

ORDINANCE #65736
Board Bill No. 341
Committee Substitute

AN ORDINANCE AFFIRMING ADOPTION OF A REDEVELOPMENT PLAN, REDEVELOPMENT AREA, REDEVELOPMENT PROJECT AND PUBLIC IMPROVEMENT PROJECT; AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BY AND BETWEEN THE CITY AND W.C. & D. ENTER, INC. D/B/A WALTER KNOLL FLORIST; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AND AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF CERTAIN PROPERTY WITHIN THE REDEVELOPMENT AREA.

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri (2000), as amended (the "Act" or "TIF Act"), the City of St. Louis, Missouri (the "City"), after due consideration of the TIF Commission's recommendations, adopted Ordinance No. _____ [Board Bill No. 340CS] on _____, 2002, which Ordinance (i) designated the Walter Knoll Florist TIF Redevelopment Area (as further described in the Redevelopment Plan) as a "redevelopment area" as that term is defined in the TIF Act (the "Redevelopment Area"), (ii) approved a redevelopment plan entitled "Walter Knoll Florist Amended TIF Redevelopment Plan" (the "Redevelopment Plan"), (iii) approved the redevelopment project as described in the Redevelopment Plan (the "Redevelopment Project") and the "Public Improvement Project" (as further described in the Redevelopment Plan), (iv) adopted tax increment allocation financing within the Redevelopment Area, (v) established the City of St. Louis, Missouri, "Walter Knoll Florist Special Allocation Fund (the "Special Allocation Fund"), and (vi) made certain findings with respect thereto, all as set forth in such Ordinance and in accordance with the requirements of the Act; and

WHEREAS, the Redevelopment Plan proposes to completely redevelop the Redevelopment Area by demolishing certain dilapidated buildings, constructing necessary surface parking lots, rehabilitating and renovating certain structures to conform to current code requirements, and constructing new facilities to provide for the expansion and relocation of Walter Knoll Florist's florist business (the "Redevelopment Project," or "TIF Project" as further set forth in the Redevelopment Plan); and

WHEREAS, pursuant to Ordinance No. ____ [Board Bill No. 340CS], the Board of Aldermen has determined that completion of the Redevelopment Project is of economic significance to the City, will serve to benefit the general welfare, qualifies for the use of tax increment financing to alleviate the conditions that qualify it as a "redevelopment area" as provided in the TIF Act, and further, that redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the adoption of tax increment financing and would not otherwise be completed; and

WHEREAS, the Developer has demonstrated that the Redevelopment Project would not reasonably be anticipated to be developed without the adoption of of tax increment financing; and

WHEREAS, the City, by Ordinance Nos. 58751 and 62220, has previously determined that (i) by reason of predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, there exist conditions within the Redevelopment Area which endanger life or property by fire or other causes and constitute an economic or social liability or a menace to the public health, safety, morals or welfare in the present condition and use of the Redevelopment Area, and (ii) such conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by ordinary private enterprise; and

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that qualify it as a "blighted area" as provided in the TIF Act and as set forth herein; and

WHEREAS, it is necessary and desirable and in the best interest of the City to enter into the Redevelopment Agreement with Developer in order to provide the necessary economic incentive of tax increment financing within the Redevelopment Area in order that the Developer may complete the Redevelopment Project which will provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, and in particular, downtown St. Louis, encouragement of a sense of community identity, safety and civic pride, preservation and restoration of properties of historical and architectural value and significance, elimination of physical and environmental blight, and the elimination of impediments to land disposition and development in the City of St. Louis.

WHEREAS, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with W.C. & D. Enterprises, Inc. d/b/a Walter Knoll Florist as “Developer” setting forth the respective rights and obligations of the City and Developer with regard to the redevelopment of the Redevelopment Area (the “Redevelopment Agreement”); and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Redevelopment Agreement attached as Exhibit A 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 One. The Board of Aldermen hereby ratifies and confirms its approval of the Redevelopment Plan, Redevelopment Area, Redevelopment Project and Public Improvement Project.

Section Two. The Board of Aldermen finds and determines that the assistance of tax increment financing as set forth in the Redevelopment Agreement is necessary and desirable in order to implement the Redevelopment Project and to enable W.C. & D. Enterprises, Inc. d/b/a Walter Knoll Florist as “Developer” to carry out its proposal for development of the Redevelopment Project.

Section Three. The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City 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 A, 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 Four. The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions to execute and deliver for and on behalf of the City any and all additional certificates, documents, agreements or other instruments as may be necessary, desirable, convenient or proper in order to carry out the matters herein authorized.

Section Five. The Mayor or his designated representatives are hereby further authorized and directed to make any changes to the documents and instruments approved and authorized by this Ordinance 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 Six. 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 Agreement Between the City of St. Louis and
W.C. & D. Enterprises, Inc. d/b/a Walter Knoll Florist
(Attached hereto.)**

**REDEVELOPMENT AGREEMENT
Between the
CITY OF ST. LOUIS, MISSOURI
And
W.C. & D. ENTERPRISES, INC.
d/b/a WALTER KNOLL FLORIST
Dated as of**

The ____ day of _____, 200_

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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (the “Agreement”) is made and entered into as of the ____ day of _____, 2003, by and between the **CITY OF ST. LOUIS, MISSOURI**, a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and **W.C. & D. ENTERPRISES, INC.**, a Missouri corporation, **d/b/a WALTER KNOLL FLORIST**. (All capitalized terms used herein, other than proper nouns, shall have the meanings ascribed to them in Article 1 of this Agreement, except as they may be defined elsewhere in 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, in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Articles 99.800 through 99.865 of the Revised Statutes of Missouri, as amended, 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 September 25, 2000 and October 7, 2002, 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 at for potential developers of the Redevelopment Area.

C. On August 8, 2002, in response to the City's solicitation of proposals, W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist, responded with a proposal entitled "Walter Knoll Florist TIF Application" (the "Proposal"), for the redevelopment of the Redevelopment Area.

D. On October 16, 2002, following a public hearing held on October 16, 2002, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the redevelopment plan known as the "Walter Knoll Florist TIF 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. After due consideration of the TIF Commission's recommendations, the Board of Aldermen: (i) on _____, 2002, adopted Ordinance No. _____ [Board Bill No. 340CS], designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project with respect thereto, adopting tax increment financing for the Redevelopment Area, making certain finding with respect thereto, and establishing the Special Allocation Fund, and (ii) on _____, 2002, adopted Ordinance No. ___ [Board Bill No. 341CS], affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of a Redevelopment Agreement for the construction of the Redevelopment Project within the Redevelopment Area, making certain findings related thereto, and authorizing other related actions in connection with the redevelopment of the Redevelopment Area.

F. The Board of Aldermen hereby determines that the acceptance of the Proposal and the fulfillment generally of this Agreement are 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. On ____, 2002, the Board of Aldermen adopted Ordinance No. ___ [Board Bill No. 342CS], authorizing the issuance of TIF Notes as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and Redevelopment Project and pledging TIF Revenues to the payment of TIF Notes.

H. Pursuant to provisions of the TIF Act and Ordinance Nos. _____ and _____ [Board Bill Nos. 340CS, 341CS and 342CS], the City is authorized to enter into this Agreement, to issue, or cause to be issued, TIF Notes, TIF Bonds or 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 to pledge TIF Revenues to the payment of such TIF Notes, TIF Bonds or other TIF Obligations.

