

ORDINANCE #67070
Board Bill No. 443

AN ORDINANCE AFFIRMING ADOPTION OF A REDEVELOPMENT PLAN, REDEVELOPMENT AREA, AND REDEVELOPMENT PROJECT; AUTHORIZING THE EXECUTION OF REDEVELOPMENT AGREEMENTS BETWEEN THE CITY AND SYNDICATE CONDOMINIUMS, LLC AND BETWEEN THE CITY AND SYNDICATE RETAIL, LLC; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; DESIGNATING SYNDICATE CONDOMINIUMS, LLC, AND SYNDICATE RETAIL, LLC, AS DEVELOPER OF PORTIONS OF THE REDEVELOPMENT AREA, RESPECTIVELY; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF CERTAIN PROPERTY WITHIN THE REDEVELOPMENT AREA; AND CONTAINING AN EMERGENCY CLAUSE AND A SEVERABILITY CLAUSE.

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

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

WHEREAS, on November 5, 2004, the Land Clearance for Redevelopment Authority (LCRA) of the City published a Request for Proposals soliciting proposals for the purchase and rehabilitation of the building commonly known as the Syndicate Trust Building (the “Building”), and made such Request for Proposals available for potential redevelopers of the Building; and

WHEREAS, in response to the solicitation of proposals, Syndicate Partners, LLC (the “Master Developer”) submitted its proposal for redevelopment of the Building dated January 13, 2005, as amended; and

WHEREAS, on April 5, 2005, the LCRA, acting on a recommendation by a seven-member selection committee, preliminarily selected the Master Developer as the purchaser of the Building, and designated the Master Developer, as “Developer” of the property within the Redevelopment Area (as such term is herein defined); and

WHEREAS, the LCRA entered into that certain Redevelopment Agreement (the “LCRA Agreement”) with the Master Developer dated as of June 6, 2005, and that certain Real Estate Sale Contract (the “Real Estate Sale Contract”) with the Master Developer for the purchase of the Building dated as of June 6, 2005, which Real Estate Sale Contract provides that the execution of an agreement providing for tax increment allocation financing (TIF) in the amount of \$8,200,000 for the redevelopment of the Building was a contingency to the Master Developer’s purchase of the Building; and

WHEREAS, on January 11, 2006, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act (hereinafter defined) and received comments from all interested persons and taxing districts affected by the Redevelopment Plan, as hereinafter defined, and the redevelopment project described therein; and

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri (2000), as amended (the “Act” or “TIF Act”), and after due consideration of the TIF Commission’s recommendations, the Board of Aldermen of the City of St. Louis, Missouri adopted Ordinance No. 66975 on January 6, 2006, which Ordinance: (i) adopted and approved a redevelopment plan entitled the “Syndicate Trust Building TIF Redevelopment Plan” dated June 25, 2005, as amended on July 28, 2005 as further amended on October 25, 2005 (the “Redevelopment Plan”), (ii) designated the Syndicate Trust Building Redevelopment Area (as described in the Redevelopment Plan) as a “redevelopment area” as that term is defined in the TIF Act (the “Redevelopment Area”), (iii) adopted and approved the Redevelopment Project described in the Redevelopment Plan, (iv) adopted tax increment allocation financing within the Redevelopment Area, (v) established the City of St. Louis, Missouri “Syndicate Trust Building Special Allocation Fund,” and (vi) made certain findings with respect thereto, all as set forth in such Ordinance and in accordance with the requirements of the Act; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by renovating and rehabilitating the existing structure in the Area into a mix of uses including, but not limited to, residential units, commercial space and parking, as set forth in the Redevelopment Plan (the “Redevelopment Project,” or “TIF Project”); and

WHEREAS, pursuant to Ordinance No. 66975, the Board of Aldermen has determined that completion of the Redevelopment Project is of economic significance to the City, will serve to benefit the general welfare, qualifies for the use of tax increment allocation financing to alleviate the conditions that qualify it as a “redevelopment area” as provided in the TIF Act, and further, that redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the adoption of tax increment allocation financing and would not otherwise be completed; and

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

WHEREAS, it is necessary and desirable and in the best interest of the City to enter into a redevelopment agreement with Syndicate Condominiums, LLC (the “Condos Developer”) pertaining to the redevelopment of a portion of the Redevelopment Area (the “Condos Component”), and a redevelopment agreement with Syndicate Retail, LLC (the “Retail Developer”) pertaining to the redevelopment of a portion of the Redevelopment Area (the “Retail Component”), in order that the Condos Developer and Retail Developer may complete the respective components of the Redevelopment Project, which will provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, preservation of an historic structure, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, the immediate preservation of the public peace, health and safety, and the elimination of impediments to land disposition and development in the City of St. Louis; and

WHEREAS, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with the Condos Developer setting forth the respective rights and obligations of the City and Condos Developer with regard to the redevelopment of the Condos Component of Redevelopment Area (the “Condos Agreement”); and

WHEREAS, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with the Retail Developer setting forth the respective rights and obligations of the City and Retail Developer with regard to the redevelopment of the Retail Component of Redevelopment Area (the “Retail Agreement”); and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Condos Agreement attached as **Exhibit A** hereto and incorporated herein by reference and the Retail Agreement attached as **Exhibit B** hereto and incorporated herein by reference are acceptable and that the execution, delivery and performance by the City and the Condos Developer and the Retail Developer of their respective obligations under the Condos Agreement and Retail Agreement, respectively are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the TIF Act and the Redevelopment Plan; and

WHEREAS, the Building is in a severely deteriorated state and portions of the Building exterior recently became loose from the Building and have fallen down and blown off onto the surrounding streets and neighboring property, posing a significant danger to those in the immediate vicinity and a specific and immediate threat to the public peace, health and safety; and

WHEREAS, because the Real Estate Sale Contract contains a contingency to the purchase of the Building relating to the authorization of an agreement regarding to TIF, the repair and rehabilitation of the physical condition of the Building by Retail Developer will not begin until such time as the attached agreements providing for TIF have been authorized and executed, thereby enabling the Master Developer to purchase the Building and make the necessary improvements; and

WHEREAS, because of such physical conditions and the contingency related to TIF contained in the Real Estate Sale Contract, the actions contemplated by this Ordinance are necessary for the immediate preservation of the public peace, health and safety.

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

SECTION ONE. The Board of Aldermen hereby ratifies and confirms its approval of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project. The Board of Aldermen further finds and determines that it is necessary and desirable to enter into (i) the Condos Agreement with the Condos Developer of the Condos Component of the Redevelopment Area, and (ii) the Retail Agreement with the Retail Developer of the Retail Component of the Redevelopment Area, and in order to implement the Redevelopment Project and to enable the Developer to carry out its proposal for development of the Redevelopment Project.

SECTION TWO. The Board of Aldermen finds and determines that the assistance of tax increment financing is necessary and desirable in order to implement the Redevelopment Project and to enable Syndicate Partners, LLC, as Master Developer of the Redevelopment Area, through the Condos Developer and the Retail Developer, to carry out its proposal for development of the Redevelopment Project.

