ORDINANCE #66223
Board Bill No. 404

AN ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND APPORTIONMENT AUTHORIZING AND DIRECTING THE ISSUANCE AND DELIVERY OF NOT TO EXCEED $2.4M PLUS ISSUANCE COSTS PRINCIPAL AMOUNT OF TAX INCREMENT AND TRANSPORTATION DEVELOPMENT REVENUE NOTES (HIGHLANDS HOTEL AT FOREST PARK Redevelopment Project), SERIES 2004-A AND B, OF THE CITY OF ST. LOUIS, MISSOURI; AND AUTHORIZING AND DIRECTING THE ISSUANCE AND DELIVERY OF NOT TO EXCEED $700,000 PLUS ISSUANCE COST PRINCIPAL AMOUNT OF TAX INCREMENT AND TRANSPORTATION DEVELOPMENT REVENUE NOTES (HIGHLANDS HOTEL AT FOREST PARK REDEVELOPMENT PROJECT), SERIES 2004-C AND D, OF THE CITY OF ST. LOUIS, MISSOURI PRESCRIBING THE FORM AND DETAILS OF THE NOTES AND THE COVENANTS AND AGREEMENTS MADE BY THE CITY TO FACILITATE AND PROTECT THE PAYMENT THEREOF; AND PRESCRIBING OTHER MATTERS RELATING THERETO.

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

WHEREAS, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865, Revised Statutes of Missouri, (the "Act"), authorizes the City to undertake redevelopment projects within designated areas of the City; and

WHEREAS, staff and consultants of the City and Highlands Hotel, LLC, a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled "Hampton Inn and Suites at the Highlands at Forest Park" dated October 24, 2003 (the "Redevelopment Plan"), for an area comprised of unimproved real property consisting of approximately 2.9 acres located at 5700 Oakland Avenue in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**;

WHEREAS, on _____, 2004, after due consideration of the TIF Commission's recommendations, the City adopted: (1) Ordinance No. _____ [Board Bill No. 402] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, and approving the redevelopment project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area, and establishing the Special Allocation Fund; and authorizing certain actions by City officials; and (2) Ordinance No. _____ [Board Bill No. 403] authorizing the City to enter into a redevelopment agreement with Developer; and

WHEREAS, Pursuant to the Redevelopment Plan and Redevelopment Agreement, the City proposes to finance a portion of the costs of the Redevelopment Project by utilizing tax increment allocation financing in accordance with the Act; and

WHEREAS, the City desires to issue, from time to time, its Tax Increment Financing and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-A and B (the "TIF Notes"), to provide funds for the aforesaid purpose, said TIF Notes being payable solely from certain proceeds deposited into the Special Allocation Fund; and

WHEREAS, the City desires to issue, from time to time, Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-C and D (the "TDD Notes"), to provide funds for the aforesaid purpose, said TDD Notes being payable solely from TDD Revenues deposited into the Special Allocation Fund; and

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

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants that the Notes be issued and secured in the form and manner as hereinafter provided to carry out the Redevelopment Project.

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

ARTICLE I.
DEFINITIONS

Section 101 Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this ordinance (the "Ordinance"), the following capitalized words and terms, as used in this Ordinance, shall have the following meanings:

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

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

"Approving Ordinance" means Ordinance No. _____ [Board Bill No. 402] adopted on _____, designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, making certain finding with respect thereto, adopting tax increment financing within the Redevelopment Area, establishing the Special Allocation Fund, and authorizing certain related actions by City officials.

"Authorized Denominations" means an initial amount of $100,000 or any integral multiple of $1,000 in excess thereof, except with respect to the Note issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs for TIF Notes or a Certificate of Reimbursable Transportation Project Costs for TDD Notes, which Note may be issued in any integral multiple of $1,000, subject to the limitation provided in Section 201 of this Ordinance.

"Authorizing Ordinance" means Ordinance No. _____ [Board Bill No. 403], adopted on _____, 2004, affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of a Redevelopment Agreement and the Intergovernmental Cooperation and Access and Parking Agreement for the construction of the Redevelopment Project and making certain findings related thereto.

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

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

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

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

"Certificate of Reimbursable Transportation Project Costs" means a document that is substantially in the form of Exhibit J to the Redevelopment Agreement provided by the Developer to the City and in accordance with the Redevelopment Agreement evidencing Reimbursable Transportation Project Costs incurred by the Developer.

"Certificate of Substantial Completion" means a document substantially in the form of Exhibit E to the Redevelopment Agreement issued by the Developer to the City in accordance with the Redevelopment Agreement.

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

"Developer" means Highlands Hotel, LLC, a Missouri limited liability company, and/or its permitted successors or assigns in interest.

"Economic Activity Taxes" or "EATs" shall have the meaning ascribed to such term in Section 99.805(4) of the TIF Act. "EATs Account" means the Economic Activity Tax Account of the Revenue Fund.

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

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America.

"Intergovernmental Cooperation and Access and Parking Agreement" means the agreement by and between the City and the Highlands Transportation Development District as approved by the City by Ordinance No. _____ which shall be substantially in the Form of Exhibit I to the Redevelopment Agreement.

"Issuance Costs" means all costs reasonably incurred by the City in furtherance of the issuance of TIF or TDD Obligations, including without limitation, the fees and expenses of financial advisors and consultants, the City's attorneys (including Special TIF Counsel and Bond Counsel), the City's administrative fees and expenses (including fees and costs of its planning consultants and the St. Louis Development Corporation), underwriters' discounts and fees, if any, the costs of printing any TIF or TDD Obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any TIF or TDD Obligations.

"Notes" means collectively the TDD Notes and the TIF Notes.

"Original Purchaser" means the Developer or a Related Entity or an Approved Investor, which Related Entity or Approved Investor shall be designated by the Developer as the Original Purchaser.

"Owner" means, when used with respect to any Note, the present holder of any of the Notes.

"Payment Date" means, with respect to any Note, each April 1 and October 1, commencing with the first April 1 or October 1 that immediately succeeds the City's acceptance of the Certificate of Substantial Completion as provided in the Redevelopment Agreement.

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

"PILOTs Account" means the Payments in Lieu of Taxes Account of the Revenue Fund.

"Redevelopment Agreement" means that certain Redevelopment Agreement dated as of _____, 2004, between the City and the Developer, as may be amended from time to time.

"Redevelopment Area" means that portion of the Redevelopment Area as is legally described and set forth on **Exhibit A**, attached hereto and incorporated herein by reference.

"Redevelopment Plan" means the plan titled "Highlands at Forest Park TIF Redevelopment Plan" as approved by the City on _____ 2002, pursuant to the Ordinance No. _____ [Board Bill No. 402]; as such plan may be amended from time to time in accordance with the TIF Act.

"Redevelopment Project" or "Highlands at Forest Park Redevelopment Project" means the redevelopment identified in the Redevelopment Plan consisting of the construction of an approximately 121 room hotel and adjacent restaurant, as well as a surface parking lot, as further set forth in the Redevelopment Plan, and as approved by Ordinance No. _____ [Board Bill No. 402] on _____, 2004, as described in the Redevelopment Plan and Redevelopment Proposal and as modified from time to time.