AGREEMENT

NOW, THEREFORE, the City and Developer, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, subject to the conditions herein set forth, do agree as follows:

ARTICLE I Definitions

As used in this Agreement, the following words and terms shall have the following meanings:

"*Acquisition Costs*" means all costs of acquiring the Redevelopment Area, including, but not limited to: cost of land and improvements; brokerage commissions; costs of title commitments, reports or policies; surveys; engineering fees, environmental remediation, soil and hazardous waste and other site and property-related reports; 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, and all associated court costs, fees and expenses.

"*Act*" or "*TIF Act*" means the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri (2000).

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

“*Agreement Approving Ordinance*” means Ordinance No. ____, adopted on ____, affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of a Redevelopment Agreement for the construction of the Redevelopment Project within the Redevelopment Area, making certain findings related thereto, and authorizing other related actions in connection with the redevelopment of the Redevelopment Area.

“*Area Approving Ordinance*” means Ordinance No. _____ adopted on _____, designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project with respect thereto, adopting tax increment financing for the Redevelopment Area, making certain finding with respect thereto, and establishing the Special Allocation Fund.

“*Available Revenues*” means all TIF Revenues on deposit from time to time in the Special Allocation Fund, excluding: (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

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

“*Certificate of Commencement of Construction*” means a document substantially in the form of Exhibit B, attached hereto and incorporated by reference herein, delivered by Developer to the City in accordance with this Agreement and evidencing commencement of construction of the Redevelopment Project.

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

“*Certificate of Substantial Completion*” means a document substantially in the form of Exhibit C, attached hereto and incorporated herein by reference, delivered by Developer to the City in accordance with this Agreement and evidencing completion of the Work.

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

“*Contract Date*” shall be the later of (i) the date first set forth above, or (ii) the date on which the last party executes this Agreement or initials an agreed to change.

“*Design Plans*” means the floor plans, elevations, drawings, specifications and related documents to be used in the Redevelopment Project for the construction of the Work, together with all supplements, amendments or corrections, submitted by Developer and approved by the City in accordance with and as required by the Redevelopment Proposal, Redevelopment Plan and this Agreement.

“*Developer*” means and W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist, and its permitted successors or assigns in interest.

“*EATs Account*” means the Economic Activity Taxes Account within the Revenue Fund of the Special Allocation Fund.

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

“*Excusable Delay*” means acts of God, fire or other casualty, strike, lockout or other labor dispute, weather conditions, shortages or unavailability of material, labor or utilities, failure or delay in financing (except as hereinafter provided), vandalism, laws, orders or regulations of any court, governmental, civilian or military authority, acts of war or acts of terrorism or other like causes beyond the control of Developer.

“*Governmental Approvals*” means all plat approvals, re-zonings, text amendments or other zoning changes, site or

development plan approvals, conditional use permits, resubdivisions or other subdivision approvals, variances, sign approvals, building permits, grading permits, occupancy permits or similar approvals, from the City, the State of Missouri, the Metropolitan St. Louis Sewer District, the U.S. Army Corps of Engineers, the Missouri Department of Natural Resources, the U.S. Department of Interior and other or similar approvals required for the implementation of the Redevelopment Project.

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

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

“Note Ordinance” means Ordinance No. _____ [Board Bill 342CS] adopted on _____, 2002, and any subsequent ordinance or ordinances by the City authorizing the issuance of 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(10) of the TIF Act.

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

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

“Redevelopment Area” or *“Area”* means that portion of the City which is required for completion of the Redevelopment Project, and which is legally described and set forth on Exhibit D, attached hereto and incorporated herein by reference.

“Redevelopment Plan” means the redevelopment plan titled the “Walter Knoll Florist TIF Redevelopment Plan,” as amended on November 19, 2002, adopted by the City pursuant to the Area Approving Ordinance and the Agreement Approving Ordinance, as such plan may be amended from time to time in accordance with the TIF Act.

“Redevelopment Project” means the redevelopment project described in the Redevelopment Plan, the Redevelopment Proposal and this Agreement including without limitation: (a) property acquisition; (b) site preparation and improvements; (c) construction or renovation of a retail portion of the Area to provide approximately 8,400 square feet; (d) construction or renovation of a wholesale service portion of the Area to provide approximately 8,400 square feet; (e) construction or renovation of the Area to provide space for greenhouses, the manufacturing and design of floral arrangements and supplies, and office space; (f) construction of surface area parking; and (j) professional fees, including without limitation, architecture, engineering, legal and planning and consultant costs.

“Redevelopment Project Costs” shall have the meaning ascribed to such term in Section 99.805(14) of the TIF Act, and may include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to the Redevelopment Plan or Redevelopment Project, as applicable. Such costs include, but are not limited to, the following: (a) costs of studies, surveys, plans, and specifications; (b) professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land; (d) costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; (e) initial costs for an economic development area; (f) costs of construction of public works or improvements; (g) financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to the TIF Act accruing during the estimated period of construction of the Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; (h) 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 the Redevelopment Project, to the extent the City by written agreement accepts and approves such costs; (i) relocation costs to the extent that the City determines that relocation costs shall be paid or are required to be paid by federal or state law; and (j) payments in lieu of taxes.

“Redevelopment Proposal” means the Walter Knoll Florist TIF Application dated August 8, 2002.

“*Reimbursable Redevelopment Project Costs*” means those Redevelopment Project Costs as described in Exhibit E attached hereto which are eligible for reimbursement to Developer in accordance with the TIF Act and this Agreement.

“*Related Entity*” means any entity related to Developer by one of the relationships described in Section 267(b) of the United States Internal Revenue Code of 1986, as amended, or any entity in which Developer owns, in the aggregate, at least fifty percent (50%).

“*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.

“*SLDC*” means the St. Louis Development Corporation, a non-profit corporation organized and existing under the laws of the State of Missouri.

“*Special Allocation Fund*” means the Walter Knoll Florist TIF Redevelopment Area Special Allocation Fund created by Ordinance No. _____ [Board Bill No. 340CS] adopted on _____, 2002.

“*TIF Bonds*” means any tax increment revenue bonds authorized and issued or caused to be 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 the tax increment revenue notes issued by the City pursuant to the Note Ordinance.

“*TIF Obligations*” means TIF Bonds, TIF Notes or other obligations, singly or in series, issued or caused to be 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 Treasurer by the City 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.

“*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 as approved or amended by the Design Plans, including without limitation: (1) property acquisition; (2) professional fees, including architecture, engineering, surveying, legal and planning and consulting; (3) demolition; (4) site preparation and improvements; (5) construction or renovation of a retail portion of the Area to provide approximately 8,400 square feet; (6) construction or renovation of a wholesale service portion of the Area to provide approximately 8,400 square feet; (7) construction or renovation of the Area to provide approximately 8,200 square feet for greenhouses and the manufacturing and design of floral arrangements and supplies; (8) construction of approximately 1,200 square feet office space; (9) construction of a new 4,000-square-foot office (call center) building; (10) construction of greenhouse space; (11) construction of surface area parking; and (12) professional fees, including without limitation, architecture, engineering, legal and planning and consultant costs. this Agreement.