SECTION THREE. The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, (i) the Condos Agreement by and between the City and the Condos Developer attached hereto as **Exhibit A**, and (ii) the Retail Agreement by and between the City and the Retail Developer attached hereto as **Exhibit B**, and the City Register is hereby authorized and directed to attest to the Condos Agreement and the Retail Agreement and to affix the seal of the City thereto. The Condos Agreement and Retail Agreement shall be in substantially the form attached, with such changes therein as shall be approved by said Mayor and Comptroller executing the same and as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

SECTION FOUR. The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions to execute and deliver for and on behalf of the City any and all additional certificates, documents, agreements or other instruments as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated representatives.

SECTION FIVE. The Mayor and the Comptroller or their designated representatives, with the advice and concurrence of the City Counselor and after approval by the Board of Estimate and Apportionment, are hereby further authorized and directed to make any changes to the documents, agreements and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such changes by the Mayor and the Comptroller or their designated representatives.

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

SECTION SEVEN. The Board of Aldermen hereby finds and determines that the Building is in a severely deteriorated state and portions of the Building exterior recently became loose from the Building and have fallen down and blown off onto the surrounding streets and neighboring property, posing a significant danger to those in the immediate vicinity and a specific and immediate threat to the public peace, health and safety; and

SECTION EIGHT. The Board of Aldermen hereby finds and determines that this ordinance constitutes an “emergency measure” pursuant to Article IV, Section 20 of the City Charter, because the authorization and execution of the attached agreements is necessary to satisfy an outstanding contingency of the Real Estate Sale Contract and will allow the Master Developer to purchase the Building and to begin the repair and rehabilitation of the Redevelopment Project, and thus eliminating a serious threat to the public peace, health and safety.

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

SECTION TEN. If, within ninety (90) days after the effective date of this Ordinance, either the Condos Developer or the Retail Developer has not (i) executed a redevelopment agreement pertaining to the respective component of Redevelopment Project and (ii) paid all fees due to the City in accordance with the terms of such redevelopment agreement, the provisions of this Ordinance pertaining to the respective Condos Component or Retail Component shall be deemed null and void and of no effect and all rights conferred by this Ordinance on the Condos Developer or Retail Developer, as the case may be, shall terminate, *provided further*, however, that prior to any such termination the Condos Developer or Retail Developer may seek an extension of time in which to execute the Condos Agreement or Retail Agreement, respectively, which extension may be granted in the sole discretion of the Board

of Estimate and Apportionment of the City of St. Louis.

EXHIBIT A

Condos Agreement by and between the City of St. Louis and the Condos Developer
(Attached hereto.)

REDEVELOPMENT AGREEMENT
Between the
CITY OF ST. LOUIS, MISSOURI
And
SYNDICATE CONDOS, LLC

Dated as of
_____, 2006

SYNDICATE TRUST REDEVELOPMENT PROJECT – CONDOS COMPONENT

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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “*Agreement*”) is made and entered into as of this ____ day of _____, 2006, by and between the **CITY OF ST. LOUIS, MISSOURI** (the “*City*”), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and **SYNDICATE CONDOMINIUMS, LLC**, (the “*Condos Developer*”), a limited liability company duly organized and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in **Article I** of this Agreement.)

RECITALS

A. The Land Clearance for Redevelopment Authority (LCRA) of the City published a Request for Proposals on November 5, 2004 in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the purchase and rehabilitation of the Syndicate Trust Building, and made such Request for Proposals available for potential developers of the Syndicate Trust Building.

B. The LCRA acquired the Syndicate Trust Building in February 2002 and the City of St. Louis, Missouri (the "City") approved a plan for the Syndicate Trust Building pursuant to Ordinance No. 65445.

C. Syndicate Partners, LLC (the "Master Developer"), in response to the solicitation of proposals from developers, submitted its proposal for redevelopment of the Syndicate Trust Building dated January 13, 2005, as amended.

D. On April 5, 2005, the LCRA, acting on a recommendation by a seven-member selection committee, preliminarily selected the Master Developer as the purchaser and developer of the Syndicate Trust Building, with such preliminary selection to become final upon successful negotiation of an agreement with the Master Developer.

E. On June 6, 2005, the Board of Commissioners of the LCRA approved a form of agreement (the "LCRA Agreement") by Board Resolution Number 05-LCRA-7948.

F. Pursuant to Ordinance No. 62477, adopted and approved on December 20, 1991, the Board of Aldermen duly formed the Tax Increment Financing Commission of the City of St. Louis, Missouri (the "TIF Commission"), in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, (2000) (the "TIF Act"), and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act.

G. The City published a notice on _____, 2005 and _____, 2005 in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the redevelopment of the Redevelopment Area, and made such requests for proposals available for potential developers of the Redevelopment Area.

H. Master Developer submitted its development proposal dated June 9, 2005, (the "Redevelopment Proposal") to the TIF Commission for redevelopment of the Redevelopment Area.

I. On August 10, 2005, following a public hearing held on August 10, 2005, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the Redevelopment Plan titled "Syndicate Trust Building TIF Redevelopment Plan" dated June 25, 2005, as amended July 28, 2005, as further amended October 25, 2005 (the "Redevelopment Plan"), the Redevelopment Project described in the Redevelopment Plan (the "Redevelopment Project") and the Redevelopment Area, and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (c) approving the Redevelopment Project, and (d) creating the Syndicate Trust Special Allocation Fund.

J. On _____, 2006, after due consideration of the TIF Commission's recommendations, the Board of Aldermen adopted Ordinance No. 66975 [Board Bill No. 307] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

K. On _____, 2006, the Board of Aldermen adopted Ordinance No. _____ [Board Bill No. ____] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project and authorizing the City to enter into this Agreement with the Condos Developer.

L. On _____, 2006, the Board of Aldermen adopted Ordinance No. _____ [Board Bill No. ____] authorizing the issuance of TIF Notes as evidence of the City's obligation to reimburse certain Redevelopment Project Costs as provided by this Agreement incurred in furtherance of the Redevelopment Plan and the Redevelopment Project and pledging TIF Revenues to the payment of the TIF Notes and authorizing the City to enter into the Trust Indenture, as such term is herein defined.

M. Pursuant to provisions of the TIF Act and Ordinance Nos. _____, _____ and

_____[Board Bill Nos. ___, ___ and ___], the City is authorized to enter into this Agreement, to issue TIF Notes as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and the Redevelopment Project, and to pledge TIF Revenues to the payment of the TIF Notes.

AGREEMENT

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

ARTICLE I. DEFINITIONS

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

"Acquisition Costs" means the consideration paid by Developers to a third party to acquire fee simple interest in the Redevelopment Area.

"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 (2000), as amended.

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

"Apartments Available Revenues" means all Apartments TIF Revenues on deposit from time to time (including investment earnings thereon) in (a) the Apartments Sub-Account of the PILOTS Account of the Special Allocation Fund, and (b) the Apartments Sub-Account of the EATS Account of the Special Allocation Fund that have been appropriated to the repayment of the 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.

"Apartments Component" means the rehabilitation and redevelopment of the Apartments Sub-Area into (i) 28 loft-style apartment units subject to income restrictions under Section 42 of the Internal Revenue Code to qualify for Low Income housing Tax Credits and (ii) gallery space, artist workshop space, storage space and a theater/media room, as further set forth in the LCRA Agreement.

