels, or holes and cracks over limited areas. Deterioration which is not easily curable, however, and which cannot be accomplished in the course of normal maintenance includes buildings with defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters,

downspouts, fascia materials, etc. Deterioration of streets and alleys includes evidence of pot holes, cracks, depressions, overgrowth, and poor drainage. Deterioration of sidewalks is evidenced by settled areas, cracks, gravel sections, overgrowth, or depressed curb areas.

As demonstrated by the physical condition of the Redevelopment Area, the Redevelopment Area suffers from deterioration of both the primary and secondary building components. These deficiencies cannot be corrected through normal maintenance but require either replacement, renovation or rebuilding. The Area suffers from deferred maintenance of windows, doors, exterior walls and related decorative facade material, fire escapes, steps, loading docks, roof areas, fascias and mechanical systems. Adjacent sidewalks and surface areas are in a state of severe deterioration and need to be reconstructed.

- iv. Obsolescence. Obsolescence of the Redevelopment Area is apparent. In general, obsolescence is either functional or economic. Functional obsolescence relates to the physical utility of a structure, while economic obsolescence relates to a building's ability to compete in the market place.

The design, location, height, and space arrangement of the Redevelopment Area were intended for the specific purpose of manufacturing electrical transformers. This use is no longer needed or marketable, and therefore the Area has become functionally obsolete.

Economic obsolescence is generally a result of adverse conditions which cause some degree of market rejection and, hence, depreciation in market values. Typically, buildings classified as dilapidated and buildings which contain vacant space are characterized by problem conditions which may not be economically curable, resulting in net rental losses and/or depreciation in market value.

Obsolescence in buildings, because of physical characteristics or economic conditions limiting their long-term sound use or reuse, is typically difficult and expensive to correct. The resulting deferred maintenance, deterioration and vacancies often have an adverse effect on nearby and surrounding development and detract from the physical, functional and economic vitality of the area.

The Redevelopment Area is characterized by conditions which indicate that the structure is incapable of efficient or economic use as evidenced by: (i) inefficient exterior configuration of the structure, including insufficient width, size, irregular shape, or improper orientation of the building site; (ii) inflexible interior configuration of the structure, including spacing of bearing walls, supporting columns and beams, and eccentric or single purpose design; (iii) inadequate heating, electrical, plumbing and ventilation systems; (iv) inadequate access for contemporary systems of delivery and service; (v) inadequate capabilities for modern telecommunications and work space; (vi) inadequate loading facilities; (vii) floors with limited or no restrooms; (viii) limited fire and life safety provisions and which would be difficult to conform to current code compliance; and (ix) non-conformance to fire, building, and safety codes.

- v. Excessive Vacancies. Excessive vacancies as a blighting factor refers to the presence of buildings or sites which are unoccupied or not fully utilized and which present adverse influence on the surrounding area because of the frequency or duration of vacancies. Given that the Area has remained vacant since 1999, this excessive vacancy has had an adverse effect on the future occupancy or utilization of the Area, as well as surrounding properties.
- vi. Endangerment by Fire or Other Causes. Endangerment by fire or other causes is typically due to the presence of structures below minimum code standards. Such code standards include subdivision, building, housing, property maintenance, fire or other governmental codes applicable to the property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capability to support the type of occupancy, necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary habitation.

Due to the deterioration of site improvements and excessive vacancy of the Redevelopment Area, the Area suffers from endangerment by fire or other causes. Indeed, the Area lacks contemporary fire safety, sanitation, and other security measures. The lack of maintenance and unsafe conditions evident in the Redevelopment Area is a hazard to both real property and personal safety.

- vii. Economic and Social Liability. The Area in its current condition is a liability to the general welfare and

economic independence of the City. The appearance and state of the Redevelopment Area erodes, if not completely discourages, new investment and development. The age, condition and design of the Redevelopment Area prevents a landlord from demanding rent levels necessary make improvements competitive with newer buildings, and thus further aggravates and continues the lack of maintenance, redevelopment and incentive for investment in the Area.

- viii. Menace to the Public Health, Safety, Morals or Welfare. As discussed above, the Redevelopment Area exhibits many factors which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe site conditions as illustrated above represent a menace to the public health and safety; the economic liability of the deteriorated, vacant, or obsolete structures discussed above represents a menace to the public welfare.

The above factors, whether considered alone or as combined, constitute an economic and social liability, and constitute a menace to the public health, safety, and welfare. As long as such conditions are present in the Redevelopment Area, there will be little incentive for private investment and development to benefit the Area. Such disuse of property as is evidenced by the current condition of the Area retards redevelopment, lowers the morale of citizens, encourages abuse and social harm, and furthers the social stigma which currently plagues that and other areas of the City of St. Louis.

In determining if the proposed Redevelopment Area meets the eligibility requirements for TIF per the TIF Act, a number of sources of information were utilized. These include, but are not limited to, the following:

- a. Exterior survey of the condition and use of buildings within the Redevelopment Area;
- b. Field survey of environmental conditions covering streets, alleys, sidewalks, curbs, parking facilities, landscaping, fences and walls, and general property maintenance;
- c. Analysis of existing uses and their relationships;
- d. Analysis of building and street design and layout;
- e. Review of previously approved blighting studies; and
- f. Research of commercial development costs and standards for redevelopment; and

IV. Redevelopment Plan INCLUDING NECESSARY FINDINGS

1. Description of the Redevelopment Area

A legal description of the Redevelopment Area is included herein as **Appendix 1**.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 1141-1151 South Seventh Street TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in Section III of this Redevelopment Plan;
- To enhance the public health, safety, and welfare of the community by improving the infrastructure, curing blighting conditions, and encouraging other public improvements necessary for insuring the Area’s stability and existing and future redevelopment consistent with this Redevelopment Plan;
- Increase the level and perception of safety and revitalization in the area which will in turn encourage an influx of new businesses to the City;
- To upgrade and refurbish utilities, and other infrastructure facilities serving the Redevelopment Area;

- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefit taxing districts and encourage private investment in surrounding areas;
- To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development;
- Increase property values of the Area;
- To provide development/business opportunities in the Redevelopment Area and surrounding areas;

and

- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.

3. Redevelopment Project

Specifically, the above objectives will be satisfied by implementing each of the following, which together comprise the Redevelopment Project:

- Commercial Use Rehabilitation and renovation of the Area to construct approximately 48,000 square feet of office space.
- Parking Construction of surface area parking to serve the new office development.

The Redevelopment Project is generalized to leave room for design creativity and accommodations as needed, and so that the Developer can respond to prospective tenant's needs as completion of the Redevelopment Project progresses. Redevelopment of an area of this type must take into consideration the unique needs of a mix of a commercial tenant with specific space needs and requirements including the provision of adequate parking and access for the disabled.

It is expected that the Redevelopment Projects will in turn encourage and foster continued private as well as public investment in the surrounding areas. In addition, the safety of the area will improve due to the public improvements and other amenities provided by the improvement projects. The total estimated Redevelopment Project Costs for the Redevelopment Project is \$6,542,006 as set forth in greater detail in **Appendix 2**.