ARTICLE II Redevelopment Project

SECTION 2.01 Redevelopment Project. The City and Developer severally agree to carry out the Redevelopment Project in accordance with the Area Approving Ordinance, the Agreement Approving Ordinance, the Redevelopment Plan and this Agreement. The terms and provisions of the Area Approving Ordinance, the Agreement Approving Ordinance and the

Redevelopment Plan, as may be amended from time to time, are fully incorporated herein by reference. The Developer agrees to advance all Redevelopment Project Costs as necessary to acquire the Redevelopment Area and to complete the Work, all subject to Developer's rights as set forth in Section 2.03 hereof.

SECTION 2.02 Developer. The Developer hereby agrees, subject to the terms and conditions hereof:

2.02.01 To construct the Redevelopment Project in substantial conformity with the Design Plans with respect to the Redevelopment Project, which Design Plans shall be submitted by Developer for approval by the City and SLDC as required by applicable law or ordinance and which shall be consistent with the Redevelopment Proposal and Redevelopment Plan.

2.02.02 To submit a Certificate of Commencement of Construction no later than May 1, 2003, subject to any extension granted pursuant to Section 2.03.02; provided, however, that the date for submission of the Certificate of Commencement of Construction shall not be extended beyond May 1, 2003.

2.02.03 To submit a Certificate of Substantial Completion within twenty-four (24) months after the Contract Date, absent any Excusable Delay, as defined herein, or any extension granted pursuant to Section 2.03.02; provided, however, that the date for submission of the Certificate of Substantial Completion shall not be extended beyond June 1, 2008.

2.02.04 To obtain any and all permits and licenses reasonably required by the City necessary to perform under this Agreement and to conform to all rules, regulations, codes and ordinances of the City applicable to performance by Developer under this Agreement.

2.02.05 To be the sole owner of the Redevelopment Project and not convey any ownership interest therein to any other person or entity prior to completion of construction of the Redevelopment Project; provided, however that Developer may at any time convey the Redevelopment Project to any Related Entity upon fifteen (15) days prior written notice to the City and SLDC, respectively.

2.02.06 Prior to acceptance of a Certificate of Substantial Completion pursuant to Section 2.05.03, to permit access to the Redevelopment Area and to all records or files pertaining to the Redevelopment Project by the representatives of the City and its designees at all reasonable times for any purpose related to this Agreement, which the City deems necessary, including, but not limited to, inspection of all Work or verification of compliance with this Agreement or applicable law.

SECTION 2.03 Conditions to Construction. Notwithstanding anything contained herein to the contrary, the obligation of Developer to construct the Redevelopment Project is subject to the timely satisfaction or waiver by Developer no later than December 1, 2003, of each of the following conditions as determined in the sole and absolute discretion of Developer:

2.03.01 The adoption of a Note Ordinance by the City authorizing the issuance of TIF Notes in an aggregate principal amount not to exceed \$1,036,000 payable from Available Revenues, which Note Ordinance shall be in a form, amount and substance which is satisfactory to Developer;

2.03.02 The Developer shall be satisfied, in its sole and absolute discretion, with: (1) the overall feasibility, economic or otherwise, of the Redevelopment Project, and (2) the suitability of the Redevelopment Area, including without limitation, the following: (A) all surveys, soil borings, environmental and other physical investigations, inspections, tests or reports with respect to the Redevelopment Area, (B) the status of title to the Redevelopment Area, including without limitation the zoning thereof and the availability of access thereto, (C) the availability of utilities to the Redevelopment Area, (D) the availability of all permits and approvals necessary for the acquisition, development and operation of the Redevelopment Area, and (E) any other investigations, inspections, tests or reports with respect to the Redevelopment Area.

If, prior to December 1, 2003, Developer determines that any one or more of the above listed conditions cannot be satisfied in the sole and absolute discretion of Developer, Developer shall provide written notice to the City. Such notice shall constitute evidence of the termination of all rights and obligations of Developer under this Agreement unless waived in writing by Developer. The performance dates set forth in Sections 2.02.02 and 2.02.03 above may be extended for one additional three month period on approval by the City Board of Estimate and Apportionment of a request

for such extension by Developer.

SECTION 2.04 Property Acquisition. Developer shall commence reasonable efforts to acquire control of all of the Redevelopment Area including necessary leasehold interests (except as otherwise provided below) by negotiated purchase, donation, option, easement or lease and as is necessary as determined by Developer in its discretion to carry out the Redevelopment Plan and Redevelopment Project. 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 advance all Acquisition Costs as necessary to control the Redevelopment Area. The Developer shall have the right to encumber its interest in the Redevelopment Area concurrent with acquisition of the Redevelopment Area and payment of Acquisition Costs. Subject to Developer's rights under Article II hereof, Developer may obtain purchase options on each of the parcels, or interests therein, comprising the Redevelopment Area, but shall not be required to take title to any parcel, or interest therein until Developer has enforceable option contracts or leases entitling Developer to acquire that portion of the Redevelopment Area that is reasonably necessary, in the determination of Developer, to effectuate the Redevelopment Project. For purposes of this Agreement, the obligation of Developer to "commence reasonable efforts to acquire control of all of the Redevelopment Area" shall be satisfied upon the commencement of negotiations by Developer with the owners of such interests in the Redevelopment Area.

SECTION 2.05 Condemnation. With respect to any portion of the Redevelopment Area or any interest therein (including, without limitation, any tenant's or lessee's interest in any lease affecting the Redevelopment Area acquired by Developer which Developer desires to acquire) not acquired in accordance with Section 2.04 hereof, Developer shall request in writing that the City initiate eminent domain proceedings to acquire such parcel or parcels of the Redevelopment Area or interest therein at the sole expense of Developer; provided such expense shall otherwise constitute Reimbursable Redevelopment Project Costs. The City shall convey legal title to any real property acquired in its name by condemnation pursuant to this Agreement by quit claim deed subsequent to receipt of a Certificate of Commencement of Construction as set forth herein.

2.05.01 As a condition precedent to its authorization hereunder to institute eminent domain proceedings against an owner of all or part of the Redevelopment Area, Developer hereby covenants and agrees that it shall first satisfy all jurisdictional prerequisites necessary for the initiation of such eminent domain proceedings, including the requirement to negotiate in the City's name in good faith. Prior to filing any petition for condemnation on behalf of the City, Developer shall provide the City with fifteen (15) days advance notice thereof and the City shall have the right to inspect any documentation relating to Developer's efforts to acquire the parcel or parcels of the Redevelopment Area, or interests therein, which are to be part of the proceeding and to set reasonable requirements during such fifteen (15) day period based upon any appraisals obtained by Developer regarding the price to be paid therefor. Such request shall include: (a) legal descriptions of the property to be taken by such proceedings; (b) an appraisal dated on or after October 1, 2002, from an independent third party MAI appraiser reasonably acceptable to the City, (c) evidence that Developer has made an offer at least equal to the appraised value as part of its good faith efforts to acquire such parcel or parcels by negotiation, and (d) all other information reasonably required by the City to proceed.

2.05.02 The Developer, acting in the City's name and on the City's behalf, shall initiate condemnation proceedings within thirty (30) days from the date of the City's receipt of Developer's written request. Except as otherwise provided in this Agreement, Developer, as the City's agent, shall control all condemnation proceedings, including the selection of attorneys and other professionals and shall diligently prosecute all such proceedings. The City agrees to cooperate in such proceedings and to execute all pleadings and other documents which may be necessary and/or required during the prosecution of such proceedings. During the condemnation proceedings, Developer agrees to consult with the City regarding recommendations by consultants to Developer as to the fair settlement value of each such case. Advice and consultation with the City shall continue throughout such proceedings. The City shall, upon initiation of the condemnation proceedings, designate in writing to Developer an individual who is authorized to represent the City in consultations with Developer and its counsel. The Developer shall provide copies of all pleadings and other documents filed or prepared in conjunction with the prosecution of the condemnation proceedings for the City's inspection.