"Register" means the books for registration, transfer and exchange of the Notes kept at the office of the Finance Officer.

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

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

"Special Allocation Fund" means the City of St. Louis, Missouri, Highlands at Forest Park Special Allocation Fund created by Ordinance No. _____ [Board Bill No. 403] adopted by the City on _____, 2004 and including the accounts and sub-accounts for the Highlands at Forest Park Redevelopment Project into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this including the PILOTS Account, an EATS Account and a TDD Account.

"Taxable TDD Notes" means the City's Taxable Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-D as further described and Article II hereof.

"Tax Exempt TDD Notes" means the City Tax-Exempt Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Project) Series 2004-D, as further described in Article II hereof.

"Taxable TIF Notes" means the City's Taxable Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-B, as further described in Article II hereof.

"Tax-Exempt TIF Notes" means the City's Tax-Exempt Tax Increment and Transportation Development Revenue Notes (the Highlands at Forest Park Project Redevelopment Project) , Series 2004-A, as further described in Article II hereof.

"TDD or District" means the Highlands Transportation Development District created and operated pursuant to the Redevelopment Agreement.

"TDD Account" means the account of that name to be created within the administration of the Special Allocation Fund, in which the City will deposit the TDD Revenues.

"TDD Debt Service Fund" means the fund by that name created in Section 401 of this Ordinance.

"TDD Issuance Cost" means all costs reasonably incurred by the City in furtherance of the issuance of that portion of TDD Notes that are reasonably related to the "Transportation Project," including without limitation, the fees and expenses of financial advisors and consultants, the Cities Attorneys (including Bond Counsel).

"TDD Maturity Date" means the date that is forty (40) years after the date of adoption of the Approving Ordinance.

"TDD Notes" means not to exceed $700,000 plus TDD Issuance Costs Tax Increment and Transportation Development Revenue Notes, (Highlands at Forest Park Redevelopment Project), Series 2004-C and Series 2004-D, issued by the City pursuant to and subject to this Ordinance and substantially the form set forth in **Exhibit B-1**, attached hereto and incorporated herein by reference.

"TDD Revenues" means revenues of the TDD created in accordance with the TDD Act and as described in **Section 3.9** of the Agreement 1) less (i) costs of collection, not to exceed 1% of the actual amount collected by the TDD; (ii) that portion of revenues that constitutes an Economic Activity Tax; (iii) the District's reasonable operating costs, not to exceed $10,000 per year, commencing in 2004; and actual costs of the District associated with its Cleaning & Maintenance Obligations in an amount not to exceed $50,000; and (2) plus all Pass-Through Payments received by the District pursuant to **Section 403** of this Ordinance. TDD Revenues shall not include (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the District which is the subject of a suit or other claim communicated to the District which suit or claim challenges the collection of such sum.

"TDD Sales Tax" means the transportation development district sales tax levied by the TDD in accordance with the TDD Act and the Redevelopment Agreement.

"TIF Debt Service Fund" means the fund by that name created in **Section 401** of this Ordinance.

"TIF Issuance Costs" means all costs reasonably incurred by the City in furtherance of the issuance of TIF Notes, including without limitation, the fees and expenses of financial advisors and consultants, the City's attorneys (including Special TIF Counsel and Bond Counsel), the City's administrative fees and expenses (including fees and costs of the St. Louis Development Corporation).

"TIF Maturity Date" means the date that is twenty-three (23) years after the date of adoption of the Approving Ordinance.

"TIF Notes" means the not to exceed $2,400,000 plus TIF Issuance Costs Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-A and Series 2004-B, issued by the City pursuant to and subject to this Ordinance in substantially the form set forth in **Exhibit B**, attached hereto and incorporated herein by reference.

"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 and any applicable penalty and interest over and above the initial equalized assessed value (as that term is 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 Highlands at Forest Park Redevelopment Project and (2) fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the 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, 2003, (subject to annual appropriation by the City as provided in 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 Mo. Rev. Stat., 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 may be amended from time to time. Notwithstanding the foregoing, TIF Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

"Transportation Project" means that portion of the Work that includes but is not limited to the following: (i) engineering and design work for the Transportation Project improvements; (ii) site work, drainage, pavement, lighting, striping; (iii) construction of a public surface parking lot, provided that there are no private use restrictions accruing to the benefit of any tenants or the Developer (to the extent that such restrictions exist, such restrictions shall apply to less than 10% of the parking improvements, whether measured by area or costs); and (iv) construction of accompanying curb, gutter, sidewalk, storm water facilities or other similar or related infrastructure or improvement. The approximate location of the Transportation Project is as follows: the southwest corner of Oakland Avenue and Highlander within the boundaries of the City of St. Louis, Missouri.

"Transportation Project Costs" means all costs reasonably incurred by the Developer to construct the Transportation Project.

"Work" means all work necessary to prepare the Redevelopment Area and to construct or cause the construction of the Redevelopment Project and Transportation Project as specifically described in the Redevelopment Plan and the Redevelopment Agreement including, but not limited to: (1) property acquisition; (2) professional fees, including architecture, engineering, soil, surveying, legal and planning and consulting; (3) site preparation including without limitation site re-grading and excavation and environmental remediation; (4) construction or re-construction of utilities and other public improvements, including water distribution and service facilities, sanitary sewers, storm water improvements, electrical service facilities, roadways, street lighting and traffic signalization that serve the Redevelopment Area; (4) construction of an approximately 121-room hotel and adjacent restaurant, as well as related internal sidewalks and parking facilities, and screening and site landscaping on the Property; and (5) all other work described in the Redevelopment Plan or reasonably necessary to effectuate the intent of the Redevelopment Agreement.

Section 102 Rules of Construction. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

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

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

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

(d) Whenever an item or items are listed after the word "including," such listing is not intended to be an exhaustive listing that excludes items not listed.

ARTICLE II.
AUTHORIZATION OF TIF NOTES

Section 201 Authorization of Notes. There are hereby authorized and directed to be issued by the City four series of Notes in an aggregate principal amount not to exceed $3,100,000 plus Issuance Costs. The TIF Notes shall be in substantially the form of **Exhibit B,** attached hereto and incorporated herein by reference. The TDD Notes shall be in substantially the form of **Exhibit B-1,** attached hereto and incorporated herein by reference.

Section 202 Description of Notes.