"Apartments Developer" means Syndicate Apartments, LP, a limited partnership duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

"Apartments EATs Sub-Account" means that sub-account by that name in the EATs Account of the Special Allocation Fund.

"Apartments PILOTs Sub-Account" means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

"Apartments Sub-Area" means floors 4 and 5 of the Syndicate Trust Building currently existing within the Redevelopment Area.

"Apartments 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 Apartments Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Apartments Sub-Area over the amount of such taxes generated by economic activities within the Apartments Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City), as defined and described in Sections 99.805(4) and 99.845.3 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, Apartments 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.

“*Approved Investors*” means (a) the Condos Developer or the Master Developer, or a Related Entity thereto, (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. 66975 [Board Bill No. 307] designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, adopting tax increment allocation financing within the Redevelopment Area, and establishing the Special Allocation Fund.

“*Authority*” means The Industrial Development Authority of The City of St. Louis, Missouri, a public corporation duly organized under Chapter 349 of the Revised Statutes of Missouri.

“*Authorizing Ordinance*” means Ordinance No. _____ [Board Bill No. ____] affirming approval and adoption of the Redevelopment Plan, Redevelopment Project, and designation of the Redevelopment Area and authorizing the City to enter into this Redevelopment Agreement with the Condos Developer.

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

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

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

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

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

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

“*Certificate of Substantial Completion*” means, as the context requires, (i) with respect to the Condos Component a document substantially in the form of **Exhibit E**, attached hereto and incorporated herein by reference, issued by the Condos Developer to the City in accordance with this Agreement and evidencing the Condos Developer’s satisfaction of all obligations and covenants to construct the Condos Component in accordance with the Redevelopment Plan and this Agreement, or (ii) with respect to the Redevelopment Project as a whole, the Certificate of Substantial Completion submitted by the Master Developer in accordance with the LCRA Agreement.

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

“*Comptroller*” means the Comptroller of the City.

“*Condos Available Revenues*” means _____ percent (__ %) of all Condos TIF Revenue on deposit from time to time

(including investment earnings thereon) in each of (a) the Condos Sub-Account of the PILOTS Account of the Special Allocation Fund, and (b) the Condos Sub-Account of the EATS Account of the Special Allocation Fund that have been appropriated to the repayment of the 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.

“*Condos Component*” means the rehabilitation and redevelopment of the Condos Sub-Area into (i) 102 Condominium and Townhome Units on the eight upper floors of the Property; and (ii) parking, storage space, a party room and outdoor patios (including a roof deck), as further set forth in the LCRA Agreement.

“*Condos Developer*” means Syndicate Condominiums, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

“*Condos EATs Sub-Account*” means that sub-account by that name in the EATs Account of the Special Allocation Fund.

“*Condos Note*” or “*Condos TIF Notes*” or “*Series C Notes*” means one or more TIF Notes designated as such and issued by the City pursuant to the Condos Redevelopment Agreement and the Indenture to reimburse the Condos Developer for Reimbursable Redevelopment Project Costs incurred in the Redevelopment Project.

“*Condos PILOTs Sub-Account*” means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

“*Condos Redevelopment Agreement*” means the Redevelopment Agreement dated as of _____, 2006, by and between the City and the Condos Developer, as may be modified, amended or supplemented from time to time.

“*Condos Sub-Area*” means floors 2, 3, 9 through 17 (including any penthouses located or extending above the 17th floor) and the basement of the Syndicate Trust Building currently existing within the Redevelopment Area.

“*Condos 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 Condos Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Condos Sub-Area over the amount of such taxes generated by economic activities within the Condos Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 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, Condos 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.

“*Consent to Collateral Assignment*” means a written consent by the City to the collateral assignment of this Agreement, in substantially similar form to that attached hereto as **Exhibit G** and incorporated herein by reference.

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

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

“*Governmental Approvals*” means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, or other subdivision, zoning, or similar approvals required for the implementation of the Redevelopment Project related to the Redevelopment Area and consistent with the Redevelopment Plan and this Agreement.

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

“*LCRA Agreement*” means that certain Redevelopment Agreement between the Land Clearance for Redevelopment Authority of the City (LCRA) and Master Developer and dated June 6, 2005, as may be amended.

“*Master Developer*” means Syndicate Partners, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri.

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

“*Note Ordinance*” means Ordinance No. _____ [Board Bill No. ____] adopted by the Board of Aldermen authorizing the TIF Notes, the Trust Indenture and all related proceedings.

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

“*Post-Completion Funding Source*” means those sources of permanent financing enumerated in clause (b) of **Section 4.3** of this Agreement.

“*Project Component*” means the Apartments Component, the Condos Component and/or the Retail Component, as each is defined herein, collectively or individually as the context provides.

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

“*Project Lender*” means a commercial bank, savings bank, savings & loan association, credit union, other financial institution, or a community development entity formed for New Markets Tax Credits purposes that has loaned funds to the Condos Developer to be used for construction of the Redevelopment Project and has secured such loan with a mortgage or security interest in any portion of the Redevelopment Project.

“*Property*” means the real property (including without limitation all options held by third parties, fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) and existing improvements in the Redevelopment Area as set forth in the Redevelopment Plan.

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

“*Redevelopment Area*” means the real property described in **Exhibit A**, attached hereto and incorporated herein by reference.

“*Redevelopment Plan*” means the plan titled “Syndicate Trust Building TIF Redevelopment Plan” dated June 25, 2005, as amended July 28, 2005, as further amended October 25, 2005, approved by the City pursuant to the Approving Ordinance, as such plan may from time to time be amended in accordance with the TIF Act.

“*Redevelopment Project*” means the Redevelopment Project identified by the Redevelopment Plan and the LCRA Agreement, including the Apartments Component, the Condos Component and the Retail Component, as defined herein, as approved by the Approving Ordinance.

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

“*Redevelopment Proposal*” means the document on file with the City and incorporated herein by reference, titled “Syndicate Trust Building TIF Application,” dated June 9, 2005 and submitted by the Master Developer to the City.

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

“*Related Entity*” means any party or entity related to the Condos Developer by one of the relationships described in Section 267(b), Section 707(b)(1)(A) or Section 707(b)(1)(B) of the Internal Revenue Code of 1986, as amended, provided that the Master Developer and the Condos Developer shall be deemed to be Related Entities to one another.

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

“*Retail Acquisition Costs*” means the consideration paid by the Retail Developer to a third party to acquire fee simple interest in the Retail Sub-Area.

“*Retail Available Revenues*” means all Retail TIF Revenue, all Apartments TIF Revenue and _____ percent (___%) of the Condos TIF Revenue on deposit from time to time (including investment earnings thereon) in each of (a) the PILOTs Account, or (b) the EATS Account, of the Special Allocation Fund that have been appropriated to the repayment of the 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.

“*Retail Component*” means the rehabilitation and redevelopment of the Retail Sub-Area into (i) a minimum of 19,000 gross square ft. of street level retail space, (ii) 42 loft-style apartment units, and (iii) a business center, gallery space, storage space, a fitness area, and laundry facility, as further set forth in the LCRA Agreement.

“*Retail Developer*” means Syndicate Retail, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

“*Retail EATs Sub-Account*” means that sub-account by that name in the EATs Account of the Special Allocation Fund.