2.05.03 The City hereby authorizes Developer, prior to the appointment of commissioners, to obtain the consent of each defendant property owner, subject to reasonable terms and conditions, for Developer to conduct such due diligence as Developer deems necessary pursuant to this Agreement. In the alternative, Developer may, on behalf of the City, file a motion with the court in which the petition for condemnation of an interest the Redevelopment Area or interest therein is filed providing for the inspection of that parcel by Developer, subject to reasonable terms and conditions. The City hereby authorizes Developer, on behalf of the City, to timely file exceptions to any commissioners' report if deemed deficient in Developer's judgment.

2.05.04 Within one hundred twenty (120) days after any commissioners' award, Developer shall either: (a) notify the City that it is terminating this Agreement pursuant to Article II of this Agreement; or (b) pay the amount of any commissioners' award issued in conjunction with any such condemnation proceeding either directly to the Clerk of the Circuit Court or to the City for payment of such commissioners' award by the City. Notwithstanding the foregoing, if Developer requests that the City terminate any condemnation proceeding to effect a settlement of any such proceeding, this Agreement shall continue and the City and Developer shall continue to diligently prosecute any other condemnation proceedings pending at such time

2.05.05 From time to time following the initiation of any proceedings for the exercise of the City's power of eminent domain pursuant to this Section and payment of such commissioners' award by Developer to the City, but before payment by the City on behalf of Developer of any commissioners' award and acquisition of legal title to any such parcel or parcels or interests therein by the City on behalf of Developer, Developer shall provide the City with an irrevocable letter or letters of credit naming the City as beneficiary, or such other bond or collateral as the City may accept in its sole discretion, in an amount equal to fifty percent (50%) of the difference, if any, between commissioners' awards for each parcel or parcels or interests therein which have been taken by eminent domain for which such commissioners' award is not yet final (a "Pending Award") and the amount of damages reasonably claimed by the defendants for the taking of each parcel or parcels or interests therein for which there is a Pending Award. The letter or letters of credit or other bond or security instrument shall be in form and substance reasonably acceptable to the City and, once issued, shall remain outstanding until such time as each such Pending Award has been liquidated, settled, compromised or otherwise resolved and paid. Notwithstanding anything to the contrary herein, Developer covenants that it shall indemnify and hold harmless the City in the amount that the sum of all jury awards exceeds the sum of all commissioners' awards for each parcel or parcels or interests therein which have been taken by eminent domain. The breach of such covenant by Developer shall, in addition to any other remedy that the City may have at law or in equity, give rise, to the City's right of termination pursuant to Section 12 of this Redevelopment Agreement.

2.05.06 If Developer elects to abandon condemnation proceedings instituted under this Agreement following entry of a commissioners' award and any such condemnation proceeding is abandoned thereafter by the City, Developer shall indemnify and hold the City harmless of and from any statutory award of interest the City is compelled by the Court to pay pursuant to Section 523.045 of the Revised Statutes of Missouri, as amended.

2.05.07 If this Agreement is terminated in accordance with Article II or XII hereof, the City may elect to terminate all pending condemnation proceedings or may elect to continue condemnation proceedings at the City's sole expense, including any resulting commissioners' or jury awards. In either event, the City shall have no obligation to reimburse Developer for any costs incurred by Developer, including without limitation costs incurred in the City's name or as the City's agent. If the City elects to continue condemnation proceedings, the City shall have the further right to receive and to utilize at no cost to the City all reports, surveys, appraisals and work product obtained by or on behalf of Developer in the acquisition of such real property for which the City proceeds to acquire by condemnation or negotiated purchase.

The Developer shall indemnify and hold the City harmless from and against any and all claims, suits, damages, expenses, or liabilities, including court costs and reasonable attorneys' fees, arising out of (a) any eminent domain action filed pursuant to this Agreement, including any action which is abandoned; (b) the operation of all or any part of the Redevelopment Area or other properties necessary to complete the Redevelopment Project or the condition of the Redevelopment Area or other properties necessary to complete the Redevelopment Project, including without limitation any environmental cost or liability arising or occurring after Developer acquires the Redevelopment Area; and (c) negotiations, inspections, acquisitions, preparations, construction, leasing, operation and other activities of Developer or its agents in connection with or relating to the Redevelopment Project, the Redevelopment Area or other properties necessary to complete the Redevelopment Project.

2.05.08 As the City's agent, Developer shall, at its sole cost and expense relocate residents or occupants of businesses or portions of businesses on the Redevelopment Area not otherwise provided for in the acquisition of the Redevelopment Area in accordance with the Redevelopment Plan and applicable law.

SECTION 2.06 Excusable Delay. The Developer shall give the City written notice of Excusable Delay; provided, however, that all duties and obligations of the City hereunder and under the Ordinances and the Redevelopment Plan, shall cease and terminate on June 1, 2005, unless Developer has, on or before such date, submitted a Certificate of Substantial Completion.

SECTION 2.07 Certificate of Substantial Completion.

2.07.01 The Developer shall furnish to the City and SLDC a Certificate of Substantial Completion upon substantial completion of the Redevelopment Project.

2.07.02 The City and SLDC shall, within 30 days following delivery of the Certificate of Substantial Completion, carry out such inspections as they deem necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the project architect's certificate of substantial completion accompanying the Certificate of Substantial Completion. The certificates shall be deemed verified and the Certificate of Substantial Completion shall be deemed accepted by the City and the SLDC unless, prior to the end of such 30-day period after delivery to the City and the SLDC of the Certificate of Substantial Completion, the City or SLDC furnishes 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.

2.07.03 Upon acceptance of the Certificate of Substantial Completion by the City and SLDC or upon the lapse of 30 days after delivery thereof to the City and SLDC without any written objections by the City or SLDC, 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 Developer's agreements and covenants to perform the Work and the Redevelopment Project. The Certificate of Substantial Completion shall be in substantially the form attached as Exhibit C hereto and incorporated by reference herein.

SECTION 2.08 Developer to Advance Costs. The Developer agrees to advance all Redevelopment Project Costs as necessary to complete the Work, all subject to Developer's right to abandon the Redevelopment Project and to terminate this Agreement as set forth in Article II of this Agreement. Additionally, and not by way of limitation:

2.08.01 The City acknowledges that, prior to the execution of this Agreement, Developer has paid an initial fee of Three Thousand dollars and no/100 (\$3,000), which monies have been paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

2.08.02 Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Three Thousand dollars and no/100 (\$3,000), which monies shall be paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs incurred in connection with the negotiation of this Agreement;

2.08.03 Developer shall, within ten (10) days after receipt of a final statement for professional services from the Comptroller, pay to the Comptroller the sum set forth in such statement, which amount shall be paid to reimburse the Comptroller for its actual legal expenses, not to exceed, in the aggregate, \$15,000 incurred in connection with the adoption of the Area Approving Ordinance and the Agreement Approving Ordinance, adoption and/or assignment of the Note Ordinance, and the negotiation of the Redevelopment Agreement;

2.08.04 Developer shall, concurrently with the initial issuance of the TIF Notes, pay to the Comptroller a flat fee of Fifteen Thousand dollars and no/100 (\$15,000) for the Comptroller's Issuance Costs of such TIF Notes; and

2.08.05 any amounts advanced to the City under this Article 2.08 shall represent Reimbursable Redevelopment Project Costs to be reimbursed exclusively from the proceeds of the TIF Obligations as provided in and subject to Articles III, IV, VII, and X of this Agreement.