(a) Title of Notes. There shall be issued one series of one or more Taxable TIF Notes in an aggregate principal amount not to exceed $2,400,000 plus TIF Issuance Costs authorized hereunder and one series of one or more Tax-Exempt TIF Notes in an aggregate principal amount not to exceed $2,400,000 plus TIF Issuance Costs less the aggregate principal amount of Taxable TIF Notes. The Taxable TIF Notes shall be designated "Taxable Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-B". The Tax-Exempt TIF Notes shall be designated "Tax-Exempt Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-A"). There shall be issued one series of one or more taxable TDD Notes in aggregate principal amount not to exceed $700,000 plus TDD Issuance Costs authorized hereunder and one series of one or more Tax-Exempt TDD Notes in an aggregate principal amount not to exceed $700,000 plus TDD Issuance Costs less the aggregate principal amount of Taxable TDD Notes. The Taxable TDD Notes shall be designated Taxable Tax Increment and Transportation Development Revenue Notes (Highland at Forest Park Redevelopment Project), Series 2004-D." The Tax-Exempt TDD Note shall be designed "Tax-Exempt Tax Increment and Transportation Development Revenue Notes (Highlands at Forest Park Redevelopment Project), Series 2004-C." The Notes may have such further appropriate particular designation added to or incorporated in such title for the Notes of any particular series as the City may determine.

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

(c) Terms of Notes. The TIF Notes shall mature (subject to redemption and payment prior to maturity as provided in **Article III** hereof), on the date that is twenty-three (23) years after the date of adoption of the Approving Ordinance. The TDD Notes shall mature (subject to redemption and payment prior to maturity as provided in Article III hereof) on the date that is forty (40) years after the date of adoption of the Approving Ordinance. Each Note shall bear simple interest at a fixed rate per annum equal to (i) **seven and one-half percent (7.5%)** if the interest on such Note is, in the opinion of Bond Counsel, not exempt from federal income taxation, or, (ii) **six percent (6.0 %)** if the interest on such Note, in the opinion of Bond Counsel, is exempt from Federal income taxation. All TIF Notes shall have a stated maturity of the TIF Maturity Date. All TDD Notes shall have a stated maturity of the TDD Maturity Date. Interest for all Notes shall be computed on the basis of a 360-day year of twelve 30-day months. The Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

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

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

(f) Dating. The Notes shall be dated as provided in **Section 207**, as evidenced by the Finance Officer's signature on **Schedule A** to each Note.

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

(h) Sale of Notes. When Notes have been executed and authenticated as required by this Ordinance, the Finance

Officer shall hold the Notes in trust or, if directed in writing by the Owners thereof, deliver the Notes to or upon the order of the Owners thereof, as provided in paragraph (g) above, but only upon payment to the City of a purchase price equal to one hundred percent (100%) of the face amount of the Notes, which payment shall be deemed to have occurred under the circumstances described in **Section 207** of this Ordinance.

Section 203 Finance Officer to Serve as Paying Agent and Registrar. The Finance Officer is hereby designated as the paying agent for the payment of principal of and interest on the Notes and the bond registrar with respect to the registration, transfer and exchange of the Notes and for allocating and holding funds as provided herein.

Section 204 Security for Notes. All TIF Notes shall be equally and ratably secured by Available Revenues. All TDD Notes shall be equally and ratably secured by TDD Revenues. The TIF Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The TDD Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the TDD Revenues. The taxing power of the City is not pledged to the payment of the Notes either as to principal or interest. The Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE NOTES OR THE TIF MATURITY DATE FOR TIF NOTES OR THE TDD MATURITY DATE FOR TDD NOTES THEREON (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).

Section 205 Method and Place of Payment of Notes. The principal of and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. Payment shall be made by the Finance Officer at his/her offices on each Payment Date upon presentation of the applicable Note by a duly authorized representative of the Owner. Principal and interest shall be payable by check or draft at the office of the Finance Officer to the person in whose name such Note is registered on the Register on each Payment Date.

Section 206 Registration, Transfer and Assignment. So long as the Notes remain outstanding, the City shall cause to be kept at the office of the Finance Officer books for the registration, transfer and exchange of the Notes as herein provided. The Notes when issued shall be registered in the name of the Original Purchaser thereof on the Register.

The Notes and beneficial interest therein may only be purchased by or transferred or assigned to Approved Investors upon the execution by each proposed purchaser, transferee or assignee of a letter in substantially the form of **Exhibit C**, attached hereto and incorporated herein by reference, stating that such purchaser, transferee or assignee (i) is an Approved Investor and (ii) has sufficient knowledge and experience in business and financial matters in general, and investments such as the Notes in particular, to enable the purchaser, transferee or assignee to evaluate the risks involved in an investment in the Notes. The Notes may be transferred and exchanged only upon the records of the City.

Upon surrender of a Note to the Finance Officer, the Finance Officer shall transfer or exchange the Notes for a new Note or Notes, which shall be (i) in minimum denominations or multiples of One Thousand Dollars ($1,000), except with respect to the TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, (or except with respect to the TDD Notes issued upon acceptance by the City of the final Certificate of Reimbursable Transportation Project Costs) which Notes may be issued in any denomination, subject to the limitation on the aggregate principal amount, and (ii) of the same TIF Maturity Date for TIF Notes or TDD Maturity Date for TDD Notes, and in the same aggregate principal amount outstanding as the Note which was presented for transfer or exchange. The Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Owner thereof or by the Owner's duly authorized agent. Upon any transfer, exchange or assignment as provided in this Section, the transferor shall reimburse the City for all of the reasonable out-of-pocket costs incurred by the City in connection with the administration of such transfer, exchange or assignment.

Section 207 Execution, Authentication and Delivery of the Notes. Each of the Notes, including any Notes issued in exchange or as substitution for the Notes initially delivered, shall be signed by the manual or facsimile signature of the Mayor, the Finance Officer and the Treasurer of the City, attested by the manual or facsimile signature of the Register of the City, and shall have the official seal of the City affixed thereto or imprinted thereon. If any officer whose signature appears on any Note ceases to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same

as if such person had remained in office until delivery. Any Note may be signed by such persons who at the actual time of the execution of such Note are the proper officers to sign such Note although at the date of such Note such persons may not have been such officers.

The Mayor, Finance Officer, Treasurer and Register of the City are hereby authorized and directed to prepare and execute the Notes as hereinbefore specified, and when duly executed, to deliver the Notes to the Finance Officer for authentication.

The Notes shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Schedule A** of **Exhibit B** (for TIF Notes) and **Schedule A** of **Exhibit B-1** (for TDD Notes) hereto, which shall be manually executed by an authorized signatory of the Finance Officer, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Notes that may be issued hereunder at any one time. No Note shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose until the certificate of authentication has been duly executed by the Finance Officer. Such executed certificate of authentication upon any Note shall be conclusive evidence that such Note has been duly authenticated and delivered under this Ordinance.

The Notes shall be initially executed and authenticated by the City upon acceptance of the following: (i) a Certificate of Substantial Completion; (ii) a Certificate of Reimbursable Redevelopment Project Costs (for TIF Notes) or a Certificate of Reimbursable Transportation Project Costs (for TDD Notes); and (iii) payment in full of all advances required to be paid under Section 2.2 of the Redevelopment Agreement.