“*Retail Notes*” or “*Retail TIF Notes*” or “*Series R Notes*” means one or more TIF Notes designated as such and issued by the City pursuant to this Agreement and the Indenture to reimburse the Retail Developer for Reimbursable Redevelopment Project Costs incurred in the Retail Component of the Redevelopment Project, such TIF Notes as are in the form attached hereto as **Exhibit F** and incorporated herein by this reference.

“*Retail PILOTs Sub-Account*” means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

“*Retail Sub-Area*” means floors 1, 6, 7 and 8 of the Syndicate Trust Building currently existing in the Redevelopment Area.

“*Retail 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 Retail Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Retail Sub-Area over the amount of such taxes generated by economic activities within the Retail Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 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, Retail 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.

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

“*Special Allocation Fund*” means the Syndicate Trust Special Allocation Fund, created by the Approving Ordinance in accordance with the TIF Act, and including the accounts and sub-accounts for the Redevelopment Project into which TIF Revenues are from time to time deposited in accordance with the TIF Act, the Note Ordinance and this Agreement.

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

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

“*TIF Notes*” means tax increment revenue notes issued by the City pursuant to and subject to the Redevelopment Plan, the Note Ordinance and this Agreement, in substantially the form set forth in **Exhibit F**, to evidence the City’s limited obligation to repay Reimbursable Redevelopment Project Costs incurred by the Master Developer, Apartments Developer, Condos Developer or Retail Developer or a Related Entity thereto, as the case may be, on behalf of the City in accordance with the TIF Act and this Agreement.

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

“*TIF Revenues*” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Redevelopment Area over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and Redevelopment Project, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, and licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all as provided in Section 99.845 of the TIF Act. 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.

“*Trust Indenture*” means the Trust Indenture approved by the Note Ordinance.

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

“*Verified Total Project Costs*” shall have the meaning set forth in **Section 4.3** of this Agreement.

“*Work*” means all work necessary to prepare the Redevelopment Area and to construct or cause the construction and completion of the Redevelopment Project, or as the context may require, any individual component thereof described in the Redevelopment Plan and this Agreement, including but not limited to: (1) property acquisition; (2) site preparation and environmental remediation; (3) construction, reconstruction, renovation and/or rehabilitation of the building within the Redevelopment Area into residential units and commercial space, parking and other common improvements; (4) construction, reconstruction, renovation and/or rehabilitation of common space and amenities within the building in the Redevelopment Area; (5) construction, reconstruction, renovation and/or rehabilitation of related infrastructure and/or public improvements, including without limitation surrounding roads, sidewalks, parking, landscaping, trees, planters, lighting, decorative banners, benches, trash receptacles, bike racks, directional signage and sewer, water, electrical, and all other utilities necessary to maintain and operate the Redevelopment Project; (6) professional services, including, but not limited to, architecture, engineering, surveying, financing, legal, planning and consulting; (7) all other work described in the Redevelopment Plan and this Agreement, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II. ACCEPTANCE OF PROPOSAL

2.1 Condos Developer Designation. The City hereby selects the Condos Developer to perform or cause the performance of the Work for the Condos Component in accordance with the Redevelopment Plan and this Agreement and all

Governmental Approvals. To the extent of any inconsistency among the foregoing, the parties agree that the Redevelopment Plan shall govern.

2.2 Condos Developer to Advance Costs. The Condos Developer agrees to advance or cause to be advanced all Redevelopment Project Costs as necessary to acquire the Condos Sub-Area and to complete the Work for the Condos Component, all subject to the Condos Developer's right to abandon the Condos Component of the Redevelopment Project and to terminate this Agreement as set forth in **Section 7.1** of this Agreement. Additionally, and not by way of limitation:

(i) the City acknowledges payment by the Master Developer of a Five Thousand Dollar and no/100 (\$5,000.00) TIF Application Fee for the entire Redevelopment Project;

(ii) the City acknowledges that, prior to the execution of this Agreement, the Condos Developer paid the sum of Ten Thousand Four Hundred Forty-Six Dollars and no/100 (\$10,446.00) (which sum represents 0.3% of the maximum amount of Condos Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement, exclusive of Issuance Costs), which monies have been paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iii) the Condos Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Ten Thousand Four Hundred Forty-Six Dollars and no/100 (\$10,446.00) (which sum represents 0.3% of the maximum amount of Condos Notes allowed to be issued by the City pursuant to Section 4.1 of this Agreement, exclusive of Issuance Costs), which monies shall be paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iv) the Condos Developer shall pay or cause to be paid to the LCRA an additional amount to reimburse the LCRA for its actual legal expenses incurred in connection with the review of the Redevelopment Proposal, the review and adoption of the Redevelopment Plan (provided that the Condos Developer and Retail Developer and Master Developer, collectively, shall only be required to compensate the LCRA once for expenses incurred with respect to the entire Redevelopment Project) and the Condos Developer shall pay to the LCRA an additional amount to reimburse the LCRA for its actual legal expenses incurred in connection with the negotiation, execution and implementation of this Agreement, which amount shall be paid as follows: (i) all such costs incurred through the date of execution of this Agreement shall be paid within ten (10) days after the execution of this Agreement, and (ii) all such costs incurred after the date of execution of this Agreement and prior to the date upon which the City receives from Condos Developer a Certificate of Reimbursable Redevelopment Project Costs shall be paid concurrently with the initial issuance of the Condos Notes; and

(v) the Condos Developer shall, concurrently with the issuance of Condos Notes as provided for herein, pay the City for the City's Issuance Costs of such Condos Notes; and

(vi) any amounts advanced to the City shall represent Reimbursable Redevelopment Project Costs to be reimbursed exclusively from the proceeds of TIF Obligations as provided in and subject to **Articles IV and V** of this Agreement.

ARTICLE III. CONSTRUCTION OF REDEVELOPMENT PROJECT

3.1 Acquisition of Property. The Condos Developer represents that, as of the date of this Agreement, Master Developer is the owner or owner under contract of the Condos Sub-Area. Any additional properties acquired by the Condos Developer for completion of the Work for the Condos Component shall be acquired in the name of the Condos Developer and shall be subject to the terms, conditions and covenants contained herein and in the Redevelopment Plan immediately upon acquisition.

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

3.3 Relocation. The Condos Developer shall identify any Displaced Person (as defined in Ordinance No. 62481 of the City) that is entitled to relocation payments or relocation assistance under the Relocation Plan. The City shall, at the Condos

Developer's sole cost and expense, subject to reimbursement as a Reimbursable Redevelopment Project Cost in accordance with **Article IV** of this Agreement, coordinate such relocation payments and relocation assistance in accordance with the Relocation Plan.

3.4 Condos Developer to Construct the Condos Component. The Condos Developer shall commence or cause the commencement of the construction of the Work with respect to the Condos Component on or before the date set forth for such commencement in the LCRA Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Redevelopment Plan. The Condos Developer shall substantially complete or cause the Work with respect to the Condos Component to be substantially complete not later than the date set forth in the LCRA Agreement absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Condos Developer shall be granted additional time to complete the Work with respect to the Condos Component, but under no circumstance shall such time to complete such Work extend beyond the date provided for pursuant to the LCRA Agreement.