4. General Land Uses to Apply

The proposed land uses is commercial office space. The Redevelopment Area is currently partly zoned "J" Industrial and partly zoned "C" Multi-family district. Developer is in the process of having the Area properly rezoned for the Redevelopment Project in accordance with this Redevelopment Plan.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of this Redevelopment Plan will be completed within four years from the date of execution of a redevelopment agreement for completion of the Redevelopment Project as contemplated by this Redevelopment Plan. The estimated date for retirement of obligations incurred to finance the Redevelopment Project shall not be more than twenty-three (23) years from approval of the Redevelopment Project. Included herein as **Appendix 3** is the anticipated Redevelopment Program Schedule for the Redevelopment Project.

6. Most Recent Equalized Assessed Value of Parcels within the Redevelopment Area

A list of the current (2001) Equalized Assessed Values of all taxable property in the Redevelopment Area is attached as **Appendix 4**. These values are established and will be confirmed by the Assessor of the City of St. Louis. The total assessed value of taxable property in the Redevelopment Area subject to PILOTs is currently \$180,300.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed value of all taxable property subject to PILOTs in the Redevelopment Area after redevelopment is approximately \$1,909,296, as set forth in greater detail in **Appendix 5**.

8. Acquisition

Developer is currently the owner of record of a portion of the Area. It is anticipated that at such time as additional properties within the Area become necessary for completion of the Redevelopment Project, Developer will acquire such additional properties either through a private contracts, or through the exercise of eminent domain. Attached hereto as **Appendix 6** is a list of ownership status of properties within the Area as of the date of this Redevelopment Plan.

9. Blighted Area

As previously described in greater detail in Section III, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions which is included herein as **Appendix 7**. The best and most economically viable use of the Redevelopment Area is commercial (including office space) development.

The costs of demolition, environmental remediation, site preparation, construction and surface parking preclude private enterprise from developing the Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and construction of improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

10. Conforms with the Comprehensive Plan of the City

This Redevelopment Plan conforms to the City's plan, the "La Salle Park Urban Renewal Plan, dated 1981.

11. Plan for Relocation Assistance

Relocation of residents or businesses are not anticipated to be necessary within the Redevelopment Area with respect to the TIF Projects. To the extent relocation would be necessary, this Redevelopment Plan adopts the City of St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

12. Cost Benefit Analysis

A cost benefit analysis showing a net benefit to each taxing district impacted by this Redevelopment Plan and the TIF Redevelopment Projects is attached hereto as **Appendix 5**.

If the TIF Redevelopment Project is completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional property taxes and economic activity taxes which will be paid and not contributed to the TIF. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% are distributed to the appropriate taxing authorities. EATS also exist which are not applied to the TIF Projects as provided in the TIF Act. For example, the MetroLink portion of the local sales tax, the State Blind Pension levy and the Commercial Surcharge are all excluded from the TIF. The taxing districts will also receive a significant benefit from the personal property taxes, which will be paid on the furniture, fixtures, and equipment in the Redevelopment Area; these taxes are also excluded from the TIF. A detailed analysis of the benefits to the taxing districts is attached as **Appendix 5**.

13. Does Not Include Gambling Establishment

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

14. Reports to DED

As required by the Statute, the City shall report to the Department of Economic Development by the last day of February each year, the name, phone number, and primary line of business of any business which locates within the Redevelopment Area.

V. FINANCING PLAN

1. Eligible Redevelopment Project Costs

The TIF Act provides for the use of tax increment revenues generated by a designated 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 (“Redevelopment Project Costs”). 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.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project is approximately \$6,542,006 and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues, which, in accordance with the TIF Act, may include but are not limited to:

- Cost of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other property real or personal or rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligations issued under the provisions of this Redevelopment Plan 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; and
- 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 the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

The costs as shown on **Appendix 2** represent the total approximate cost of the project regardless of the source of funding. This table does not include custom finishes over and above Developer supplied finishes, which are unknown at this time. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are estimated based on the knowledge of the project at this time and that the actual redevelopment cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the cost amounts or cost items as outlined. During the life of the Redevelopment Area, Plan and Project, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 2**, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

2. Project Financing and Nature of Obligations

As set forth in Appendix 2, there are four principal sources of funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- Federal Historic Tax Credits;

- State Historic Tax Credits;
- Private Financing;
- Funds available through the issuance of TIF notes, bonds, loans, certificates or other certificates of indebtedness (herein collectively referred to herein as “TIF Note or other financial obligations”).

3. TIF Note Funding

It is anticipated that the City will issue TIF Notes or other types of TIF obligations in an equal to \$1,100,000 plus issuance costs, with a term of retirement for all such issues of not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Plan and project costs as outlined in **Appendix 2** which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City’s intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the City’s Special Allocation Fund.

The City’s Special Allocation Fund will contain at least 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 **Appendices 2 and 6** to the 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 **Appendices 2 and 6** to the Redevelopment Plan, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account.

Funds on deposit in the PILOTS Account will be pledged to the payment of the Redevelopment Project Costs. Funds on deposit in the EATS Account will be subject to annual appropriation by the City for payment of the Redevelopment Project Costs. 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.

4. Evidence of Commitment to Finance Project Costs

Appendix 8 contains a preliminary commitment letter provided by St. John’s Bank. St. John’s Bank has made a preliminary review of the development proposal and has expressed an interest to finance the Project Costs associated with the Project.

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 1
LEGAL DESCRIPTION OF REDEVELOPMENT AREA**

1141-1151 South Seventh Street (Parcel I.D. No. 04610000110)

Lots 13 through 31 and the alleys vacated herein, in City Block 461 of the City of St. Louis, bounded on the East by the West line of 7th Street, on the South by the North line of Hickory Street, and on the West by the East line of 8th Street and on the North by property now or formerly of Ralston Purina Company.

and

1146 South Seventh Street (Parcel I.D. No. 01510000100)

C.B. 151 7th, 124 ft./irregular, x 149 ft/157 ft. 0-1/4 inch, Pitzman Addition Lot PT 637, Bnd S by Hickory. Street.

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 2
TIF REDEVELOPMENT PROGRAM SCHEDULE**

See 1141 – 1151 South Seventh Street Tif Redevelopment Program Schedule on file in the Register’s Office.

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 3
ESTIMATED REDEVELOPMENT PROJECT COSTS AND ANTICIPATED SOURCES OF FUNDING**

**KRM PROPERTIES III, LLC, 1141-1151 SOUTH SEVENTH STREET TIF
REDEVELOPMENT PLAN
ESTIMATED REDEVELOPMENT PROJECT COST**

Estimated Redevelopment Project Costs

Land		245,000
Building - Acquisition		380,000
Title & Recording		50,000
Hard Construction		3,155,608
Builder’s Overhead & Profit		591,120
Legal		60,000
Architect’s Design/Engineering Fee		75,000
Construction Interest		251,220
TIF Application and Legal Fees		30,000
Construction Period Taxes/Insurance		34,000
Construction Loan Fee		-
Permanent Loan Fee	1.00%	28,930
Perm-Loan Soft Costs	1.25%	36,163
Environmental Remediation		152,500
Developer’s Profit	13.61%	783,705
Contingency		480,560
Permits		-
Construction Financing Referral Fee		-
Marketing		-
Utilities		-
Professional Fees		-
Miscellaneous		-
Appraisal		2,000
Historic Research		10,000
Brokerage Fees		163,200
Cost Certification		5,000
Survey		8,000
Operation Reserve Account		-
		<u>6,542,006</u>
Total Development Costs		6,542,006

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 4
EQUALIZED ASSESSED VALUE BY PARCEL**

<u>Address</u>	<u>Assessed Value</u>	<u>Owner</u>
1141-1151 South Seventh Street	\$148,700	KRM Properties II, LLC
1146 South Seventh Street	\$31,600	Charles L. Whitehead

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 5
PROJECTED TIF REVENUES AND COST BENEFIT ANALYSIS**

See KRM Properties II, LLC Projected TIF Revenues and Cost Benefit Analysis for Taxing Districts with Tiff, Cost Benefit Analysis for Taxing Districts without Tiff and Projected Tax Benefit to City and to School District on file in the Register’s Office.