Upon the Developer's satisfaction of the foregoing conditions and upon approval of each Certificate of Reimbursable Redevelopment Project Costs (for TIF Notes) or Certificate of Reimbursable Transportation Project Costs (for TDD Notes) the Finance Officer shall either: (i) at the request of the City upon instructions of the Developer, endorse an outstanding Note on **Schedule A** thereto to evidence an increase in the aggregate principal amount equal to such Reimbursable Redevelopment Project Costs (for TIF Notes) or Reimbursable Transportation Project Costs (for TDD Notes), or (ii) at the request of the City upon instructions from the Developer to issue a new Note in a principal amount equal to such Reimbursable Redevelopment Project Costs (for TIF Notes) or Reimbursable Transportation Project Costs (for TDD Notes), or any combination thereof. Each date of endorsement of each such Note shall be the date of acceptance by the City of each Certificate of Reimbursable Redevelopment Project Costs (for TIF Notes) or Reimbursable Transportation Project Costs (for TDD Notes). Thereupon, pursuant to **Section 202(h),** the Notes shall either be held or delivered to or upon the order of the party submitting the Certificate of Reimbursable Redevelopment Project Costs (for TIF Notes) or Reimbursable Transportation Project Costs (for TDD Notes) relating to such Notes.

Upon acceptance by the City of such a Certificate of Reimbursable Redevelopment Project Costs (for TIF Notes) or Reimbursable Transportation Project Costs (for TDD Notes) in accordance with the Redevelopment Agreement and upon execution and authentication of the Notes as required by this Ordinance, the Developer shall be deemed to have advanced funds to the City in an amount equal to the purchase price of the Notes, which shall be 100% of the face amount of the Notes, and, upon the issuance of an endorsement of the Notes as provided in the preceding paragraph, the City shall be deemed to have reimbursed the Developer in full for such Reimbursable Redevelopment Project Costs or Reimbursable Transportation Project Costs.

Section 208 Mutilated, Lost and Stolen Notes. If any mutilated Note is surrendered to the Finance Officer or the Finance Officer receives evidence to his/her satisfaction of the destruction, loss or theft of any Note and there is delivered to the Finance Officer such security or indemnity as may be required by it to save the City and the Finance Officer harmless, then, in the absence of notice to the Finance Officer that such Note has been acquired by a bona fide purchaser, the City shall execute and the Finance Officer shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note with the same TIF Maturity Date for TIF Notes or TDD Maturity Date for TDD Notes and of like tenor and principal amount. Upon the issuance of any new Note under this Section, the City and the Finance Officer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Finance Officer may, in its discretion, pay such Note instead of issuing a new TIF Note.

Section 209 Cancellation, Discharge and Abatement of Notes. All Notes that have been paid or redeemed or that otherwise have been surrendered to the Finance Officer, either at or before the TIF Maturity Date for TIF Notes or TDD Maturity Date for TDD Notes, shall be canceled and destroyed by the Finance Officer in accordance with existing security regulations upon the payment or redemption of such Note and the surrender thereof to the Finance Officer. The Finance Officer shall execute a certificate in duplicate describing the Notes so cancelled and destroyed, and shall file an executed counterpart of such certificate with the City.

NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTIONS 7.1, 7.2 AND 7.8 OF THE REDEVELOPMENT AGREEMENT.

ARTICLE III.
REDEMPTION AND PAYMENT OF PRINCIPAL AND INTEREST

Section 301 Optional Redemption. The Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the Note to be redeemed, plus accrued interest thereon to the date fixed for redemption. The Notes shall be called by the City for optional redemption pursuant to this Section without the necessity of any action by the City other than as provided in **Section 403** of this Ordinance. If only a partial redemption is to occur, then each Note shall be redeemed in the order of maturity designated by the City, and within any maturity the Notes shall be redeemed in Authorized Denominations by the City in such manner as it may determine. In the event of an optional redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days (five days if all of the Notes are owned by the Developer) and not more than sixty (60) days prior to the date fixed for redemption, to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

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

Section 302 Special Mandatory Redemption. All Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, which amount of principal being redeemed shall be an amount equal to Available Revenues then on deposit in the applicable account of the Special Allocation Fund for TIF Notes or TDD Revenue then on deposit for TDD Notes and which will not be required for the payment of interest on such Payment Date.

Section 303 Selection of Notes to be Redeemed. Notes shall be redeemed only in Authorized Denominations. When less than all of the outstanding Notes are to be redeemed and paid prior to maturity, such Notes or portions of Notes to be redeemed shall be selected in Authorized Denominations by the Fiscal Agent in such equitable manner as it may determine. In the case of a partial redemption of Notes when Notes of denominations greater than the minimum Authorized Denomination are then outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate Note of the denomination of the minimum Authorized Denomination.

Section 304 Notice and Effect of Call for Redemption. In the event of any optional or special mandatory redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

All official notices of redemption shall be dated and shall contain the following information:

(a) the redemption date;

(b) the redemption price;

(c) if less than all Outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed;

(d) a statement that on the redemption date the redemption price will become due and payable upon each Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and

(e) the place where such Notes are to be surrendered for payment of the redemption price, which shall be the office of the Finance Officer.

The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption. All Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

ARTICLE IV.
FUNDS AND REVENUES

Section 401 Creation of Funds and Accounts. There are hereby created or ratified and ordered to be established in the treasury of the City the Special Allocation Fund into which all TIF Revenues and TDD Revenues shall be deposited, and within it the following separate funds and accounts:

(a) a Revenue Fund and, within it, (i) a PILOTs Account; (ii) an EATs Account, into which all TIF Revenues shall be deposited; and (iii) a TDD Account, into which all TDD Revenues shall be deposited;

(b) a TIF Debt Service Fund;

(c) a TDD Debt Service Fund;

(d) a Project Fund.

Section 402 Administration of Funds and Accounts. The Special Allocation Fund and the funds and accounts established therein shall be maintained in the treasury of the City and administered by the City solely for the purposes and in the manner as provided in the Act, this Ordinance, the Approving Ordinance, and the Authorizing Ordinance so long as any Notes remain outstanding hereunder.

Section 403 Revenue Fund.

(a) On or before the date that is five (5) days prior to each Payment Date while any Notes remain outstanding, the City shall transfer all Available Revenues and TDD Revenues on deposit in the Special Allocation Fund for deposit into the Revenue Fund of the Special Allocation Fund. The Finance Officer shall deposit Available Revenues constituting payments in lieu of Taxes and Economic Activity Taxes into separate, segregated accounts within the Revenue Fund, known as the PILOT Account and the EATS Account, respectively, and shall deposit TDD Revenues into a separate, segregated account with the Revenue fund, known as the TDD Account.