The Condos Developer may enter into or cause to be entered into one or more construction contracts to complete the Work. Prior to the commencement of construction of any portion of the Work with respect to the Condos Component, the Condos Developer shall obtain or shall require that any of its contractors obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The Condos Developer shall require that such insurance be maintained by any of its contractors for the duration of the construction of such portion of the Work. To the extent that laws pertaining to prevailing wage and hour apply to any portion of the Work the Condos Developer agrees to take all actions necessary to apply for the wage and hour determinations and otherwise comply with such laws.

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

3.6 Construction Plans; Changes. The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect to the Work for the Condos Component shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work for the Condos Component, the Condos Developer may make such reasonable changes, including without limitation modification of the construction schedule, subject to the provisions of **Section 3.4**, including but not limited to, dates of commencement and completion (subject to the time limitations set forth in this Agreement), modification of the areas in which the Work for the Condos Component is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work for the Condos Component, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Condos Developer, to enhance the economic viability or eligibility for State and/or Federal historic tax credits of the Condos Component or the Redevelopment Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided that (a) the Condos Developer shall comply with all laws, regulations and ordinances of the City and (b) prior to any material changes, the Condos Developer shall obtain the advance written consent of SLDC, which consent shall not be unreasonably withheld or delayed provided that the SLDC shall approve any such change that is required by a governmental authority to obtain historic tax credits for the Redevelopment Project and to comply with the Federal and State historic tax credit programs and shall approve any change that is required by the City or any officer or department thereof to cause the Redevelopment Project to comply with the Building Code of the City. For purposes of this **Section 3.6**, "material changes" shall mean (i) any change that could reasonably be expected to result in a decrease in the aggregate amount of Condos TIF Revenues generated within the Condos Sub-Area to an amount less than 90% of the aggregate amount of Condos TIF Revenues as projected in the document attached hereto as **Exhibit H**; or (ii) any change that would reduce or increase the final number of residential units or the final total square footage of commercial space by more than ten percent (10%) of the units or square footage set forth in this Agreement, and the Construction Plans; or (iii) any change that would require the consent of the City, the LCRA or the SLDC under the LCRA Agreement.

3.7 Certificate of Commencement of Construction. The Condos Developer shall furnish to the SLDC, with a copy to the Comptroller, a Certificate of Commencement of Construction, which certificate shall be submitted for the Condos Component in accordance with the schedule set forth in **Section 3.4** of this Agreement. The Certificate of Commencement of Construction shall be deemed accepted by the SLDC upon receipt of the same.

3.8 Certificate of Substantial Completion. The Condos Developer shall furnish to the City and the SLDC a Certificate of Substantial Completion for the Condos Component after substantial completion of the Work with respect to the Condos Component. The Mayor or his designee and the SLDC shall, within thirty (30) days following delivery of such Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the

certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City and the SLDC unless, within thirty (30) days following delivery of the Certificate of Substantial Completion for the Condos Component, the Mayor or his designee or SLDC furnishes the Condos Developer with specific written objections to the status of the Work in the Condos Component, describing such objections and the measures required to correct such objections in reasonable detail. In the case where the Mayor or his designee or SLDC, within thirty (30) days following delivery of the Certificate of Substantial Completion, provides the Condos Developer with specific written objections to the status of the Work for the Condos Component, the Condos Developer shall have such amount of time as is reasonably necessary to address such objections and when addressed shall re-submit the Certificate of Substantial Completion to the Mayor or his designee or the SLDC in accordance with this Section. Upon acceptance of the Certificate of Substantial Completion by the Mayor or his designee and the SLDC for the Condos Component, or upon the lapse of thirty (30) days after delivery thereof to the Mayor or his designee and the SLDC without any written objections thereto, the Condos Developer may record a Certificate of Substantial Completion with the City's Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Condos Developer's agreements and covenants to perform the Work required to complete the Condos Component. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit E**, attached hereto and incorporated by referenced herein.

ARTICLE IV. REIMBURSEMENT OF CONDOS DEVELOPER COSTS

4.1 City's Obligation to Reimburse Condos Developer. Subject to the terms of the Note Ordinance and this Agreement, the City agrees to reimburse Condos Developer for the verified Reimbursable Redevelopment Project Costs in a total amount not to exceed Three Million Four Hundred Eighty Two Thousand Dollars (\$3,482,000.00) plus Issuance Costs.

Subject to the terms of the Note Ordinance and this Agreement, the City agrees to issue Condos Notes to the Condos Developer to evidence the City's obligation to reimburse the Condos Developer for verified Reimbursable Redevelopment Project Costs in an amount not to exceed Three Million Four Hundred Eighty Two Thousand Dollars (\$3,482,000.00), plus Issuance Costs and interest as provided in **Section 5.2** of this Agreement, subject to the limitations of **Article IV** of this Agreement.

4.2 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Condos Developer's Right to Substitute. Nothing in this Agreement shall obligate the City to issue Condos TIF Notes or to reimburse the Condos Developer for any cost that is not incurred pursuant to Section 99.820.1 of the TIF Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF Act. The Condos Developer shall provide to the City (a) itemized invoices, receipts or other information evidencing such costs; and (b) a Certificate of Reimbursable Redevelopment Project Costs constituting certification by the Condos Developer that such cost is eligible for reimbursement under the TIF Act. Within thirty (30) days of the City's receipt from the Condos Developer of a Certificate of Reimbursable Redevelopment Project Costs, the City shall review and act upon such Certificate of Reimbursable Redevelopment Project Costs. The parties agree that each of the categories of costs set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, shall constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. The Condos Developer shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth in **Exhibit B** up to the maximum aggregate amount established in **Section 4.1** of this Agreement; *provided*, that the Condos Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i)-(v)**, of this Agreement. If the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is not a "redevelopment project cost" under Section 99.805(14) of the TIF Act, the City shall so notify the Condos Developer in writing within the 30-day period referenced in this **Section 4.2**, identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Condos Developer shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment. If the City fails to approve or disapprove any Certificate of Reimbursable Redevelopment Project Costs within thirty (30) days after receipt thereof, the Certificate of Reimbursable Redevelopment Project Costs shall be deemed approved.

4.3 Cost Savings and Excess Profits. Within one hundred eighty (180) days after the submission of the Certificate of Substantial Completion by Master Developer for the Redevelopment Project as a whole as provided in Section 3.13 of the LCRA Agreement, Retail Developer, Master Developer and Condos Developer also shall furnish to the City for the City's review and approval, (a) a statement of Verified Total Project Costs, with evidence of billings and payments for each expenditure, including itemized invoices, receipts, and pay applications or other evidence of payment as appropriate for the type of cost; and (b) a statement of each and every Post-Completion Funding Source for the Redevelopment Project, which shall include Redevelopment Project sources actually received by the Condos Developer, Retail Developer and Master Developer as of the date of the statement and the net present value of any future source, including (i) documentation from accountants, tax credit authorities and tax credit purchasers evidencing the total amount of tax credits approved for the Redevelopment Project and the net present value of proceeds available

to the Condos Developer, Retail Developer and Master Developer from the sale of such tax credits; (ii) One Million Dollars (\$1,000,000.00) (the amount of equity in the Redevelopment Project as identified in the Proposal); (iii) statements from each and every lender for the Redevelopment Project as to the amount of amortizing debt financing that will be available to the Redevelopment Project upon commencement of operations; and (iv) a statement of all net sales proceeds derived from the sale of any portion of the Redevelopment Project.