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 6
ACQUISITION PARCELS**

1146 South Seventh Street: Current owner, Charles L. Whitehead

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 7
DEVELOPER AFFIDAVIT**

See Affidavit on file in the Register’s Office.

**KRM PROPERTIES II, LLC
1141-1151 SOUTH SEVENTH STREET TIF REDEVELOPMENT PLAN
APPENDIX 8
EVIDENCE OF COMMITMENT TO FINANCE
PROJECT COSTS**

See Evidence of Commitment to Finance on file in the Register’s Office.

**EXHIBIT B
Redevelopment Agreement**

REDEVELOPMENT AGREEMENT
Between the
CITY OF ST. LOUIS, MISSOURI
and
RICHARD YACKEY
Dated as of
_____, 2002

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EXHIBIT F Equal Opportunity and Nondiscrimination Guidelines
EXHIBIT G TIF Quarterly Report Form

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into as of this _____ day of _____, 2002, by and between the CITY OF ST. LOUIS, MISSOURI (the “City”), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and RICHARD YACKEY (the “Developer”), an individual. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in Article I of this Agreement.)

RECITALS

A. Pursuant to Ordinance No. 62477, adopted and approved on December 20, 1991, the Board of Aldermen duly formed the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”), in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, as amended (the “TIF Act”), and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act.

B. The City published a notice on _____, in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the redevelopment of the Redevelopment Area, and made such requests for proposals available for potential developers of the Redevelopment Area.

C. On May 22, 2002, the KRM Properties II, LLC, a related entity of Developer, submitted to the City a tax increment financing application and proposal (the “Redevelopment Proposal”) for the Redevelopment Area.

D. On September 19, 2002, following a public hearing held on September 19, 2002, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the redevelopment plan known as the 1141-1151 South Seventh Street Tax Increment Financing Redevelopment Plan (the “Redevelopment Plan”) and recommending that the Board of Aldermen: (1) approve the Redevelopment Plan; and (2) approve and designate the Redevelopment Area as a “redevelopment area” as provided in the TIF Act.

E. On _____, 2002, after due consideration of the TIF Commission’s recommendations, the City adopted: (A) Ordinance No. _____ [Board Bill No. 284] which (i) designated a certain portion of the City a “redevelopment area” as defined in the TIF Act (the “Redevelopment Area”), (ii) approved that certain plan titled “1141 – 1151 South Seventh Street TIF Redevelopment Plan dated August 2, 2002” (the “Redevelopment Plan”), (iii) approved the redevelopment project described in the

Redevelopment Plan (the “Redevelopment Project”), (iv) adopted tax increment allocation financing within the Redevelopment Area, (v) established the Special Allocation Fund, (vi) designated the Developer as developer of the Redevelopment Area, and (vii) authorized the City to enter into a Redevelopment Agreement with Developer; and (B) Ordinance No. _____ [Board Bill No. 285] authorizing the issuance of TIF Notes and TIF Obligations as evidence of the City’s obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and the Redevelopment Project and pledging TIF Revenues to the payment of the TIF Notes.

F. The Board of Aldermen hereby determines that approval of the Redevelopment Agreement is in the best interests of the City, and the health, safety and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

G. Pursuant to provisions of the TIF Act and Ordinance Nos. _____ and _____ [Board Bill Nos. 284 and 285] the City is authorized to enter into this Agreement, to issue TIF Notes as evidence of the City’s obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and any such Redevelopment Project, and to pledge TIF Revenues to the payment of the TIF Notes.

AGREEMENT

Now, therefore, in consideration of the premises and mutual agreements 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 a fee simple interest in the Property, including, but not limited to the cost of land and 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 commissioners’ awards, judgments, payments in settlement of litigation, and all associated court costs, fees and expenses.

“*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 Ordinance*” means Ordinance No. _____ [Board Bill No. 284], 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 Account of the Special Allocation Fund; and (b) the EATs Account of the Special Allocation Fund that have been appropriated to the repayment of the TIF Notes, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

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

“*Bond Counsel*” means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys acceptable to the City of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on obligations issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“*Bond Proceeds*” means the gross cash proceeds from the sale of TIF Bonds before payment of Issuance Costs, together with any interest earned thereon.

“*Certificate of Reimbursable Redevelopment Project Costs*” means a document substantially in the form of **Exhibit A**, attached hereto and incorporated herein by reference, provided by the Developer to the City 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 B**, attached hereto and incorporated herein by reference, issued by the Developer to the City in accordance with this Agreement and evidencing the Developer’s substantial satisfaction of all material obligations and covenants to construct the Redevelopment Project in accordance with the Redevelopment Plan and this Agreement.

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

“*Construction Plans*” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work, together with all supplements, amendments or corrections, submitted by the Developer and approved by the City in accordance with this Agreement.

“*Developer*” means Richard Yackey, an individual, or his 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.

“*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 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).

“*Issuance Costs*” means all actual costs reasonably incurred by the City in furtherance of the issuance of TIF Obligations, including without limitation the fees and expenses of financial advisors and consultants, the City’s attorneys (including issuer’s counsel and Bond Counsel), the City’s administrative fees and expenses (including fees and costs of planning consultants), underwriters’ discounts and fees, the costs of printing any TIF Obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any TIF Obligations.

“*Maturity Date*” means the date that is twenty three (23) years after the date of adoption of the Note Ordinance.

“*Note Ordinance*” means Ordinance No. _____ [Board Bill No. 285] adopted by the Board of Aldermen authorizing the TIF Obligations, any trust indenture relating thereto, and all related ordinances, resolutions and proceedings.

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

“*Project Fund*” means the Project Fund created in the Note Ordinance.

“*Redevelopment Area*” means 1141 – 1151 South Seventh Street Redevelopment Area, which area is further described in **Exhibit C**, attached hereto and incorporated herein by reference.

“*Redevelopment Plan*” means the plan titled “1141-1151 South Seventh Street TIF Redevelopment Plan,” as approved by the City on _____, 2002, pursuant to Ordinance No. _____ [Board Bill No. 284], as such plan may from time to time be amended in accordance with the TIF Act.

“*Redevelopment Project*” means the redevelopment project described in the Redevelopment Plan, including without limitation: (a) rehabilitation and renovation of the Maloney Electric Building to provide approximately 48,000 square feet of office space; (b) construction of surface parking; (c) land acquisition; (d) demolition, site preparation and improvements; (e) landscaping; (f) utility work; (g) public improvements, if any; (h) site re-grading and excavation for new structures; and (i) professional fees, including without limitation architecture, engineering, surveying, legal, and planning and consulting costs.