(b) On each Payment Date, the Finance Officer shall apply monies in the Revenue Fund for the purposes and in the amount as follows:

First, from the EATS Account, Pass – Through Payments, as provided below;

Second, from the PILOTS account, to the Comptroller of the City and the St. Louis Development Corporation, in amounts sufficient to pay all or any portion of the fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed in any calendar year the lesser of **Four Thousand Eight Hundred Forty and No/100** ($4,840.00) or 0.2% of the TIF Note outstanding on January 1 of such calendar, plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to Section 7.15 of Redevelopment Agreement or have not otherwise been reimbursed to the City through the issuance of TIF Notes purchased by the Note Purchaser;

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

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

Fifth, from the PILOTS Account to the TIF Debt Service Fund, in an amount sufficient to pay the principal of any TIF Notes that are subject to redemption pursuant of this Ordinance;

Sixth, from the TDD Account, to the Comptroller of the City and the St. Louis Development Corporation, in amounts sufficient to pay all or any portion of the fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation, but not to exceed in any calendar year the lesser of **One Thousand Four Hundred and No/100** $1,400 or 0.2% of the TDD Note outstanding on January 1st of such calendar year, plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to Section 7.15 of the Redevelopment Agreement or have not otherwise been reimbursed to the City through the issuance of TDD Notes purchased by the Note Purchaser;

Seventh, from the TDD Accounts to the TDD Debt Service Fund, an amount sufficient to pay all or any portion of past due interest owing as a result of prior deficiencies of monies to pay interest due on any TDD Notes on each Payment Date;

Eighth, from the TDD Accounts to the TDD Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any TDD Notes on each Payment Date;

Ninth, from the TDD Accounts to the TDD Debt Service Fund, an amount sufficient to pay the principal of any TDD Notes that are subject to redemption pursuant to this Ordinance.

All money in the EATS Account of the Special Allocation Fund up to an amount equal to One Hundred Percent (100%) of the EATS payments deposited in the EATS Account for the previous calendar year shall be declared as surplus and distributed in the manner provided in the TIF Act (the "Pass-Through Payment").

If monies available in the PILOTS Account of the Special Allocation Fund are insufficient to reimburse the City as provided above on any Payment Date, then the unpaid portion shall be carried forward to the next payment date, with interest thereon at the same rate as the tax-exempt TIF Notes.

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

Section 404 TIF Debt Service Fund and TDD Debt Service Fund.

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

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

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

Section 405 Project Fund. Upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs for a TIF Note or a Certificate of Reimbursable Transportation Project Costs for a TDD Note and the issuance or endorsement of a Note pursuant to Section 207 of this Ordinance, to the extent the Note Purchaser is an Approved Investor other than the Developer, the City shall disburse the proceeds from the sale of the Note to the Developer to reimburse the Developer for Reimbursable Redevelopment Project Costs for a TIF Note or Reimbursable Transportation Project Costs for a TDD Note in

accordance with the terms of the Redevelopment Agreement. Upon the Acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs for a TIF Note or a Certificate of Reimbursable Transportation Project Costs for a TDD Note and the issuance or endorsement of a Note pursuant to Section 207 of this Ordinance, to the extent the Note Purchaser is the Developer, the Developer shall be deemed to have advanced funds necessary to purchase such Note and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer or paid for in full for such costs from the amounts deemed to be on deposit in the Project Fund.

Section 406 Nonpresentment of Notes. If any Note is not presented for payment when the principal thereof becomes due at stated maturity or prior redemption date, if funds sufficient to pay such Note have been made available to the Finance Officer, all liability of the City to the Registered Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Finance Officer to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said Note. If any TIF Note is not presented for payment within five (5) years following the date when such Note becomes due at maturity, the Finance Officer shall repay to the City the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Finance Officer, and the City shall not be liable for any interest thereon and shall not be regarded as a Finance Officer of such money.

ARTICLE V.
REMEDIES

Section 501 Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owner. The Owner shall have the right:

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

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

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

Section 502 Limitation on Rights of Owner. The Owner secured hereby shall not have any right in any manner whatever by its action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided.

Section 503 Remedies Cumulative. No remedy conferred herein upon the Owner is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of the Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owner by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by the Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to the Owner, then, and in every such case, the City and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owner shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VI.
DEPOSIT AND INVESTMENT OF MONEYS

Section 601 **Deposits of Moneys.** All moneys deposited with or paid to the Finance Officer for the account of the various funds established under this Ordinance shall be held by the Finance Officer in trust and shall be applied only in accordance with this Ordinance. The Finance Officer shall not be under any liability for interest on any moneys received hereunder except as otherwise provided herein.

Section 602 **Investment of Moneys.** Moneys held in any fund or account referred to in this Ordinance shall be invested by the City in Government Obligations or in time or demand deposits or in certificates of deposit issued by any bank having combined capital, surplus and undivided profits of at least Fifty Million Dollars ($50,000,000) but only to the extent such time or demand deposits or certificates of deposit are fully insured by the Federal Deposit Insurance Corporation; provided, however, that no such investment shall be made for a period extending longer than the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any fund shall accrue to and become a part of such fund or account.

ARTICLE VII.
MISCELLANEOUS PROVISIONS

Section 701 **Covenant to Request Appropriations.** The City agrees that the officer of the City at any time charged with the responsibility of formulating budget proposals will be directed to include in the budget proposal submitted to the Board of Aldermen for each fiscal year that the TIF Notes are outstanding a request for an appropriation of all moneys on deposit in the Special Allocation Fund for transfer to the Finance Officer for deposit at the times and in the manner provided in **Section 403** of this Ordinance.

Section 702 **Tax Matters.** Neither the City nor the Developer shall use or permit the use of any proceeds of the Tax Exempt Note(s) to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause the Tax Exempt Note(s) to be an "arbitrage bond" within the meaning of Section 148(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code. The City (to the extent within its power or discretion) and the Developer shall not use or permit the use of any proceeds of the Tax Exempt Note(s), and shall not take or permit to be taken any other action or actions, which would result in the Tax Exempt Note(s) being treated as other than an obligation described in Section 103(a) of the Code. The City (to the extent within its power or discretion) and the Developer shall not use any portion of the proceeds of the Tax Exempt Note(s), including any investment income earned on such proceeds, in any manner that would cause the Tax Exempt Note(s) to be a "private activity bond" within the meaning of Section 141(a) of the Code. The officers of the City, including the Mayor, the Finance Officer, the Treasurer, the Register and the Finance Officer, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Section.

Section 703 **Payments Due on Saturdays, Sundays and Holidays.** In any case where the Payment Date is a Saturday, a Sunday or a legal holiday or other day that is not a business day, then payment of principal or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the Payment Date, and no interest shall accrue for the period after such date.

Section 704 **Notices, Consents and Other Instruments.** Any notice, consent, request, direction, approval, objection or other instrument required by this Ordinance to be signed and executed by the Owner of the Notes may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owner in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of the Note, if made in the following manner, shall be sufficient for any of the purposes of the Ordinance, and shall be conclusive in favor of the City with regard to any action taken, suffered or omitted under any such instrument, namely:

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

(b) The fact of ownership of the Note, the amount or amounts and other identification of the Note, and the

date of holding the same shall be proved by the registration books of the City.