SECTION 2.09 Construction Contracts; Insurance. 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, Developer shall provide satisfactory documentation to the City and SLDC evidencing limitation of any recourse of any such contractor to the Special Allocation Fund or to any mechanic's lien rights against the real property in Redevelopment Area and not against the City or SLDC. Prior to commencement of construction of any portion of the Work, 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 Developer agree to cooperate and take all actions necessary to apply for the wage and hour

determinations and otherwise comply with such laws.

SECTION 2.10 Governmental Approvals. The City and SLDC agree to employ reasonable and good faith efforts to cooperate with Developer and to process and timely consider and respond to all applications for the Governmental Approvals as received, all in accordance with the applicable City ordinances and laws of the State of Missouri.

SECTION 2.11 Design Plans; Changes. The Design Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Design Plans and all construction practices and procedures with respect to the Work shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work, 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 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) Developer shall comply with all laws, regulations and ordinances of the City and (ii) prior to any material changes, Developer shall obtain the advance written consent of the SLDC, which consent shall not be unreasonably withheld or delayed. For purposes of this Article, “material changes” shall mean 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%).

ARTICLE III

City to Reimburse Developer

SECTION 3.01 City’s Obligation to Reimburse Developer. The City agrees to reimburse Developer for verified Reimbursable Redevelopment Costs in the amounts and as set forth on Exhibit E, attached hereto and incorporated herein by reference, as may be adjusted by Articles IV, V, and VII hereof. Subject to the terms of the Note Ordinance and this Agreement, the City agrees to issue TIF Obligations to evidence the City’s obligation to reimburse Developer for verified Reimbursable Redevelopment Project Costs up to a maximum aggregate principal amount of \$1,036,000.

ARTICLE IV

Limitation on Reimbursement to Developer

SECTION 4.01 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Developer’s Right to Substitute. Nothing in this Agreement shall obligate the City to issue TIF Obligations or to reimburse Developer for any cost that does not qualify as a “redevelopment project cost” under Section 99.805(14) of the TIF Act. The Developer shall provide to the City and to the SLDC a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of Exhibit A, attached hereto and incorporated herein by reference. Each Certificate of Reimbursable Redevelopment Project Costs shall be accompanied by: (a) itemized invoices, receipts or other information evidencing such costs; and (b) an opinion of counsel to Developer addressed to the City that such cost is eligible for reimbursement under the Act and whether such costs constitute advances under the TIF Notes. The parties agree that each of the categories of costs set forth in Exhibit E, 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. In the event that the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is determined not to be a “redevelopment project cost” under Section 99.805(14) of the TIF Act, Developer shall have the right to substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment.

ARTICLE V

Reimbursement Limited to Funds on Deposit in Special Allocation Fund

SECTION 5.01 City’s Obligations Limited to Special Allocation Fund. Notwithstanding any other term or provision of this Agreement, the TIF Notes issued by the City to Developer for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from proceeds of the TIF Bonds, if any, and from no other source.

ARTICLE VI

Conditions Precedent

SECTION 6.01 Conditions Precedent to the Issuance of TIF Notes. As a condition precedent to the first endorsement to the TIF Notes, which shall constitute the initial issuance and delivery of the TIF Notes, Developer shall deliver to the City and

SLDC the following:

6.01.01 Certificate of Commencement of Construction, in substantially the form of Exhibit B, attached hereto and incorporated herein by reference, evidencing that Developer has (a) acquired the Redevelopment Area, (b) entered into a binding agreement with a contractor to construct the Redevelopment Project, and (c) obtained all necessary financing needed to complete the Redevelopment Project;

6.01.02 Certificate of Reimbursable Redevelopment Project Costs evidencing Developer has incurred at least \$300,000 of Reimbursable Redevelopment Project Costs, of which at least \$200,000 shall be hard costs related to categories 1 to 5 on Exhibit E attached hereto and incorporated herein by reference;

6.01.03 Payment of administrative fees and costs as set forth in Sections 2.08.02 – 2.08.04.

ARTICLE VII Issuance of TIF Notes

SECTION 7.01 Procedures for the Issuance of TIF Notes. Upon satisfaction of the conditions of Article VI of this Agreement, the City agrees to issue TIF Notes as provided in the Note Ordinance up to a maximum aggregate principal amount of \$1,036,000 to reimburse Developer for Reimbursable Redevelopment Project Costs. The TIF Notes shall have a stated maturity date that is twenty-three (23) years after the date of adoption of the Area Approving Ordinance.

SECTION 7.02 Rate of Interest. Each TIF Note shall bear simple interest at a fixed rate per annum equal to seven percent (7 %) if the interest on such TIF Notes is, in the opinion of Bond Counsel, not exempt from federal income taxation, or, at a fixed rate per annum equal to five and one half percent (5 ½ %) if the interest on such TIF Notes is, in the opinion of Bond Counsel, exempt from federal income taxation.

SECTION 7.03 Certificate of Reimbursable Redevelopment Project Costs. The Developer may deliver to the City and to SLDC Certificates of Reimbursable Redevelopment Project Costs in accordance with Article 4 hereof. The City and SLDC shall approve or disapprove of each Certificate of Reimbursable Redevelopment Project Costs within 30 days of the submittal thereof. If the City or SLDC disapproves any Certificate of Reimbursable Redevelopment Project Costs, the City or SLDC shall state in writing the reasons therefor and provide Developer a reasonable opportunity to clarify or correct the Certificate of Reimbursable Redevelopment Project Costs. If the City and SLDC fail to approve or disapprove any Certificate of Reimbursable Redevelopment Project Cost within 30 days of the receipt thereof, the Certificate of Reimbursable Redevelopment Project Costs shall be deemed approved. Notwithstanding any provision contained in this Agreement to the contrary, the City and SLDC are not obligated to approve any Certificate of Reimbursable Redevelopment Project Costs so long as Developer is in default under the terms of this Agreement.

7.03.01 Within ten (10) days of approval by the City and SLDC of a Certificate of Reimbursable Redevelopment Project Costs, the City shall issue, subject to the limitations of Articles IV, V, and VII of this Agreement, endorsements to the TIF Notes evidencing advances for the reimbursement of Reimbursable Redevelopment Project Costs. Endorsements shall be issued no more than once every other calendar month. The City shall be entitled to withhold from each endorsement of the principal amount of the TIF Notes an amount equal to ten percent (10%) of the maximum principal amount of each TIF Note allowable under this Agreement until such time as the Certificate of Substantial Completion has been accepted by the City and SLDC in the manner provided herein. Upon acceptance of the Certificate of Substantial Completion by the City and SLDC, the amount of this holdback shall be reimbursed to Developer by endorsement of the TIF Notes in accordance with the terms otherwise set forth in this Agreement. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City and SLDC of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of endorsements to the TIF Notes as provided in this Section, 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 Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund.