“*Redevelopment Project Costs*” shall have the meaning ascribed to such terms in Section 99.805(1) of the TIF Act.

“Redevelopment Proposal” means the document on file with the City and incorporated herein by reference, titled “KRM Properties II, LLC, TIF Application for 1141-1151 South Seventh Street,” submitted by the Developer to the City on May 31, 2002.

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

“Relocation Plan” means the relocation plan of the City for the Redevelopment Area as contained in the Redevelopment Plan, which relocation plan was adopted on December 20, 1991, pursuant to Ordinance No. 62481.

“Special Allocation Fund” means the City of St. Louis, Missouri, Special Allocation Fund for the 1141-1151 South Seventh Street Redevelopment Project, created in the Approving Ordinance in accordance with the TIF Act, and including the sub-accounts into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this Agreement.

“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.

“TIF Bonds” means tax increment revenue bonds, if any, authorized and issued by the City in accordance with the TIF Act and this Agreement.

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

“TIF Notes” means tax increment revenue notes issued by the City pursuant to the Note Ordinance and subject to this Agreement in substantially the form set forth in **Exhibit E**, to evidence the City’s limited obligation to repay Reimbursable Redevelopment Project Costs incurred by the Developer on behalf of the City in accordance with the TIF Act and this Agreement.

“TIF Obligations” means TIF Bonds, TIF Notes or other obligations, singly or in series, issued by the City pursuant to the TIF Act and in accordance with this Agreement.

“TIF Revenues” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Redevelopment Area over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF 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, and (2) fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2001 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all as provided in Section 99.845 of the TIF Act, as amended from time to time..

“Trustee” means the trustee or fiscal agent for any issue of TIF Obligations.

“Work” means all work necessary to prepare the Redevelopment Area and to construct or cause the construction of the Redevelopment Project as specifically described in the Redevelopment Proposal, the Redevelopment Plan, and this Agreement, including: (1) property acquisition; (2) professional fees, including architecture, engineering, surveying, legal and planning and consulting; (3) demolition, site preparation and improvements, including without limitation, site re-grading and excavation for new structures, surface parking lots, installation of utilities, and site landscaping; (4) construction, reconstruction or rehabilitation of the building interior, the shell, the façade and the structural elements of the Maloney Electric Building to provide approximately 48,000 square feet of commercial office space; (5) construction, reconstruction or rehabilitation of related infrastructure or improvements, including without limitation surrounding roads, sidewalks and parking facilities; (6) installation of lighting, public furniture, decorative fencing, and landscaping; and (7) all other work described in the Redevelopment Proposal and the Redevelopment 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 and/or KRM Properties II, LLC to acquire all real property within the Redevelopment Area necessary to complete the Redevelopment Project and select the Developer to perform or cause the performance of the Work in accordance with the Redevelopment Proposal, the Redevelopment Plan, this Agreement and all Local Governmental Approvals. The City and the Developer severally agree to carry out the Redevelopment Project in accordance with the approving Ordinance and this Agreement.

2.2 Developer to Advance Costs. The Developer agrees to advance all Redevelopment Project Costs as necessary to acquire all real property within the Redevelopment Area necessary to complete the Redevelopment Project 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 7.1 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 Three Thousand Three Hundred Dollars (\$3,300.00), which monies have been paid one half to the Comptroller of the City and one half to the St. Louis Development Corporation 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 Three Thousand Three Hundred Dollars (\$3,300.00), which monies shall be paid one half to the Comptroller of the City and one half to the St. Louis Development Corporation 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 Ten Thousand Dollars (\$10,000), which amount shall be paid upon execution of the Redevelopment Agreement to reimburse the Comptroller for its actual legal expenses incurred in connection with the adoption of the Approving Ordinances and the negotiation of the Redevelopment Agreement;

(iv) the Developer shall, concurrently with the initial issuance of the TIF Notes, pay to the City a flat fee of Fifteen Thousand Dollars (\$15,000) for the City's Issuance Costs of such TIF Notes; and

(v) any amounts advanced to the City shall represent Reimbursable Redevelopment Project Costs to be reimbursed exclusively from the proceeds of TIF Obligations 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, all real property within the Redevelopment Area as described in Exhibit C which it does not own but which is necessary for the implementation of the Work in accordance with the schedule set forth in Section 3.4 of this Agreement (the "Property"). 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 the Property and all interests in the Property, subject to the Developer's rights as set forth in Section 7.1 of this Agreement. Any properties acquired by the Developer for completion of the Work shall be held in the name of the Developer and shall be subject to the terms, conditions and covenants contained herein and in the Redevelopment Plan immediately upon acquisition.

3.2 Condemnation. As of the date of this Agreement, it is not anticipated that the exercise of eminent domain will be necessary to acquire any portion of the Property in the Redevelopment Area..

3.3 Relocation. The Developer shall identify any Displaced Person (as defined in Ordinance No. 62481 of the City) that is entitled to relocation payments or relocation assistance under the Relocation Plan. The City shall, at the Developer's sole cost and expense, subject to reimbursement as a Reimbursable Redevelopment Project Cost in accordance with Article IV of this Agreement, coordinate such relocation payments and relocation assistance in accordance with the Relocation Plan.

3.4 Developer to Construct the Work. The Developer shall commence or cause the commencement of the construction of the Work within one hundred twenty (120) days of the date of this Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the Redevelopment Plan, this Agreement and the Construction Plan; provided, however, that the Work shall not be altered if such modification would require an amendment to the Redevelopment Plan pursuant to the TIF Act. The Developer shall complete or cause the completion of all of the Work not later than December 31, 2004 absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in Section 7.5 of this Agreement, Developer shall be granted additional time to complete the Work up to and including July 1, 2005.

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.

3.5 Local Governmental Approvals. The City and the St. Louis Development Corporation agree to employ reasonable and good faith efforts to cooperate with the Developer 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.

3.6 Construction Plans; Changes. 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 construction schedule, including dates of commencement and completion, 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 economic 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 with advance written notice of any such changes; and (ii) prior to any change that substantially affects the use of the Maloney Electric Building, 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 St. Louis Development Corporation, which consent shall not be unreasonably withheld or delayed.

For purposes of this Section, "material change" shall mean (a) any change that could reasonably be expected to result in a decrease in the aggregate amount of TIF Revenues generated within the Redevelopment Area of at least ten percent (10%); or (b) any change that would result in a use for the Area other than commercial or retail.

3.7 Certificate of Substantial Completion Promptly after substantial completion of the Work, the Developer shall furnish to the City and the St. Louis Development Corporation a Certificate of Substantial Completion. The City and the St. Louis Development Corporation shall, within thirty (30) days following delivery of the 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 the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City and the St. Louis Development Corporation unless, within thirty (30) days following delivery of the Certificate of Substantial Completion, the City or the St. Louis Development Corporation furnishes the Developer with specific written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. Upon acceptance of the Certificate of Substantial Completion by the City and the St. Louis Development Corporation or upon the lapse of thirty (30) days after delivery thereof to the City and the St. Louis Development Corporation 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 all Work. The Certificate of Substantial Completion shall be in substantially the form attached as Exhibit B, attached hereto and incorporated by referenced herein.