“Verified Total Project Costs” means the sum total of all reasonable or necessary costs incurred, and any such costs incidental to the Redevelopment Project or the Work, including, but not limited to, all Acquisition Costs, Issuance Costs, Redevelopment Project Costs, Reimbursable Redevelopment Project Costs, and Tenant Improvement costs up to the amount of \$700,000, *provided, however*, that Condos Developer shall not include developer fees, developer overhead, or consultant fees for any service typically performed by the Condos Developer, Retail Developer or Master Developer in the Verified Total Project Costs, provided further that, with respect to any other costs for any services provided by the Condos Developer, Retail Developer and Master Developer or a Related Entity to any of the aforesaid developers, the amount of such costs included in the Verified Total Project Costs shall not exceed the amount set forth in the Redevelopment Plan for such services, *and provided further* that, if any of the owners, officers, principals or members of the construction contractor for the Redevelopment Project are the same as any owner, officer, principal or member of Condos Developer, Retail Developer or Master Developer or general partner in the owner of the development, amounts submitted for aggregate contractor fees in the Verified Total Project Costs shall not exceed eighteen percent (18%) of construction costs as provided for in the Missouri Housing Development Commission’s 2005 Qualified Allocation Plan for the Low Income Housing Tax Credit Program. Condos Developer shall include documentation, including detailed invoices and receipts for payment, for each and every item of costs traceable to third parties with no relationship to Condos Developer, Retail Developer or Master Developer, in addition to summary pay applications submitted to Condos Developer, Retail Developer and Master Developer by the construction contractor, and the sum of such third party costs shall be the construction costs upon which all contractor’s fees are calculated.

To the extent that the Condos Component is less than 100% sold at the time the Retail Developer, Master Developer and Condos Developer submit their statement of Post-Completion Funding Sources for the Redevelopment Project such that the City is required to calculate the net present value of any future sales, the following calculation shall be used:

Developer shall submit a complete and accurate list of all of the units sold, together with, for each unit, the date the sale contract was executed, the date upon which the sale actually closed, the date upon which construction of the unit was substantially complete, total price for which the unit sold, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds received by the Developer or affiliate or related party to the Developer. Developer shall also submit a complete and accurate list of all units that are under contract at the time of the submission, together with, for each unit, the date the sale contract was executed, the date upon which the sale contract specifies that the sale of the unit is to close, the date upon which construction of the unit was substantially complete, the total sale price for the unit specified in the sale contract, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds expected to be received by the Developer or affiliate or related party to the Developer. Developer shall also submit a complete and accurate list of all units for which have been “reserved” for purchase via a reservation form, letter of intent, or other document, together with, for each unit, the date upon which the “reservation” was executed, the date upon which the reservation specifies that the sale of the unit is to close, the date upon which construction of the unit was or is expected to be substantially complete, the total anticipated sale price for the unit specified in the reservation, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds expected to be received by the Developer or affiliate or related party to the Developer. Developer shall also submit a list of all units which have not been sold and for which no sale contract or reservation is pending, the sale price at which each unit is listed, and, for each unit, the date upon which such unit was completed.

The net present value of future sales shall be calculated as follows:

- (a) the average number of days each sold or under contract unit was on the market shall be determined by establishing the sum of all of the days that elapsed between substantial completion of each unit and the closing of the sale of such unit (or the anticipated closing date pursuant to the sale contract), and dividing such sum by the number of units included in the calculation. Units where substantial completion occurred within thirty (30) days of the closing of the sale shall be ignored in the calculation.
- (b) the average sales commission shall be calculated by totaling the amounts of all of the sales commissions actually paid on sold units or agreed to per executed sales contracts, and dividing such total by the total of the gross sales prices for all units sold or under contract.
- (c) The average amount of other deductions, excluding sales commissions, from gross sales proceeds shall be

established by adding up the total value of adjustments, positive and negative, made to the gross sales proceeds for each unit for which closing has occurred.

(d) future sales proceeds shall be calculated as the sum of all of the listing prices for all units not sold and not under contract as of the date of the submission, and subtracting from such total (i) the amount derived by multiplying such sum by the average sales commission calculated in (b) above; and then (ii) subtracting the amount derived by multiplying the average adjustment amount per unit calculated per (c) above by the number of units not sold and not under contract as of the date of the submission.

(e) the present value of the gross future sales proceeds shall be determined by calculating the present value of the amount derived from the calculation in (d) above, assuming that such amount is received at a point in time that equals the average number of days calculated in (a) above, that the present value rate is 8.75% per annum, or 0.023973%% per day, as follows.

Net present value of future sales = total future sales proceeds per “d” above – (total future sales proceeds per “d” above x average number of days per “a” above x 0.023973%/day).

To the extent that the sum of Post-Completion Funding Sources exceeds the sum of (i) Verified Total Project Costs; and (ii) four percent (4%) of the Acquisition Costs; and (iii) fifteen percent (15%) of all Verified Total Project Costs other than Acquisition Costs, the Condos Developer hereby agrees that the maximum amount of Reimbursable Redevelopment Project Costs for which the Condos Developer shall be reimbursed by the City as provided for in **Section 4.1** of this Agreement and the maximum amount of any Condos Notes to be issued by the City in accordance with **Section 5.2** of this Agreement shall be reduced (or if any Condos Notes have already been issued at the time of calculating the excess, the City may discharge such Condos Notes) by the product “X” of the following formula:

$$(E \bullet .75) \bullet .425 = X$$

E = The amount by which the Post-Completion Funding Sources exceeds the sum of (i) Verified Total Project Costs; and (ii) four percent (4%) of the Acquisition Costs; and (iii) fifteen percent (15%) of all Verified Total Project Costs other than Acquisition Costs.

X = The amount by which the Condos Note shall be abated or discharged, as the case may be, in accordance with the terms hereof.

.575 is the proportion of the total amount of all of the TIF notes for the Redevelopment Project that is attributable to the Condos Project.

4.4 City’s Obligations Limited to Special Allocation Fund and Bond Proceeds. Notwithstanding any other term or provision of this Agreement, Condos Notes issued by the City in accordance with this Agreement for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from Bond Proceeds, if any, and from no other source. The City has not pledged its full faith and credit relative to the City’s obligation to issue the TIF Obligations or to pay any Reimbursable Redevelopment Project Costs. The TIF Obligations shall be special, limited obligations of the City, and shall not constitute debt to the City within any constitutional or statutory meaning of the word “debt.”

ARTICLE V. TIF OBLIGATIONS

5.1 Conditions Precedent to the Issuance of Condos Notes. No Condos Notes shall be issued to Condos Developer a Related Entity or a Project Lender for the Condos Component until such time as the City has (i) accepted a Certificate of Substantial Completion evidencing 100% completion of the Condos Component; (ii) approved Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference; (iii) received an opinion of Bond Counsel regarding the taxable nature of the Condos Notes; (iv) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (v) received such other documentation as the City shall reasonably require of Condos Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**.