ARTICLE VIII Redemption of TIF Notes

SECTION 8.01 Redemption and Payment of the TIF Notes. The TIF Notes shall be subject to special mandatory redemption by the City semi-annually on each March 1 and September 1, commencing on the first March 1 or September 1 after the

acceptance of the Certificate of Substantial Completion by the City and SLDC, in a principal amount equal to Available Revenues on deposit in the Revenue Fund or Debt Service Fund of the Special Allocation Fund and which are not required for the payment of accrued interest.

ARTICLE IX
TIF Bonds

SECTION 9.01 Optional Issuance. The City may, in its sole and absolute discretion, issue, or cause to be issued, TIF Bonds at any time in an amount sufficient to refund all or a portion of the outstanding TIF Notes.

ARTICLE X
Special Allocation Fund: Collection and Use of TIF Revenues

SECTION 10.01 Creation of Special Allocation Fund. The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund. Subject to the requirements of the TIF Act and, with respect to EATS, subject to annual appropriation, the City shall promptly, upon receipt thereof, deposit or cause to be deposited, all Available Revenues into the Revenue Fund of the Special Allocation Fund.

SECTION 10.02 Application of Available Revenues. The City hereby agrees for the term of this Agreement to apply 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 under successor statutes, to the repayment of TIF Notes as provided in the Note Ordinance, or to the repayment of TIF Bonds, as applicable.

SECTION 10.03 Cooperation in Determining TIF Revenues. The City and Developer agree to cooperate and take all reasonable actions necessary to cause the TIF Revenues to be paid into the Revenue Fund, including the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement. The Developer and its successors and assigns shall supply or cause to be supplied to the City's Office of the Comptroller a completed Tax Increment Financing (TIF) District Quarterly Information Form for each business located within the Redevelopment Area, the form of which is attached hereto as Exhibit F.

In addition, Developer and its successors and assigns 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, as amended) located in the Redevelopment Area provide to the City's Comptroller the following information:

10.03.01 Each "seller's" federal and state tax identification numbers.

10.03.02 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.

10.03.03 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.

10.03.04 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.

10.03.05 Within thirty (30) days of filing, copies of all gross receipts tax reports filed with the City (on the City of St. Louis Gross Receipts' Tax Report or such successor form) with respect to gross receipts 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 gross receipts tax reports for the gross receipts taxes originating from the business located

within the Redevelopment Area.

10.03.06 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 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 Redevelopment Area). The Developer shall exercise diligent, good faith efforts to satisfy this requirement by including the obligations set forth in this Article within any deed conveying a portion of Redevelopment Area to, or any Lease entered into with, any "seller".

SECTION 10.04 Notice of Transfer. Subject to the requirements of Section 14.11, Developer shall notify the City in writing of any sale, transfer or other disposition of all or any portion of Redevelopment Area or any interest therein as permitted by 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 Redevelopment Area or any interest therein and shall identify the property to be sold, transferred or otherwise disposed of, whether by voluntary transfer or otherwise.

SECTION 10.05 Obligations to run with the land. So long as any or the TIF Obligations are outstanding, Developer will exercise diligent, good faith efforts to cause any purchaser or transferee of real property located within Redevelopment Area, and any lessee or other user of real property located within Redevelopment Area to use all reasonable efforts to timely fulfill the obligations identified in this Article. 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. Except as provided in this Article, Developer shall have no obligation to enforce or collect the payment of TIF Revenue by any "seller."

SECTION 10.06 Certificate of Total Initial Equalized Assessed Value. Within sixty (60) days following the Contract Date, the City shall provide to Developer a true, correct and complete copy of the City Assessor's calculation of the total initial equalized assessed valuation of all taxable real property within the Redevelopment Area as determined pursuant to Section 99.855.1 of the Act.

SECTION 10.07 Certificate of Initial Economic Activity Tax Revenues. Within sixty (60) days following the Contract Date, the City shall provide to Developer a certification of the amount of revenues from taxes which are imposed by the City and other taxing districts (as the term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within Redevelopment Area for the calendar year ending December 31, 2001, but excluding those taxes, licenses, fee or special assessments identified in Section 99.845.3 of the TIF Act.

ARTICLE XI Maintenance

SECTION 11.01 Maintenance of Redevelopment Area The Developer shall remain in compliance with all applicable provisions of the City's ordinances relating to maintenance and appearances of Redevelopment Area during construction of the Redevelopment Project. Upon substantial completion and so long as any TIF Obligations are outstanding, Developer shall maintain or cause to be maintained all buildings and improvements in the Redevelopment Area which it owns or leases in a reasonably good state of repair and attractiveness and in conformity with applicable state law, local ordinances and regulations, and shall maintain reasonable property and liability insurance. In the event there shall be separately-owned parcels of real estate within the Redevelopment Area during the term of this Agreement, Developer shall cause, by means of covenants running with the land or otherwise, each owner to maintain the buildings and improvements on its parcel in a reasonably good state of repair and attractiveness and in conformity with applicable state law, local ordinances and regulations, and to maintain reasonable property and liability insurance with respect to the same.

ARTICLE XII
Representations and Warranties

SECTION 12.01 Representations of Developer. Developer makes the following representations and warranties, which representations and warranties are true and correct on the date hereof:

12.01.01 W.C. & D. Enterprises, Inc. is a corporation duly organized, validly existing, and in good standing under the laws of the State of Missouri.

12.01.02 The Developer has all necessary power and authority to enter into this Agreement and to perform the terms and obligations of this Agreement, and to execute and deliver the documents required of Developer herein, and has complied with all requirements of its operating agreement.

12.01.03 The Developer has obtained all necessary financing for construction of the Redevelopment Project, acquisition of the TIF Notes, and shall provide any necessary equity funds.

12.01.04 This Agreement constitutes the legal, valid and binding obligation of Developer, enforceable in accordance with its terms.

SECTION 12.02 Representations of the City. The City makes the following representations and warranties, each of which representations and warranties is true and correct on the date hereof:

12.02.01 The City is a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri.

12.02.02 The City has all necessary power and authority, through its Mayor and Comptroller to enter into this Agreement, and to execute and deliver the documents and instruments required of the City herein, and has complied with all procedural requirements of its ordinances, its charter and the Constitution and laws of the State of Missouri.

12.02.03 The City has all necessary power and authority, through its Mayor, Comptroller and Treasurer, to issue and sell the TIF Obligations.

12.02.04 This Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

SECTION 12.03 Indemnification. The Developer agrees to indemnify, defend and hold the City and SLDC, their governing body members, officers, attorneys, employees, agents and independent contractors, harmless from and against any and all suits, claims, damages liabilities, costs and/or expenses arising out of the negligence (including errors and omissions) or willful misconduct of Developer, its employees, agents or independent contractors or lessees, in connection with the acquisition, management, development, redevelopment, construction and equipping of the Redevelopment Project and the adoption and implementation of the Area Approving Ordinance and Agreement Approving Ordinance. The Developer agrees to name the City as an additional insured on its builders risk insurance policies applicable to the Redevelopment Project and, upon reasonable written request, shall furnish to the City proof of such insurance coverage. The Developer shall, to the fullest extent permitted by law, indemnify and hold harmless the City and the SLDC, their governing body members, officers, attorney, employees, agents and independent contractors thereof, from and against any and all liability, loss, damage, claim or expense (including, without limitation, attorneys' fees and court costs) arising out of or in connection with the breach of any of the representations and warranties in Section 12.01.