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 A**, attached hereto and incorporated herein

by reference, as may be adjusted pursuant to **Article IV** of this Agreement. Subject to the limitations of **Article IV** of this Agreement and to the terms of the Note Ordinance, the City agrees to issue TIF Obligations to evidence the City's obligation to reimburse Developer for verified Reimbursable Redevelopment Project Costs in an amount equal to One Million One Hundred Thousand Dollars (\$1,100,000) plus Issuance Costs.

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

Nothing in this Agreement shall obligate the City to issue TIF Obligations to reimburse the Developer for any cost that is not incurred pursuant to Section 99.820.1 of the TIF Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF 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 TIF Act. The parties agree that each of the categories of costs set forth in **Exhibit D**, attached hereto and incorporated herein by reference, shall constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. The Developer shall not be limited to the total amount of reimbursement shown for each such category on **Exhibit D**, 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 (ii)-(iv), 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 TIF Act, the City shall so notify the Developer in writing within thirty (30) days 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 City's Obligations Limited to Special Allocation Fund and Bond Proceeds. Notwithstanding any other term or provision of this Agreement, TIF Notes issued by the City to the Developer for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from Bond Proceeds, if any, and from no other source.

ARTICLE V. TIF OBLIGATIONS

5.1 Conditions Precedent to the Issuance of TIF Obligations. No TIF Obligations shall be issued until such time as the City has received (i) a Certificate of Substantial Completion; and (ii) a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit A**, attached hereto and incorporated herein by reference.

5.2 Issuance of TIF Notes. Upon satisfaction of the conditions of **Section 2.2**, clause (iv), and **Section 5.1** of this Agreement, the City agrees to issue one or more TIF Notes as provided in the Note Ordinance to reimburse the Developer for Reimbursable Redevelopment Project Costs up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of Article IV of this Agreement. The TIF Notes shall be in a form substantially similar to **Exhibit E**, attached hereto and incorporated herein by reference.

5.3 Terms. Each TIF Note shall bear simple interest at a fixed rate per annum equal to (i) seven percent (7%) if the interest on such TIF Note, in the opinion of Bond Counsel, is not exempt from Federal income taxation; or (ii) five and one half percent (5½%) if the interest on such TIF Note, in the opinion of Bond Counsel, is exempt from Federal income taxation. All TIF Notes shall have a stated maturity of the Maturity Date.

5.4 Procedures for Issuance of TIF Notes. Except as otherwise provided in this Agreement, the City shall, within ten (10) days after acceptance by the City of the Certificate of Reimbursable Redevelopment Project Costs, issue an endorsement to the TIF Note evidencing an advance for the reimbursement of Reimbursable Redevelopment Project Costs ("Construction Advance"). In lieu of an endorsement to the TIF Note, the City shall, upon written request by the Developer, issue additional TIF Notes in denominations of One Hundred Thousand Dollars (\$100,000) or more to evidence the City's obligation to pay such advances of Redevelopment Project Reimbursement Costs ("Additional Notes").

If the City accepts the Certificate of Reimbursable Redevelopment Project Costs within thirty (30) days after submission by the Developer, the resulting Construction Advance or Additional Notes shall be deemed to have been issued on the date that the City accepts the Certificate of Reimbursable Redevelopment Project Costs. If the City accepts the Certificate of Reimbursable Redevelopment Project Costs more than thirty (30) days after submission by Developer (or rejects it more than thirty (30) days after submission by Developer and provides the Developer the right to identify and substitute eligible Reimbursable Redevelopment Project

Costs in accordance with **Section 4.2** of this Agreement), the resulting Construction Advance or Additional Notes shall be deemed to have been issued on the thirty-first (31st) day after submission of the Certificate of Reimbursable Redevelopment Project Costs by the Developer.

Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Construction Advance or Additional Notes as provided in Section 5.2.2 of this Agreement, the Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.5 Mandatory Redemption of TIF Notes. The TIF Notes are subject to special mandatory redemption by the City, on each June 1 and December 1 occurring after the acceptance by the City of the Certificate of Substantial Completion at a redemption price equal to 100% of the principal amount being redeemed, together with the accrued interest thereon to the date fixed for redemption, which amount of principal being redeemed shall be an amount equal to Available Revenues on deposit in the applicable account of the Special Allocation Fund and which will not be required for the payment of interest on such June 1 or December 1.

5.6 TIF Bonds. The City may, in its sole and absolute discretion, issue TIF Bonds in an amount sufficient to refund all or a portion of the outstanding TIF Notes. The Developer shall not have any liability for any costs associated with the issuance of TIF Bonds but shall bear its own costs and expenses, including any attorneys' fees and expenses, that the Developer may incur in complying with Section 5.4 of this Agreement. Proceeds of any TIF Bonds shall be applied in the following order: (a) to the payment of Issuance Costs relating to the issuance of the TIF Bonds; (b) to the payment of outstanding principal of and interest on the TIF Notes to be refunded; (c) to the payment of capitalized interest on the TIF Bonds; and (d) to the establishment of a debt service reserve fund for the TIF Bonds.

5.7 Cooperation in the Issuance of TIF Obligations. The Developer covenants to cooperate and take all reasonable actions necessary to assist the City and its Bond Counsel, underwriters and financial advisors in the preparation of offering statements, private placement memorandum or other disclosure documents and all other documents necessary to market and sell the TIF Obligations, including disclosure of tenants of the Property and the non-financial terms of the leases between the Developer and such tenants, to the extent permitted by such leases. The Developer will not be required to disclose to the general public or any investor any proprietary or confidential information, including financial information, pertaining to the Developer, but upon the execution of a confidentiality agreement acceptable to the Developer, the Developer will provide such information to the City's financial advisors, underwriters and their counsel to enable such parties to satisfy their due diligence obligations. The Developer shall make such compliance obligation a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement.

5.8 City to Select Underwriter and Financial Advisor; Term and Interest Rate. The City shall have the right to select the designated underwriter (and such financial advisors and consultants as the underwriter and the City deem necessary for the issuance of the TIF Bonds) and underwriter's counsel. The final maturity of the TIF Bonds shall not exceed the maximum term permissible under the TIF Act. The TIF Bonds shall bear interest at such rates, shall be subject to redemption and shall have such terms as the City shall determine in its sole and absolute discretion.

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

6.1 Creation of Special Allocation Fund. The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a "PILOTs Account" and an "EATs Account," and such further 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 TIF Act and, with respect to Economic Activity Taxes, subject to annual appropriation by the Board of Aldermen, the City will promptly upon receipt thereof deposit all Payments in Lieu of Taxes into the PILOTs Account of the Special Allocation Fund and all Economic Activity Taxes into the EATs Account of the Special Allocation Fund.

6.2 Certification of Base for PILOTS and EATS. Within ninety (90) days after adoption of the Approving Ordinance, the City shall provide to the Developer: (i) 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 based upon the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area; and (ii) 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 TIF Act.