Section 705 Execution of Documents; Further Authority. The City is hereby authorized to enter into and the Mayor, the Finance Officer and the Treasurer of the City are hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the Notes and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance. The officers of the City, including without limitation the Mayor, the Finance Officer, the Treasurer and the Register, are hereby authorized and directed to execute, and the City Register is hereby authorized and directed where appropriate to attest, all certificates, documents or other instruments, and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instrument and other documents herein approved, authorized and confirmed which they determine to be in the City's best interest, and the execution or taking of such action shall be conclusive evidence of such determination.

Section 706 Severability. If any section or other part of this Ordinance, whether large or small, is for any reason be held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 707 Governing Law. This Ordinance shall be governed exclusively by and constructed in accordance with the applicable internal laws of the State of Missouri.

Section 708 Private Sale. The Board of Aldermen of the City hereby declares that it is in the City's best interest to sell the Notes at private sale because a public sale of the Notes would cause additional expense to the City and because the condition of the current financial markets makes such a public sale not feasible or the best course of action for the City.

Section 709 Termination. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that, if the Developer has not executed a redevelopment agreement pertaining to the Redevelopment Project within ninety (90) days after the effective date of this Ordinance, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Highlands Hotel, LLC shall terminate, provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A
Legal Description of Redevelopment Area

A tract of land being part of Lot 5 of the Highlands at Forest Park, a subdivision according to the plat thereof recorded in Plat Book 74, Page 15 of the Recorder of Deeds Office in the City of St. Louis, Missouri, and being located in part of Block 4002 of the City of St. Louis, and being more particularly described as follows:

> Beginning at the northeast corner of said Lot 5, said point being located on the south line of Oakland Avenue, 50 feet wide being also on the west line of Highlander Drive, 50 feet wide; thence along the east line of Lot 5 and along the west line of said Highlander Drive South 06 degrees 57 minutes 25 seconds west 606.00 feet; thence leaving said east line of Lot 5 north 83 degrees 00 minutes 15 seconds west 214.77 feet; thence north 06 degrees 59 minutes 44 seconds East 72.40 feet; thence North 83 degrees 22 minutes 02 seconds east 7.52 feet; thence north 06 degrees 37 minutes 58 seconds west 31.00 feet; thence north 06 degrees 59 minutes 45 seconds east 501.70 feet to the said south line of Oakland Avenue; thence along said south line south 83 degrees 00 minutes 15 seconds east 214.36 feet to the point of beginning and containing 2.98 acres.

EXHIBIT B
Form of TIF Note

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

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered
No. R-__
$2,400,000

Registered
Not to Exceed

plus TIF Issuance Costs
(See **Schedule A** attached hereto)

CITY OF ST. LOUIS, MISSOURI
[TAXABLE][TAX-EXEMPT] TAX INCREMENT AND
TRANSPORTATION DEVELOPMENT REVENUE NOTE
(Highlands at Forest Park Redevelopment Project)
SERIES 200__-A AND SERIES 200__-C

Rate of Interest:	Maturity Date:	Dated Date:	CUSIP Number:
[7.5%][6.0%]			None

REGISTERED OWNER:

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

The **CITY OF ST. LOUIS, MISSOURI,** a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on **Schedule A** attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and HIGHLANDS HOTEL, LLC (the "Developer"), dated as of _____, 2004 (the "Redevelopment Agreement"), until the TIF Notes are paid in full. The TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for. Interest that accrues but remains unpaid on any Payment Date shall be compounded semi-annually.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. _____ [Board Bill 404] adopted by the Board of Aldermen on _____, 2004 (the "Note Ordinance") or the Redevelopment Agreement.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TIF NOTE TERMINATE ON _____, 2027, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

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

This TIF Note is one of an authorized series of fully registered Notes of the City designated "City of St. Louis, Missouri, Tax Increment and Transportation Development Revenue Note (Highlands at Forest Park Redevelopment Project) Series 200__-A/B," issued in an aggregate principal amount of not to exceed $2,400,000 (the "Notes"). The TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment

Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance.

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

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

The monies on deposit in the TDD Account of the Special Allocation Fund are those revenues of the TDD created in accordance with the TDD Act and Section 3.9 of the Redevelopment Agreement.

The monies on deposit in the EATS Account of the Special Allocation Fund are those amounts equal to fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or 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, 2003 (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 99.845 of the TIF Act, as amended from time to time. Notwithstanding the foregoing, TIF Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

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

On each Payment Date, the Finance Officer shall apply monies in the Revenue Fund for the purposes and in the amounts as follows:

First, from the EATS Account, Pass-Through Payments, as provided below:

Second, from the PILOTS Account, to the Comptroller of the City and the St. Louis Development Corporation, an amount sufficient to pay all or any portion of the fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed in any calendar year the lesser of Four Thousand Eight Hundred Forty and 00/100 Dollars ($4,840.00) or 0.2% of the TIF Notes outstanding on January 1 of such calendar year, plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to Section 7.15 of the Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes purchased by the Note Purchaser;

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

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

Fifth, from the PILOTS Account to the TIF Debt Service Fund, an amount sufficient to pay the principal of any TIF Notes that are subject to redemption pursuant to the Note Ordinance;

Sixth, from the TDD Account to the Comptroller, an amount sufficient to pay all or any portion of the administrative expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed in any calendar year the lesser of One Thousand Four Hundred and 00/100 Dollars ($1,400) or 0.2% of the TDD Notes outstanding on January 1 of such calendar year plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to Section 7.15 of the Agreement that have not otherwise been reimbursed to the City through the issuance of TDD Notes purchased by the Note Purchaser.

Seventh, from the TDD Account to the TDD Debt Service Fund, an amount sufficient to pay all or any portion of past due interest owing as a result of prior deficiencies of monies to pay interest due on any TDD Notes on each Payment Date;

Eighth, from the TDD Account to the TDD Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any TDD Notes on each Payment Date; and

Ninth, from the TDD Account to the TDD Debt Service Fund, an amount sufficient to pay the principal of any TDD Notes that are subject to redemption pursuant to the Note Ordinance.

If monies available in the PILOTS Account of the Special Allocation Fund are insufficient to reimburse the City as provided above on any Payment Date, then the unpaid portion shall be carried forward to the next payment date, with interest thereon at the same rate as the tax-exempt TIF Notes.

All money in the EATS Account of the Special Allocation Fund up to an amount equal to one hundred percent (100%) of the EATS payments deposited to the EATS Account for the previous calendar year shall be declared as surplus and distributed in the manner provided in the TIF Act (the "Pass-Through Payment").

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

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

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

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

The TIF Notes or portions of Notes to be redeemed shall become due and payable on the redemption date, at the redemption price therein specified, and from and after the redemption date (unless the City defaults in the payment of the redemption price) such TIF Notes or portion of TIF Notes shall cease to bear interest. Upon surrender of such TIF Notes for redemption in accordance with such notice, the redemption price of such TIF Notes shall be paid by the Finance Officer. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any TIF Note, there shall be prepared for the Registered Owner a new TIF Note or Notes of the same maturity in the amount of the unpaid principal as provided herein. All TIF Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as

provided herein and shall not be reissued.