ARTICLE XIII
Breach; Right to Cure

SECTION 13.01 Breach; Right to Cure. Except as otherwise provided in this Agreement and subject to 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, commence to 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 remedy to the aggrieved party shall be as set forth below:

13.01.01 If Developer is in breach of this Agreement at any time after the City's acceptance of the Certificate of Substantial Completion but prior to the issuance of the TIF Bonds, the City's sole and exclusive remedy, at law or in equity, shall be to suspend payments on any TIF Notes issued to Developer under this Agreement until Developer has cured or substantially cured such breach, at which time payments to Developer under this Agreement shall resume. Interest on such TIF Notes shall cease to accrue during the time of such breach and cure.

13.01.02 If Developer is in breach before submittal to the City of the Certificate of Substantial Completion, the City may, as its sole and exclusive remedy, at law or in equity, terminate this Agreement after expiration of all applicable cure periods and subject to Excusable Delay. Upon such termination, the City shall be under no obligation to issue or cause to be issued any TIF Notes, and may cancel all outstanding TIF Notes issued to Developer.

13.01.03 If Developer is in breach of this Agreement after the issuance of the TIF Bonds, the City may pursue any and all legal and equitable remedies available to it as a result of such breach, including without limitation proceedings to compel specific performance.

13.01.04 If the City is in breach of this Agreement, Developer may pursuant any and all legal and equitable remedies available to it as a result of such breach, including without limitation proceedings to compel specific performance.

Section 13.02 City's Right to Terminate. City may terminate this Agreement if Developer fails to submit its Certificate of Substantial Completion, acceptable to the City, in accordance with Section 2.02.03 of this Agreement. Upon such termination of this Agreement, the City shall have no further obligation to reimburse Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

ARTICLE XIV Miscellaneous Provisions

SECTION 14.01 Conflict of Interest. No member of the Board of Aldermen, or of any branch of the City's government that has any power of review or approval of any of Developer's undertakings shall participate in any decisions relating thereto which affect such person's personal interests or the interests of any corporation or partnership in which he 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 with respect to such interest by the Board of Aldermen and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

SECTION 14.02 Hazardous Substances. The Developer agrees that it will comply with all laws, orders and regulations of any governmental authority regarding Hazardous Materials which are applicable to its use of the Redevelopment Area. Hazardous Materials include Hazardous Materials and Substances as defined by 42 USC Section 9601, et seq. including any amendments thereto (CERCLA) any Hazardous Chemical as defined in 24 CFR 1910.1450, any substance, waste or other material considered hazardous, dangerous, or toxic under any of the Environmental Requirements, etc.

SECTION 14.03 Nondiscrimination. The Developer agrees that, as an independent covenant running with the land forever, 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 in 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 in this Article 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.

SECTION 14.04 Fair Employment. Without limiting any of the foregoing Developer voluntarily agrees to adhere to the Equal Opportunity and Nondiscrimination Guidelines set forth in the Redevelopment Plan and attached hereto and incorporated herein as Exhibit G. By execution of this Agreement, Developer certifies and agrees that it is under no contractual or other disability which would prevent it from complying with its policy set forth in Exhibit G.

SECTION 14.05 Employment of City Officials or Employees. In the acquisition, construction, rehabilitation and/or operation of the Redevelopment Project, Developer shall not knowingly employ or contract with any person who is a member of the Board of Aldermen of the City, or is employed by the City in an administrative capacity, by which is meant those who have selection, hiring or supervisory or operational responsibility for the work to be performed pursuant to this Agreement.

SECTION 14.06 Cooperation. The City agrees to cooperate with Developer in carrying out the Redevelopment Plan with due diligence and will perform each and every act required of it under the Redevelopment Plan.

SECTION 14.07 Personal Liability. No governing body member, official, employee, attorney, agent or independent contractor of the City or of Developer shall be personally liable to the other party or any successor in interest or assign of the other party, in the event to any default or breach by such party or successor or assign on any obligation under the terms of this Agreement.

SECTION 14.08 Notices and Demands. A notice, demand or other communication under this Agreement by either party to the other party shall be in writing and shall be sufficiently given or delivered if dispatched by registered or certified mail, return receipt requested, or delivered personally:

in the case of the City, to:

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

with a copy to:

St. Louis Development Corporation
1015 Locust Street, Suite 1200
St. Louis, Missouri 63103
Attention: Executive Director

in the case of the Comptroller to:

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

with a copy to:

Armstrong Teasdale LLP
One Metropolitan Square
Suite 2600
St. Louis, Missouri 63102
Attention: James E. Mello, Esq.

in the case of Developer, to:

W.C. & D. Enterprises, Inc. d/b/a Walter Knoll Florist
5500 Lindenwood
St. Louis, MO 63109
Attention: Gail Knoll

with a copy to:

Husch & Eppenberger, LLC

190 Carondelet Plaza
Suite 600
St. Louis, MO 63105
Attention: David G. Richardson, Esq.

or to such other address or person as either party may designate in writing to the other party. Notice shall be deemed given on the date of personal delivery and on the date of receipt marked on the return card for registered or certified mail.

SECTION 14.09 Amendments. The terms, conditions and provisions of this Agreement and of the Redevelopment Plan can be neither substantially modified nor eliminated except by mutual agreement between the City and Developer, its successors and assigns; provided, however, that this Agreement shall be deemed to be and shall be construed as in compliance with the authority conferred upon the City by the TIF Act. It is understood that nothing herein to the contrary shall prevent the appropriation by the City of other funds for the purpose of financing or paying for the Redevelopment Project Costs.

SECTION 14.10 Term. Except as otherwise provided herein, this Agreement shall remain in full force and effect so long as any TIF Obligations are outstanding. Upon payment of all costs and the retirement of all TIF Obligations (which in no event shall be later than twenty-three years from the date of adoption of the Redevelopment Plan), this Agreement shall automatically terminate and become null and void.

SECTION 14.11 Successors and Assigns. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns. Without limiting the generality of the foregoing, prior to completion of the Redevelopment Project and upon written notice to the City, this Agreement or any part hereof or interest herein may be assigned at any time to a Related Entity; provided, however, that if the assignment is to any party which is not a Related Entity, such assignment may be made only with the prior written consent of the City acting through its Board of Estimate and Apportionment, or after completion of the Redevelopment Project by Developer, subject to the terms and conditions of this Agreement. Prior to any sale, transfer or other disposition of all or any portion of the Redevelopment Area 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: (i) the date that all TIF Obligations are paid in full, or (ii) twenty-three (23) years from the date that the Redevelopment Plan 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. Noncompliance herewith shall cause this Agreement to terminate and be null and void.

SECTION 14.12 No Other Notes, Bonds or Uses of TIF Revenues. The City shall not issue any other indebtedness or obligations secured by the Special Allocation Fund or the TIF Revenues (other than TIF Bonds to redeem the TIF Notes initially issued hereunder and still outstanding), and the City shall not use or apply any TIF Revenues or any amounts deposited in the Special Allocation Fund to pay any "redevelopment costs" (as such term is defined in TIF Act) other than the Reimbursable Redevelopment Project Costs and such other Redevelopment Project Costs as are expressly authorized for payment in this Agreement.

SECTION 14.13 City's Right to Inspect the Redevelopment Area. The City may conduct such periodic inspections of the Work as may be generally provided in the building code of the City. In addition, 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 Developer's compliance with the terms of this Agreement.

SECTION 14.14 Governing 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.

SECTION 14.15 Severability. This Agreement may be executed in multiple counterparts, each of which shall constitute one and the same instrument.