5.1.2.2 No Condos Notes shall be issued to a Qualified Institutional Buyer for the Condos Component until such time as the City has (i) accepted a Certificate of Substantial Completion evidencing 100% completion of the Redevelopment Project; (ii) received the documentation specified in **Section 4.3** of this

Agreement and calculated the amount of the clawback as provided for therein; (iii) approved Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference; (iv) received an opinion of Bond Counsel regarding the taxable nature of the Condos Notes; (v) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (vi) received such other documentation as the City shall reasonably require of Condos Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**.

5.2 Issuance of Condos Notes. The City agrees to issue one or more Condos Notes to Condos Developer, a Related Entity, a Project Lender or a Qualified Institutional Buyer as provided in this Agreement and the Note Ordinance to reimburse the Condos Developer for Reimbursable Redevelopment Project Costs up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of **Article IV** of this Agreement. The Condos Notes shall be in a form substantially similar to **Exhibit F**, attached hereto and incorporated herein by reference.

5.2.1.2 Terms. Each Condos TIF Note shall bear interest at a fixed rate per annum, determined on the date that is not less than ten (10) business days and not more than sixty (60) days prior to the scheduled closing date for the issuance of the Condos TIF Notes (the "Pricing Date") based on the municipal yield curve for general obligation bonds (the "MMD") compiled by Municipal Market Data-Line® (or its successors) and published by Thomson Financial, an operating unit of The Thomson Corporation (or its successors), using the MMD yield published as of the Issuance Date for general obligation bonds rated "AAA" that mature in the same year as the Condos TIF Notes, (i) plus four percent (4%) or less if the interest on the Condos TIF Notes (in the opinion of Bond Counsel) is not exempt from federal income taxation the ("Taxable Rate"), or (ii) plus two percent (2.0%) or less if the interest on the Condos TIF Notes (in the opinion of Bond Counsel) is exempt from federal income taxation (the "Tax-Exempt Rate"); provided, in no event shall the interest rate on the Condos TIF Notes exceed ten percent (10%) per annum. All Condos TIF Notes shall have a stated maturity of the Maturity Date.

5.2.2.1 Procedures for Issuance of Condos Notes to Developer, a Related Entity or Project Lender. Within sixty (60) days of the Condos Developer's satisfaction of the conditions of **Section 5.1.1** of this Agreement the City shall issue a Condos TIF Note to Condos Developer, a Related Entity or a Project Lender evidencing reimbursement of Reimbursable Redevelopment Project Costs. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Condos TIF Note as provided in this **Section 5.2**, the Condos Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Condos Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.2.2.2 Procedures for Issuance of Condos Notes to a Qualified Institutional Buyer. Within sixty (60) days of the Condos Developer's satisfaction of the conditions of **Section 5.1.2** of this Agreement the City shall issue a Condos TIF Note to a Qualified Institutional Buyer. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Condos TIF Note as provided in this **Section 5.2**, the Condos Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Condos Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.2.3 Special Mandatory Redemption of Condos TIF Notes. All Condos TIF Notes are subject to special mandatory redemption by the City, in whole at any time or in part on each May 1 and November 1 (each, a "Payment Date") occurring after the acceptance by the City of the final Certificate of Substantial Completion for the Redevelopment Project and issuance of one or more Condos TIF Notes at a redemption price equal to 100% of the principal amount being redeemed, together with the accrued interest thereon to the date fixed for redemption.

5.3 Issuance of TIF Bonds.

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

5.3.2.2 Upon receipt of a written request by the Condos Developer and upon the City's underwriter's recommendation in favor of issuing TIF Bonds and recommendation of the principal amount thereof based on the criteria set forth below, the City shall use its best efforts to cause the Authority to issue TIF Bonds as described in this Section. The aggregate gross cash proceeds from the sale of the TIF Bonds before payment of Issuance Costs, together with any interest accrued thereon ("Bond Proceeds") of such TIF Bonds will be finally determined by the City after receiving the underwriter's recommendation based on the criteria set forth below. The City shall not be obligated to cause the Authority to issue such TIF Bonds unless the underwriter determines that all of the following criteria are satisfied as of the date of issuance of such bonds, unless such criteria are waived by the City's underwriter. The Condos Developer shall not have any liability for any costs associated with the issuance of TIF Bonds but shall bear its own costs and expenses, including any attorneys' fees and expenses, that the Condos Developer may incur in complying with this Section. Notwithstanding anything in this Section to the contrary, the Condos Developer shall be liable for all costs incurred by the City or the Authority in the event the Condos Developer has requested the issuance of bonds and the City's underwriter has determined that such bonds cannot be issued at such time.

5.3.2.1 Criteria for Issuance. The underwriter's recommendation for issuance of TIF Bonds and the principal amount thereof shall be based on the following criteria:

- (i) Acceptance by the City of the Certificate of Substantial Completion for the Redevelopment Project;
- (ii) Review of projections of Available Condos Revenues available for debt service as proposed by an independent qualified consultant. Such projections must show that (A) if all Available Condos Revenues were to be applied to the immediate repayment of the TIF Bonds, the TIF Bonds would reasonably be anticipated to be retired within twenty-three years from the date of adoption of the Approving Ordinance, and (B) based on a maturity date twenty-three years from the date of adoption of the Approving Ordinance, the TIF Bonds are reasonably likely to achieve debt service coverage ratio reasonably acceptable to the City's underwriter;
- (iii) Documentation of stabilization of the Redevelopment Project for a minimum period of two years after substantial completion as evidenced in a report to the City prepared by a qualified independent consultant to be paid for by the City, which report also sets forth TIF revenue projections for the Condos Component in connection with the issuance of the TIF Bonds;
- (iv) The aggregate net projected debt service on the TIF Bonds (taking into account the principal portion of the TIF Bonds that are issued to establish a reserve fund and to pay Issuance Costs, and including any reserve fund earnings) will be lower than the net average annual debt service on the outstanding Condos Notes, unless the Condos Developer voluntarily elects to defer or forgive principal of and/or interest on the Condos Notes in an amount necessary to make the aggregate net projected debt service on the TIF Bonds lower than the net average annual debt service on the outstanding Condos Notes; and
- (v) The TIF Bonds can be sold at an aggregate net interest cost which is less than the aggregate net interest cost of the Condos Notes to be redeemed.

5.4 Application of TIF Bond Proceeds. Proceeds of any TIF Bonds shall be applied:

- 5.4.1.2** To the payment of costs relating to the issuance of the TIF Bonds;
- 5.4.2.2** To the payment of outstanding principal of and interest on the Condos Notes to be refunded;
- 5.4.3.2** To the payment of capitalized interest on the TIF Bonds; and

5.4.4.2 To the establishment of a debt service reserve fund for the TIF Bonds in a reasonable amount of the principal amount of TIF Bonds to be issued, as to be determined by the City's underwriter.

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

5.6 Subordinate Notes. If the amount of TIF Bonds issued pursuant to this Agreement is insufficient to refund all of the outstanding Condos Notes, the Condos Notes remaining outstanding shall be redeemed by the issuance of notes subordinate to the TIF Bonds (the "Subordinate Notes"). Each Subordinate Note shall have the same maturity and have the same outstanding principal amount and the same interest rate as the Condos Note it redeems. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.4** of this Agreement and the Note Ordinance.