6.3 Application of Available Revenues. The City hereby agrees for the term of this Agreement to apply the Available Revenues and any taxes, fees or assessments subsequently enacted and imposed in substitution therefor and allocable to the Special Allocation Fund under the TIF Act or this Agreement to the repayment of TIF Notes issued under Article V of this Agreement as provided in the Note Ordinance and this Agreement. Prior to the issuance of TIF Bonds and as long as any TIF Notes are outstanding, Available Revenues shall be applied to such payment each June 1 and December 1 (each, a "Payment Date") occurring after acceptance by the City of the Certificate of Substantial Completion (either by the City Comptroller or other financial officer or, at the option of the City, by the Trustee on behalf of the City), first from the EATs Account and then from the PILOTs Account as follows:

- 6.3.1** payment of fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation in the administration of the Redevelopment Plan (but the Available Revenues applied to the fees and expenses incurred by the City and the St. Louis Development Corporation shall not exceed the lesser of Four Thousand Four Hundred Dollars (\$4,400) or 0.4% of the outstanding TIF Notes in each calendar year, unless the City has incurred costs pursuant to **Section 7.15** of this Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes purchased by the Developer);
- 6.3.2** payment of past due interest owing as a result of prior deficiencies of moneys to pay interest due on each interest Payment Date;
- 6.3.3** payment of scheduled interest due on each interest Payment Date;
- 6.3.4** payment of principal in an amount equal to Available Revenues then remaining on deposit in the applicable account of the Special Allocation Fund on each Payment Date;
- 6.3.5** all other remaining money in the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act.

If the monies available in the Special Allocation Fund are insufficient to reimburse the City as provided above on any Payment Date, then the unpaid portion shall be carried forward to the next Payment Date, with interest thereon.

The City agrees that the officer of the City at any time charged with the responsibility of formulating budget proposals will be directed to include in the budget proposal submitted to the Board of Aldermen, for each fiscal year that TIF Obligations are outstanding, a request for an appropriation of all Available Revenues on deposit in the Special Allocation Fund for application to the payment of the principal of (including payment of a premium, if any) and interest on the TIF Obligations.

6.4 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 supply or cause to be supplied to the City's Office of the Comptroller a completed Tax Increment Financing (TIF) Quarterly Information Form for each business located within the Redevelopment Area, the form of which is attached hereto as Exhibit G. In addition, the Developer shall exercise diligent, good faith efforts to ensure that each "seller" (as that term is defined in Section 144.010(10) of the Missouri Revised Statutes (2000)) located within the Redevelopment Area to provide the City's Comptroller 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.

The Developer (or its successor(s) in interest as an owner or owner(s) of any portion(s) of the Property) shall also request any purchaser or transferee of real property and any lessee 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."

6.5 Obligation to Report TIF Revenues. The Developer shall cause any purchaser or transferee of real property located within the Property, and any lessee or other user of real property located within the Property required to pay TIF Revenues, shall use all reasonable efforts to timely fulfill such obligations as are required by Section 6.4 of this Agreement. So long as any of the TIF Obligations are outstanding, the Developer shall cause such obligations to be covenants running with the land, which covenants shall be enforceable as if such purchaser, transferee, lessee or other user of such real property were originally a party to and bound by this Agreement.

6.6 Notice to City of Transfer. The Developer agrees to notify the City in writing of any proposed sale, transfer, or disposition of the Property or any interest therein as permitted by **Section 7.3.2** of this Agreement within ninety (90) days after the date of said sale, transfer or other disposition. Said notice shall specify the name and address of the person so acquiring any or all of the Property or any interest therein and shall identify the Property to be sold, transferred or otherwise disposed, whether by voluntary transfer or otherwise.

ARTICLE VII. GENERAL PROVISIONS

7.1 Developer's Right of Termination. At any time prior to the delivery of the Certificate of Substantial Completion, the Developer may, by giving written notice to the City, abandon the Redevelopment Project and terminate this Agreement and the Developer's obligations hereunder if the Developer determines, in its sole 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.

7.2 City's Right of Termination. The City may terminate this Agreement if the Developer fails to submit its Certificate of Substantial Completion, acceptable to the City, in accordance with **Section 3.7** of this Agreement and the schedule set forth in **Section 3.4** of this Agreement. Upon termination of this Agreement for any reason, the City shall have no further obligation to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

7.3 Successors and Assigns.

7.3.1.1 Binding Affect. 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.

7.3.1.2 Assignment or Sale. Without limiting the generality of the foregoing, all or any part of the Redevelopment Area or any interest therein may be sold, transferred, encumbered, leased, or otherwise

disposed of at any time, and the rights of the Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after redevelopment of the Redevelopment Project, whereupon the party disposing of its interest in the Redevelopment Area or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such property within the Redevelopment Area so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement), provided that until substantial completion of the Redevelopment Project, the fee title to any property within the Redevelopment Area shall not be sold, transferred or otherwise disposed of and the rights, duties and obligations of the Developer under this Agreement shall not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed upon a reasonable demonstration by the Developer of the proposed transferee's or assignee's experience and financial capability to undertake and complete such portions of the Work and perform the Developer's obligations under this Agreement, all in accordance with this Agreement. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with: (a) the right of the Developer or KRM Properties II, LLC to encumber or collaterally assign its interest in any property within the Redevelopment Area or any portion thereof to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; (b) the right of Developer to assign the Developer's rights, duties and obligations under this Agreement to any party 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; provided that in each such event (i) the Developer named herein (RICHARD YACKEY) shall remain liable hereunder for the substantial completion of the Redevelopment Project and shall be released from such liability hereunder only upon substantial completion of the Redevelopment Project and (ii) the Developer provides to the City fifteen (15) days' advance written notice of the proposed assignment or transfer.

- 7.3.1.3** Assignment or Sale to Exempt Organization. Prior to any sale, transfer or other disposition of all or any portion of the Property or any interest therein to an organization exempt from payment of ad valorem property taxes, such organization shall be required to agree not to apply for an exemption from payment of such property taxes for a period ending on the earlier of the date that all TIF Obligations are paid in full or twenty-three (23) years from the date that the Note Ordinance was adopted by the City. The Developer shall make this requirement a covenant running with the land, enforceable for such period as if such purchaser or other transferee or possessor thereof were originally a party to and bound by this Agreement.

7.4 Remedies. 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.

7.5 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 3.4** 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; 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 the TIF Obligations or this Agreement; 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.

7.6 Notices. Any notice, demand or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States first class mail, postage prepaid, or delivered personally,

in the case of the Developer, to:

Mr. Richard Yackey
809 Geyer Road
St. Louis, Missouri 63104

with a copy to:

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

In the case of the City, to:

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

With a copy to:

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

and

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 either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

7.7 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.

7.8 Damage or Destruction of Redevelopment Project. In the event of total destruction or damage to the Redevelopment Project by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any TIF Notes are outstanding, the Developer shall determine and advise the City in writing within one year of such destruction or damage whether to restore, reconstruct and repair any such destruction or damage so that the Redevelopment Project will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal of or interest on the TIF Notes shall immediately terminate and the Developer shall promptly surrender the TIF Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any TIF Bonds are issued, the Developer shall, at the City's option after consultation with the Developer, tender to the City that portion of the insurance proceeds from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the TIF Bonds, plus accrued interest thereon.

7.9 Inspection. The City may conduct such periodic inspections of the Work as may be generally provided in the building code of the City. 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 is reasonable and necessary to verify the Developer's compliance with the terms of this Agreement.

7.10 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.

7.11 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. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

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

7.13 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.

7.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of the City shall be personally liable to the Developer 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.