TIF Notes shall be redeemed only in the principal amount of One Thousand Dollars ($1,000) or any integral multiple thereof. When less than all of the outstanding TIF Notes are to be redeemed and paid prior to maturity, such TIF Notes shall be selected by the Finance Officer in Five Thousand Dollar ($5,000) units of face value in such equitable manner as the Finance Officer may determine.

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

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

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

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

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

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

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

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

By: _____
Treasurer

Attest:

(Seal)

_____
City Register

Approved as to Form:

_____
City Counsel

ASSIGNMENT

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

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

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

_____

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

_____
(Name of Eligible Guarantor Institution)

By: _____
Title:_____

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

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This TIF Note is one of the Series 2004 TIF Notes described in the within-mentioned Note Ordinance.

Date[1]	Additions to Principal Amount[2]	Principal Amount Paid	Outstanding Principal Amount	Authorized Signatory of Finance Officer
_____ __, ____	$	$	$	
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				

_____ __, ____
_____

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

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

EXHIBIT B-1

(Form of TDD Note)

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

UNITED STATES OF AMERICA
STATE OF MISSOURI

Registered
No. R-___
[Taxable]
[Tax-Exempt]

Registered
Not to Exceed $700,000
Plus TDD Issuance Costs
(See **Schedule A** attached)

CITY OF ST. LOUIS, MISSOURI

[TAXABLE][TAX-EXEMPT] TAX INCREMENT AND TRANSPORTATION DEVELOPMENT REVENUE NOTE
(Highlands at Forest Park Redevelopment Project)
SERIES 200_-C and SERIES 200_-D

Rate of Interest: 7.5%/6.0% Maturity Date: _____, 2044

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: ____See **Schedule A** attached hereto.____

The **CITY OF ST. LOUIS, MISSOURI,** a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the *"City"*), for value received, hereby promises to pay to the registered Owner shown above, or registered assigns, the principal amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the date of issuance of this Note or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest shall be payable semiannually commencing on the first March 1 or September 1 (each, a *"Payment Date"*), following acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and HIGHLANDS HOTEL, LLC (the *"Developer"*) dated as of _____, 2004 (the *"Redevelopment Agreement"*), until the TDD Notes are paid in full. The TDD Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for. Interest that accrues but remains unpaid on any Payment Date shall be compounded semi-annually.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. _____ [Board Bill 404] adopted by the Board of Aldermen on _____, 2004 (the *"Note Ordinance"*) or the Redevelopment Agreement.

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE NOTES TO THE CONTRARY, THE NOTES OWNED BY THE DEVELOPER OR ANY ASSIGNEE OF THE DEVELOPER ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE DISTRICT IN WHOLE WITHOUT PAYMENT UNDER THE CONDITIONS DESCRIBED IN SECTION 7.1 and 7.2 OF THE REDEVELOPMENT AGREEMENT.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS TDD NOTE TERMINATE ON _____, 2044, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

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

This Note is one of an authorized series of fully registered Notes of the Highlands Transportation Development District (the *"District"*) designated "Tax Increment and Transportation Development Revenue Notes" (Highlands at Forest Park Redevelopment Project) Series 200_-C/D" in an aggregate principal amount of up to $700,000 plus TDD Issuance Costs (the *"Notes"*). The Notes are being issued for the purpose of paying a portion of the Transportation Project Costs in connection with the Developer's construction of the Transportation Project, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Missouri Transportation Development District Act, Sections 238.200 through 238.275, inclusive, of the Revised Statutes of Missouri, as amended (the *"TDD Act"*) and pursuant to the Note Resolution.

The Notes constitute special, limited obligations of the City payable as to principal and interest solely from TDD Revenues. "TDD Revenues" means revenues of the TDD created in accordance with the TDD Act and as described in **Section 3.9** of the Agreement (1) less (i) costs of collection, not to exceed 1% of the actual amount collected by the TDD; (ii) that portion of revenues that constitutes an Economic Activity Tax; (iii) the District's reasonable operating costs, not to exceed $10,000 per year, commencing in 2004; (iv) actual costs of the District associated with its Cleaning & Maintenance Obligations in an amount not to exceed $50,000; and (2) plus all Pass-Through Payments received by the District pursuant to **Section 6.2.2** of the TDD Revenues shall not include (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the District which is the subject of a suit or other claim communicated to the District which suit or claim challenges the collection of such sum.

The moneys on deposit in the TDD Account of the Special Allocation Fund are those TDD Revenues received as a result of the TDD Sales Tax levied at a rate of up to one percent (1%) on all retail sales within the District that are subject to taxation pursuant to Section 238.235 of the TDD Act, as authorized by Resolution No. _____ adopted by the District on _____, and approved by the qualified voters of the District at an election held in accordance with Section 238.216 of the TDD Act, which sales tax became effective _____, and expires no later than twenty (20) years from the date of establishment of the District.

"District Administrative Costs" means overhead expenses of the District for administration, supervision and inspection incurred in connection with the Transportation Projects. District Administrative Costs are expressly limited to the following: (1) reimbursement of the board of directors of the District for actual expenditures in the performance of their duties on behalf of the District pursuant to Section 238.222 of the TDD Act; (2) expenses incurred in the exercise of the contractual powers of the District pursuant to Section 238.250 of the TDD Act; (3) reimbursement of the petitioners for the costs of filing and defending the petition to establish the District and all publication and incidental costs incurred in obtaining certification of the petition pursuant to Section 238.217 of the TDD Act; (4) costs related to any authorized indebtedness of the District, including the issuance and repayment of TDD Obligations pursuant to Section 238.242 of the TDD Act; (5) the cost of insurance obtained by the District pursuant to Section 238.255 of the TDD Act; (6) the cost of any audit by the state auditor pursuant to Section 238.272 of the TDD Act or any other audit performed for the District; and (7) expenses incurred by the District in the exercise of the powers granted under Section 238.252 of the TDD Act, which consist of: (a) compensation of employees or contractors, (b) suits by or against the District, (c) the purchase of personal property necessary or convenient for the District's activities, and (d) the collection and disbursement of funds for District activities; and (8) costs incurred in connection with abolishment of the District in accordance with Section 238.275 of the TDD Act.

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

The monies on deposit in the EATS Account of the Special Allocation Fund are those amounts equal to fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or 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, 2003 (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. Notwithstanding the foregoing, TIF Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.
The Notes shall not constitute a debt or liability of the City, the District, the State of Missouri or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. None of the City, officials, officers or employees of the City, nor any person executing the Notes, shall be personally liable for such obligations by reason of issuance thereof.

On each Payment Date, the Finance Officer shall apply monies in the Revenue Fund for the purposes and in the amounts as follows:

First, from the EATS Account, Pass-Through Payments, as provided below:

Second, from the PILOTS Account, to the Comptroller of the City and the St. Louis Development Corporation, an amount sufficient to pay all or any portion of the fees and expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed in any calendar year the lesser of Four Thousand Eight Hundred Forty and 00/100 Dollars ($4,840.00) or 0.2% of the TIF Notes outstanding on January 1 of such calendar year, plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to **Section 7.15** of the Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes purchased by the Note Purchaser;

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

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

Fifth, from the PILOTS Account to the TIF Debt Service Fund, an amount sufficient to pay the principal of any TIF Notes that are subject to redemption pursuant to the Note Ordinance.