SECTION 14.16 Validity; Enforceability of Redevelopment Agreement. 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.

Notary Public

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

On this ____ day of _____, 200_, 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, that the seal affixed to the foregoing instrument is the seal of said City, and that said instrument was signed and sealed on behalf of said City by authority granted her by law; and said Darlene Green 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 at my office in the City and State aforesaid, the day and year first above written.

My term expires

(Seal)

Notary Public

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

On this ____ day of _____, 2003, before me appeared _____, to me personally known, who, being by me duly sworn, did say that ____ is the _____ of W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist, and that said instrument was signed on behalf of said company and said _____ acknowledged said instrument to be the free act and deed of said company.

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

My term expires

(Seal)

Notary Public

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: Walter Knoll Florist TIF Redevelopment Plan

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____ (the "Agreement"), between the City and W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist (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 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 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 Design Plans and 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, 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: X

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 _____, _____.

W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist

By: _____
Name: _____
Title: _____

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
COMMENCEMENT OF CONSTRUCTION**

DELIVERED BY

W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist

The undersigned, W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 2003, between the City of St. Louis, Missouri (the "City") and Developer (the "Agreement") hereby certifies to the City as follows:

- 1. All property within the Redevelopment Area necessary for the Redevelopment Project (as legally described on Appendix A attached hereto and by this reference incorporated herein and made a part hereof), has been acquired by Developer in accordance with the Agreement.
- 2. The Developer has entered into an agreement with a contractor or contractors to construct the Redevelopment Project.
- 3. Developer has paid or incurred Reimbursable RPA1 Project Costs of at least \$300,000, of which at least \$200,000 consist of hard construction costs related to categories 1-5 of Exhibit E to the Agreement.
- 4. The Developer has obtained all necessary financing needed to complete the Redevelopment Project.
- 5. This Certificate of Commencement of Construction is being issued by Developer to the City in accordance with the Agreement to evidence Developer's satisfaction of all obligations and covenants with respect to commencement of construction of the Redevelopment Project.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

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

By: _____

EXHIBIT C

FORM OF
CERTIFICATE OF SUBSTANTIAL COMPLETION

DELIVERED BY

W.C. & D. Enterprises, Inc., d/b/a Walter Knoll Florist

The undersigned, W.C. & D. Enterprises, Inc. d/b/a Walter Knoll Florist, a Missouri limited liability company (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 200__ between the City of St. Louis, Missouri (the "City") and Developer (the "Agreement"), hereby certifies to the City as follows:

- 1. That as of _____, 200__, Developer has substantially completed construction of the Redevelopment Project (as that term is defined in the Agreement) in accordance with the Agreement.
- 2. That Developer has substantially completed or funded the Work (as that term is defined in the Agreement) pursuant to Exhibit B to the Agreement.
- 3. The Developer has performed the Work in a workmanlike manner and substantially in accordance with the Design Plans (as that term is defined in the Agreement).
- 4. 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 B 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 Developer to the SLDC and the City in accordance with the Agreement to evidence Developer’s satisfaction of all material obligations and covenants with respect to the Redevelopment Project.

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

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

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

**W.C. & D. Enterprises, Inc.,
d/b/a Walter Knoll Florist**

By: _____
Name:
Its:

ACCEPTED:

CITY OF ST. LOUIS, MISSOURI

By: _____
Name [Print]: _____
Title: _____

ST. LOUIS DEVELOPMENT CORPORATION

By: _____
Name [Print] _____
Title: _____

(Insert Notary Form(s) and Legal Description)

EXHIBIT D

**Walter Knoll Florist TIF Redevelopment Area
Legal Description**

Commencing at the Southwest corner of Lot 28 in Block 8 of Toney's Addition commonly referred to as 2805 Hickory Street; thence Southeastwardly along the North line of Hickory Street across all intervening streets and alleys, specifically California Avenue, to a point of intersection with the East line of California Avenue and the Southwest corner of Lots 10 thru 16 of Eads & Schuylewrs Addition commonly referred to as 2751 Hickory Street; thence Northwardly along the East line of California Avenue across all intervening streets and alleys to a point of intersection with the South line of LaSalle Street and the Northwest corner of Lots 2 thru 7 of Eads Addition commonly referred to as 2752 LaSalle Street; thence Eastwardly along the South line of LaSalle Street to a point on the North line of Lots 4 thru 6 in Block 4 of Eads Addition commonly referred to as 2734 LaSalle Street parallel with the Southeast corner of Lots 12 thru 14 in Block 1 of Eads Addition commonly referred to as 2741 LaSalle Street; thence Northwardly across all intervening streets and alleys, specifically LaSalle Street, to a point of intersection on the North line of a 15 foot wide alley and the South line of Lots 1 thru 4 in Block 1 of Eads Addition commonly referred to as 2736 Chouteau Avenue; thence Northwestwardly along the North line of said 15 foot wide alley across all intervening streets and alleys, specifically California

Avenue, to a point of intersection with the Southwest corner of Lots 1 thru 7 in Block 1 of Toney's Addition commonly referred to as 2802 Chouteau Avenue; thence Southwardly across all intervening streets and alleys to a point of intersection with the North line of LaSalle Street and the Southwest corner of Lots 23 thru 26 in Block 1 of Toney's Addition commonly referred to as 2811 LaSalle Street; thence Northwardly along the North line of LaSalle Street across all intervening streets and alleys to a point of intersection with the East line of Ewing Avenue and the Southwest corner of Lots 16 thru 18 in Block 1 of Toney's Addition commonly referred to as 1018 Ewing Avenue; thence Southwardly across all intervening streets and alleys, specifically LaSalle Street, to a point of intersection with the South line of a 15 foot wide alley and the Northwest corner of Lots 16 thru 17 in Block 5 of Toney's Addition commonly referred to as 1118 Ewing Avenue; thence Southwardly along the South line of said 15 foot wide alley across all intervening streets and alleys to a point of intersection with the Northwest corner of Lot 28 in Block 8 of Toney's Addition commonly referred to as 2805 Hickory; thence Southwardly along the West line of Lot 28 in Block 8 of Toney's Addition to the point of beginning.

EXHIBIT E

Reimbursable Redevelopment Project Costs

CATEGORY	ESTIMATED COSTS*, **
1. Demolition	\$101,000
2. Land Acquisition	\$559,500
3. Building Construction	\$206,000
4. Environmental Remediation and Abatement	\$800,000
5. Street and Utility Improvements	\$ 15,000
6. Professional Services	\$ 60,000
7. Includes architectural, engineering, surveying, planning and consulting fees. Issuance Costs	\$15,000.00
Total Reimbursable Redevelopment Project Costs	\$1,036,000.00

* Subject to the limitations of Articles III, IV, and V of the Redevelopment Agreement.

** Except with respect to Total Reimbursable RPA1 Project Costs which shall not exceed \$2,667,732.00, it is not the intent of this Exhibit, the Redevelopment Plan, or this Agreement to restrict the City or Developer to the costs estimated for categories 1-5 listed above. During the time period that the Redevelopment Agreement is in effect, other costs may be incurred or adjustments may be made within and among line items 1-5 of this Exhibit.

EXHIBIT F

**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

EXHIBIT G

Equal Opportunity and Non-Discrimination Guidelines

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

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

The Developer 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 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 Developer as a potential recipient of TIF Notes, TIF Bonds and/or TIF Revenues. Nonetheless, 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.

Approved: December 21, 2002