7.15 Actions Contesting the Validity and Enforceability of the Redevelopment Plan. During such time as the Developer is the owner of the TIF Notes, in the event a third party brings an action against the City or the City's officials, agents, attorneys, employees or representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Plan, the TIF Obligations, or the ordinance approving this Agreement, the Developer may, at its option, join the City in defense of such claim or action. The parties expressly agree that, so long as no conflicts of interest exist between them with regard to the handling of such litigation, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding. The Developer shall be responsible for all reasonable and necessary costs and expenses incurred by the City 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 thereafter in the defense of

such claim or action. All cost of any such defense, whether incurred by the City 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.

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

- 7.16.1** The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable to the Developer for damages or otherwise in the event that all or any part of the TIF Act, or any ordinance adopted in connection with either the TIF 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.
- 7.16.2** The Developer releases from and covenants and agrees that the City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for, and agrees to indemnify and hold harmless the City, its 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.
- 7.16.3** The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not 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 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.
- 7.16.4** 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.
- 7.16.5** No governing body members, officers, agents, attorneys, employees or independent contractors of the City 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 or any TIF Obligations which may become due to any party under the terms of this Agreement.
- 7.16.6** The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for, and agrees to indemnify and hold the City, its governing body members, officers, agents, attorneys, employees and independent contractors, 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, the validity of the TIF Obligations 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 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, federal and local 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 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.

7.17 Survival. Notwithstanding the expiration or termination or breach of this Agreement by either party, the agreements contained in **Section 2.2**, clauses (iii)-(iv), **Article VI**, **Sections 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17 and Article VIII** of this Agreement shall, except as otherwise expressly set forth herein, survive such early expiration or early termination of this Agreement by either party.

7.18 Maintenance of the Property. The Developer shall remain in compliance with all provisions of the City's ordinances relating to maintenance and appearance of the Property during the construction of the Redevelopment Project or any portion thereof. Upon substantial completion of the Redevelopment Project and so long as any TIF Obligations are outstanding, the Developer or its successor(s) in interest, as owner or owners of the affected portion(s) of the Property, shall, during the remainder of the term of this Agreement (but subject to any delay caused by an event of force majeure as provided in **Section 7.5** of this Agreement), maintain or cause to be maintained the buildings and improvements within the Redevelopment Area which it owns in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations. If there are separately-owned or ground leased parcels of real estate on the Property during the term of this Agreement, each owner or lessee as a successor in interest to the Developer shall maintain or cause to be maintained the buildings and improvements on its parcel in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations, and shall maintain or cause to be maintained reasonable casualty and liability insurance with respect to the same in accordance with **Section 7.8** of this Agreement.

7.19 Non-Discrimination. The Developer agrees that, during the term of this Agreement and as an independent covenant running with the land, 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, rental, 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.

7.20 Fair Employment. Without limiting any of the foregoing, the Developer voluntarily agrees to observe the Equal Opportunity and Nondiscrimination Guidelines set forth as Exhibit F, 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 F**, attached hereto and incorporated herein by reference.

ARTICLE VIII. REPRESENTATIONS OF THE PARTIES

8.1 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, including without limitation the right, power and authority to issue and sell the TIF Obligations, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the TIF Obligations, duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

8.2 Representations of the Developer. The Developer hereby represents and warrants he 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.

(The remainder of this page is 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: _____
Francis G. Slay, Mayor

By: _____
Darlene Green, Comptroller

(SEAL)

Attest:

City Register

Approved as to Form:

City Counselor

“DEVELOPER”:

RICHARD YACKEY

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 County 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 County and State aforesaid, the day and year first above written.

Notary Public

(SEAL)

My Commission Expires:

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

On this ___ day of _____, 2002, before me personally appeared RICHARD YACKEY, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

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

Notary Public

My Commission Expires:

EXHIBIT A

Form of Certificate of Reimbursable Redevelopment Project Costs

Certificate of Reimbursable Redevelopment Project Costs

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

Re: City of St. Louis, Missouri, 1141-1151 South Seventh Street Redevelopment Project Area

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____, 2002 (the "Agreement"), between the City and Richard Yackey (the "Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:

- 1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost and was incurred in connection with the construction of the Redevelopment Project.
- 2. These Reimbursable Redevelopment Project Costs have been have been paid by the Developer and are

reimbursable under the Note Ordinance and the Agreement.

3. Each item listed on **Schedule 1** has not previously been paid or reimbursed from money derived from the Special Allocation Fund or any money derived from any project fund established pursuant to the Note Ordinance, and no part thereof has been included in any other certificate previously filed with the City.

4. 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.

5. 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.

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

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

8. The costs to be reimbursed under this Certificate constitute advances qualified for Tax-Exempt TIF Notes:

Yes: _____ No: _____

9. 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 _____, _____.

RICHARD YACKEY

By: _____

Approved for Payment this ____ day of _____, _____.

ST. LOUIS DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

Approved for Payment this ____ day of _____, _____.

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

EXHIBIT B

Form of Certificate of Substantial Completion

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, RICHARD YACKEY (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 2002, between the City of St. Louis, Missouri (the "City"), and the Developer (the

“Agreement”), hereby certifies to the City as follows:

1. That as of _____, 200__, the construction of the Redevelopment Project (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.
3. The Work has been performed in a workmanlike manner and substantially in accordance with the Construction Plans (as those terms are defined in the Agreement).
4. Lien waivers for applicable portions of 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), a copy of which is attached hereto as **Appendix A** and by this reference incorporated herein), certifying that the Redevelopment Project has been substantially completed in accordance with the Agreement.
6. This Certificate of Substantial Completion is being issued by the Developer to the St. Louis Development Corporation and the City in accordance with the Agreement to evidence the Developer’s satisfaction of all material obligations and covenants with respect to the Redevelopment Project.
7. The acceptance (below) or the failure of the St. Louis Development Corporation and the City to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the St. Louis Development Corporation and the City (which written objection, if any, must be delivered to the Developer 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 St. Louis Development Corporation and 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 hand this ____ day of _____, 200__.

RICHARD YACKEY

By: _____

ACCEPTED:

ST. LOUIS DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

(Insert Notary Form(s) and Legal Description)

EXHIBIT C

Legal Description of the Redevelopment Area

The Redevelopment Area includes the following parcels and including all adjacent and intervening streets and alleys:

1141-1151 South Seventh Street (Parcel I.D. No. 04610000110)

Lots 13 through 31 and the alleys vacated herein, in City Block 461 of the City of St. Louis, bounded on the East by the West line of 7th Street, on the South by the North line of Hickory Street, and on the West by the East line of 8th Street and on the North by property now or formerly of Ralston Purina Company.

AND

1146 South Seventh Street (Parcel I.D. No. 01510000100)

C.B. 151 7th, 124 ft./irregular, x 149 ft/157 ft. 0-1/4 inch, Pitzman Addition Lot PT 637, Bnd S by Hickory Street.