Sixth, from the TDD Account to the Comptroller, an amount sufficient to pay all or any portion of the administrative expenses incurred by the Comptroller of the City and the St. Louis Development Corporation but not to exceed in any calendar year the lesser of One Thousand Four Hundred and 001/00 Dollars ($1,400) or 0.2% of the TDD Notes outstanding on January 1 of such calendar year plus any accumulated deficiency from previous years, unless the City has incurred costs pursuant to **Section 7.15** of the Agreement that have not otherwise been reimbursed to the City through the issuance of TDD Notes purchased by the Note Purchaser.

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

Eighth, from the TDD Account to the TDD Debt Service Fund, an amount sufficient to pay all or any portion

of the accrued interest becoming due and payable on any TDD Notes on each Payment Date; and

Ninth, from the TDD Account to the TDD Debt Service Fund, an amount sufficient to pay the principal of any TDD Notes that are subject to redemption pursuant to the Note Ordinance.

If monies available in the PILOTS Account of the Special Allocation Fund are insufficient to reimburse the City as provided above on any Payment Date, then the unpaid portion shall be carried forward to the next payment date, with interest thereon at the same rate as the tax-exempt TIF Notes.

All money in the EATS Account of the Special Allocation Fund up to an amount equal to one hundred percent (100%) of the EATS payments deposited in the EATS Account for the previous calendar year shall be declared as surplus and distributed in the manner provided in the TIF Act (the *"Pass-Through Payment"*).

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

The Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price equal to 100% of the principal amount being redeemed, together with interest accrued to the date fixed for redemption.

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

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

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

In the case of a partial redemption of Notes when Notes of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each minimum Authorized Denomination unit of face value shall be treated as though it was a separate Note of the denomination of the minimum Authorized Denomination.

The Notes are issuable in the form of fully registered Notes without coupons in the denomination of $100,000 or any $1,000 increment in excess thereof.

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

buyer" under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business corporation or enterprise with total assets in excess of $50,000,000.

Subject to the limitations on transfer, exchange and assignment of this TDD Note as set forth herein, upon surrender thereof at the office of the Finance Officer, the Finance Officer shall transfer or exchange any TDD Note for a new TDD Note of the same maturity and in the same principal amount as the Outstanding principal amount of the TDD Note that was presented for transfer or exchange. Any TDD Note presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Registered Owner thereof or by the Registered Owner's duly authorized agent.

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

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

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

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

By: _____
Treasurer

Attest:

(Seal)

_____
City Register

Approved as to Form:

_____
City Counsel

ASSIGNMENT

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

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

Date: _____.

_____

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

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

Signature Guaranteed By:

_____
(Name of Eligible Guarantor Institution)

By: _____
Title: _____

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

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This TDD Note is one of the Series 2004-B TDD Notes described in the within-mentioned Note Ordinance.

Date[1]	Additions to Principal Amount[2]	Principal Amount Paid	Outstanding Principal Amount	Authorized Signatory of Finance Officer
_____ __, ____	$	$	$	
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				
_____ __, ____				

_____

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

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

EXHIBIT C

Form of Letter of Representations

_____, 20___

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

Re: Not to Exceed $2,400,000 (plus Issuance Costs) City of St. Louis, Missouri, Tax Increment and Transportation

Development Revenue Notes, (Highlands at Forest Park TIF Redevelopment Project), Series 2004-A/B

OR

Not to Exceed $700,00 (plus Insurance Costs) City of St. Louis, Missouri, Tax Increment and Transportation Development Revenue Notes, (Highlands at Forest Park TIF Redevelopment Project), Series 2004-C/D

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to the purchase by the undersigned of not to exceed $2,400,000 (plus Issuance Costs) aggregate principal amount of Tax Increment and Transportation Development Revenue Notes, (Highlands at Forest Park TIF Redevelopment Project), Series 2004-A/B (the "TIF Notes"), issued by the City of St. Louis, Missouri (the "City"). [This letter is to provide you with certain representations and agreements with respect to the purchase by the undersigned of not to exceed $700,000 (plus Issuance Costs) aggregate principal amount of Tax Increment and Transportation Development Revenue Notes, (Highlands at Forest Park TIF Redevelopment Project), Series 2004-C/D (the "TDD Notes"), issued by the City of St. Louis, Missouri (the "City").

The TIF Notes [TDD Notes] are secured in the manner set forth in Ordinance No. _____ [Board Bill No. 404] of the City adopted on _____, 2004 (the "Note Ordinance"). The undersigned hereby represents to each of you and agrees with each of you, as follows:

1. The undersigned is an Approved Investor (as defined in the Note Ordinance).

2. The undersigned acknowledges that the City has not made any representation or warranty concerning the accuracy or completeness of any information furnished in connection with the purchase by the undersigned of the TIF Notes [TDD Notes]. Accordingly, the undersigned has not relied upon the City as to the accuracy or completeness of such information. As a sophisticated investor, the undersigned has made its own decision to purchase the TIF Notes based solely upon its own inquiry and analysis.

3. The undersigned understands that the TIF Notes [TDD Notes] do not constitute an indebtedness of the City or a loan or credit thereof within the meaning of any constitutional or statutory debt limitation or restriction.

4. The undersigned is familiar with and has counsel who are familiar with the federal and state legislation, rules, regulations and case law pertaining to the transfer and distribution of securities, including, but not limited to, disclosure obligations of the seller incident to any such transfer or distribution. The undersigned hereby covenants and agrees that the undersigned will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes [TDD Notes] or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes [TDD Notes] as set forth in paragraph 6 below.

5. The undersigned is purchasing the TIF Notes [TDD Notes] for its own account for investment (and not on behalf of another) and, other than a contemplated pledge of the TIF Notes [TDD Notes], has no present intention of reselling the TIF Notes [TDD Notes] or dividing its interest therein. Notwithstanding the foregoing, the undersigned has the right to sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes [TDD Notes] at some future date determined by it, provided that such disposition is not in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes [TDD Notes] as set forth in paragraph 6 below.

6. The undersigned acknowledges that the right to sell, assign, negotiate or otherwise transfer the TIF Notes [TDD Notes] shall be limited to Approved Investors (as defined in the Note Ordinance).

7. The undersigned agrees to indemnify and hold you harmless from any and all claims, judgments, attorneys' fees and expenses of whatsoever nature, whether relating to litigation or otherwise, resulting from any attempted or affected sale, offer for sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of the TIF Notes in violation of this letter.

8. The undersigned has satisfied itself that the TIF Notes [TDD Notes] may be legally purchased by the undersigned.

Sincerely,

_____,

as Purchaser

By: _____
Title: _____

Approved: March 21, 2004