EXHIBIT D

Reimbursable Redevelopment Project Costs

CATEGORY	ESTIMATED COSTS*
a. Property Acquisition	\$315,000
b. Demolition, Site Preparation and Improvements	\$275,000
c. Construction	\$400,000
d. Contingencies	\$75,000
e. Professional Services and Issuance Costs	\$71,600
Includes architectural, engineering, surveying, planning and consulting fees.	
Total Reimbursable Redevelopment Project Costs	\$1,136,600.00

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

EXHIBIT E

Form of TIF Notes

Form of Note

THIS TIF NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO "APPROVED INVESTORS," AS DEFINED HEREIN, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered
No. R-__

Registered
Not to Exceed \$1,136,600
(See Schedule A attached)

CITY OF ST. LOUIS, MISSOURI

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE
(1141-1151 SOUTH SEVENTH STREET REDEVELOPMENT PROJECT)
SERIES 2002**

Rate of Interest: Maturity Date: Dated Date: CUSIP Number:
 [7.0%][5.5%] _____, 2025 _____, 2002 None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See **SCHEDULE A** attached hereto.

The **CITY OF ST. LOUIS, MISSOURI**, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on **Schedule A** attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each June 1 and December 1 (each, a "Payment Date"), commencing on the first June 1 or December 1 following the acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Richard Yackey (the "Developer"), dated as of _____, 2002 (the "Redevelopment Agreement"), until the TIF Notes are paid in full. The TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for. Interest that accrues but remains unpaid on any Payment Date shall be compounded semi-annually.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. _____ [Board Bill 285] adopted by the Board of Aldermen on _____, 2002 (the "Note Ordinance") or the Redevelopment Agreement.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TIF NOTE TERMINATE ON _____, 2025, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

Subject to the preceding paragraph, the principal of and interest on this TIF Note shall be paid at maturity or upon earlier redemption as provided in **Article III** of the Note Ordinance to the person in whose name this TIF Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this TIF Note at the payment office of the Comptroller of the City or her authorized agent (the "Finance Officer"). The principal of and interest on the TIF Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. The principal of or interest on this TIF Note shall be payable by check or draft at the office of the Finance Officer to the person in whose name this TIF Note is registered on each Payment Date. Except as otherwise provided in **Section 208** of the Note Ordinance with respect to mutilated, destroyed, lost or stolen TIF Notes, no principal on the TIF Notes is payable unless the Owner thereof has surrendered such TIF Notes at the office of the Finance Officer.

This TIF Note is one of an authorized series of fully registered Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (1141-1151 South Seventh Street Redevelopment Project), Series 2002," issued in an aggregate principal amount of not to exceed \$1,136,600 (the "Notes"). The TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance.

The TIF Notes and the interest thereon shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by the Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein. "Available Revenues" means (a) all monies on deposit in the PILOTs Account of the Special Allocation Fund; and (b) all monies on deposit in the Economic Activity Tax Account of the Special Allocation Fund that have been appropriated to the repayment of the TIF Notes, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the

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

The monies on deposit in the PILOTS Account of the Special Allocation Fund are those payments in lieu of taxes (as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area (as described in **Exhibit A** to the Note Ordinance) over and above the initial equalized assessed valuation (as provided for by Section 99.855 of the Act) of each taxable lot, block, tract or parcel of real property in the Redevelopment Area, 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.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts equal to fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or any other taxing district (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2001 (subject to annual appropriation by the City as provided in the Act), during the term of the Redevelopment Plan and Redevelopment Project, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments, other than payments in lieu of taxes, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time.

All TIF Notes shall be equally and ratably secured by Available Revenues. The TIF Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The taxing power of the City is not pledged to the payment of the TIF Notes either as to principal or interest. The TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. **THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).**

Available Revenues shall be applied, first from the EATs Account and then from the PILOTS Account, to payments on this TIF Note as follows:

First, to the Comptroller of the City and the St. Louis Development Corporation, an amount sufficient to pay all or any portion of the fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed the lesser of Four Thousand Four Hundred Dollars (\$4,400.00) or 0.4% of the Notes outstanding on January 1 of each calendar year, plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to Section 7.15 of the Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes purchased by the Developer;

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

Third, to the Debt Service Fund, an amount sufficient to pay all or any portion of the scheduled interest becoming due and payable on any TIF Notes on such Payment Date;

Fourth, to the Debt Service Fund, an amount sufficient to pay the principal of any TIF Notes subject to special mandatory redemption pursuant to Section 302 of the Note Ordinance;

Fifth, to the City all other remaining money to be declared as surplus and distributed in the manner provided in the Act.

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

The City covenants that the officer of the City at any time charged with the responsibility of formulating budget proposals will be directed to include in the budget proposal submitted to the Board of Aldermen of the City for each fiscal year that the TIF Notes are outstanding a request for an appropriation of all moneys on deposit in the Special Allocation Fund for transfer to the Finance Officer for deposit at the times and in the manner provided in **Section 403** of the Note Ordinance.

NOTWITHSTANDING ANY PROVISION IN THE NOTE ORDINANCE OR IN THE TIF NOTES TO THE CONTRARY, THE TIF NOTES MAY BE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTIONS 7.1 AND 7.2 OF THE REDEVELOPMENT AGREEMENT.

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

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

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

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

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

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

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS TIF NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO APPROVED INVESTORS AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE NOTE ORDINANCE, SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR. "Approved Investor" means (a) the Developer or any party or entity related to the Developer by one of the relationships described in Section 267(b) of the Internal Revenue Code of 1986, as amended, (b) an "accredited investor" under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a "qualified institutional buyer" under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business corporation or enterprise with total assets in excess of \$50,000,000.

Subject to the limitations of the preceding paragraph, upon surrender thereof at the office of the Finance Officer, the Finance Officer shall transfer or exchange any TIF Note for a new TIF Note of the same maturity and in the same principal amount as the Outstanding principal amount of the TIF Note that was presented for transfer or exchange. Any TIF Note presented for transfer or

exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

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

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

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

THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK.

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

By: _____
Treasurer

Attest:

(Seal)

City Register

Approved as to Form:

City Counselor

ASSIGNMENT

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

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

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

Dated: _____.

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

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 agrees for itself and its contractors and subcontractors that there shall be covenants to ensure that there shall be no discrimination on the part of the Developer or its contractors and subcontractors upon the basis of race, color, creed, national origin, sex, marital status, age, sexual orientation or physical handicap in the sale, lease, rental, use or occupancy of any of the Property or any improvements constructed or to be constructed on the Property or any part thereof. Such covenants shall run with the land and shall be enforceable by the St. Louis Development Corporation, the City and the United States of America, as their interest may appear in the Redevelopment Project.

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 Notes, TIF Bonds and/or 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 G

OFFICE OF THE COMPTROLLER
City of St. Louis

Tax Increment Financing (TIF) District
Quarterly Information Form (Confidential)*

Redevelopment Area: _____
Quarterly Period: _____
FED ID Number: _____

Name of Company: _____

Address:** _____

Home Office: _____

Contact Person: _____

Phone: _____

Earnings tax paid to City during quarterly period: _____
(Business Return Form 234)

Earnings Tax withholding to City during quarterly period: (Form W-10) _____

Payroll tax paid to City during quarterly period: (Form P-10) _____

Sales tax paid to State during quarterly period: (Form 53-S.F. MO Dept. of Revenue Sales Tax Return) _____

Restaurant Gross Receipts: _____

(City of St. Louis Gross Receipts Tax Report)

* This information will not be part of any public record.

** INFORMATION IS REQUIRED FOR THIS SPECIFIC LOCATION ONLY. DO NOT COMBINE WITH ANY OTHER LOCATION.

Approved: December 10, 2002