5.7 City to Select Underwriter, Placement Agent and Financial Advisor; Term and Interest Rate. The City shall have the right to select the designated underwriter (and such financial advisors and consultants as the underwriter and the City deem necessary for the issuance of the TIF Bonds), underwriter's counsel and the placement agent and disclosure counsel for the issuance of TIF Bonds. The final maturity of the TIF Bonds shall not exceed the maximum term permissible under the TIF Act. The TIF Bonds shall bear interest at such rates, shall be subject to redemption and shall have such terms as the City shall determine in its sole discretion. Notwithstanding anything contained herein to the contrary, the City shall have the right to select the disclosure counsel with respect to the issuance of any TIF Obligations.

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

6.1 Creation of Special Allocation Fund. The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a "PILOTs Account," an "EATs Account," and therein a Condos PILOTs Sub-Account and a Condos EATs Sub-Account, respectively and such further accounts or sub-accounts as are required by this Agreement or the Note Ordinance, or as the Comptroller may deem appropriate in connection with the administration of the Special Allocation Fund pursuant to this Agreement. Subject to the requirements of the TIF Act and, with respect to Economic Activity Taxes, subject to annual appropriation by the Board of Aldermen, the City will promptly upon receipt thereof deposit all Payments in Lieu of Taxes derived from the Condos Sub-Area into the Condos PILOTs Sub-Account of the PILOTs Account and all Economic Activity Taxes derived from the Condos Sub-Area into the Condos EATs Sub-Account of the EATs Account.

6.2 Certification of Base for PILOTS and EATS.

6.2.1.2 Upon the reasonable written request of the City, Condos Developer shall use its best efforts to provide or cause to be provided to the Comptroller or its authorized representative any documents necessary for the City to calculate the base for PILOTs and EATs including, but not limited to: (i) the address and locator number of all parcels of real property located within the Condos Sub-Area; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of the Condos Sub-Area in the calendar year ending December 31, 2005.

6.2.2.2 Within ninety (90) days after execution of all agreements pertaining to the redevelopment of the Redevelopment Area, the City shall provide to the Condos Developer (i) a certification of the City Assessor of the total initial equalized assessed value of the taxable real property within the Redevelopment Area based upon the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area; and (ii) a certification of the amount of revenue from taxes, penalties and interest which are imposed by the City and other taxing districts and which are generated by

economic activities within the Redevelopment Area for the calendar year ending December 31, 2005, but excluding those personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, taxes levied for the purpose of public transportation, or licenses, fees or special assessments identified as excluded in Section 99.845.3 of the TIF Act.

6.3 Application of Available Revenues. The City hereby agrees for the term of this Agreement to apply the Available Revenues and any taxes, fees or assessments subsequently enacted and imposed in substitution therefor and allocable to the Special Allocation Fund under the TIF Act or this Agreement to the repayment of Condos TIF Notes issued under **Article V** of this Agreement as provided in the Trust Indenture, as authorized by the Note Ordinance, and this Agreement.

6.4 Cooperation in Determining TIF Revenues. The City and the Condos Developer agree to cooperate and take all reasonable actions necessary to cause the Condos TIF Revenues to be paid into the Special Allocation Fund, including, but not limited to, the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement. The Condos Developer (or its successor(s) in interest as an owner or owner(s) of the affected portion(s) of the Condos Sub-Area) shall require each "seller" (as that term is defined in Section 144.010(11) of the Missouri Revised Statutes, as amended) located in the Condos Sub-Area to provide to the Comptroller of the City the following information:

- (i) Each "seller's" federal and state tax identification numbers.
- (ii) Within thirty (30) days of the end of each calendar quarter, copies of a completed Tax Increment Financing District Quarterly Information Form for each "seller's" business located within the Condos Sub-Area along with:
 - (a) copies of all sales tax returns filed with the Missouri Department of Revenue (on Form 53-S.F. Missouri Department of Revenue or such successor form) with respect to the sales taxes originating from businesses located within the Condos Sub-Area for such quarter. In the event that a "seller" has multiple business operations within the City, such "seller" shall file separate sales tax returns for the sales taxes originating from the business located within the Condos Sub-Area.
 - (b) copies of all earnings tax returns filed with the City (on Business Return Form 234 or such successor form) with respect to earnings taxes originating from the business located within the Condos Sub-Area for such quarter. In the event that a business has multiple operations within the City, such business shall file separate earnings tax returns for the earnings taxes originating from the business located within the Condos Sub-Area.
 - (c) copies of all earnings tax withholding reports filed with the City (on Form W-10 or such successor form) with respect to earnings tax withholdings originating from the business located within the Condos Sub-Area for such quarter. In the event that a business has multiple operations within the City, such business shall file separate earnings tax withholding reports for the earnings tax withholdings originating from the business located within the Condos Sub-Area.
 - (d) copies of monthly invoices received for utility services provided to the property on which the business within the Condos Sub-Area is located, including without limitation electric, water, natural gas, and telephone services, for such quarter.

During such time as the Condos Developer or a Related Entity owns all or any portion of the Property, the Condos Developer shall provide the information required in clauses (i) through (vi) of this **Section 6.4**. The Condos Developer (or its successor(s) in interest as an owner or owner(s) of any portion(s) of the Condos Sub-Area) shall also request any purchaser or transferee of real property and any lessee or other user of real property located within the Condos Sub-Area to (i) designate sales subject to sales taxes pursuant to Chapter 144 of the Revised Statutes of Missouri, as amended, to be reported as originating from the Condos Sub-Area to the fullest extent permitted by law (including reasonable efforts to negotiate for the inclusion of a clause so providing in the leases of the Condos Sub-Area) and (ii) to provide to the Comptroller of the City within thirty (30) days of the end of each calendar quarter, copies of monthly invoices received for utility services provided to the property on which any purchaser, transferee or lessee of any residential or commercial unit within the Condos Sub-Area is located, including without limitation electric,

water, natural gas, and telephone services, for such quarter.

The Condos Developer shall satisfy the requirements of this **Section 6.4** by including the obligations set forth in this Section within any deed conveying a portion of the Condos Sub-Area to any purchaser or transferee or any lease entered into with any “seller” or lessee.

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

6.6 Notice to City of Transfer. The Condos Developer agrees to notify the City in writing of any sale, transfer or other disposition of the Condos Sub-Area or any interest therein as permitted by **Section 7.3.2** of this Agreement at least fifteen (15) days prior to such sale, transfer or other disposition. Said notice shall specify the name and address of the person so acquiring any or all of the Condos Sub-Area or any interest therein and shall identify the Condos Sub-Area to be sold, transferred or otherwise disposed, whether by voluntary transfer or otherwise. Notwithstanding the foregoing, Condos Developer shall not be required to notify the City of the sale or lease of a residential unit, commercial unit or parking space in the ordinary course of business except as may be required by **Section 4.3** or the transfer of the Condos Sub-Area in accordance with **Section 7.3.2** of this Agreement.

ARTICLE VII. GENERAL PROVISIONS

7.1 Condos Developer’s Right of Termination. At any time prior to the delivery of a Certificate of Substantial Completion applicable to the Condos Component, the Condos Developer may, by giving written notice to the City, abandon the Condos Component and terminate this Agreement and the Condos Developer’s obligations hereunder if the Condos Developer determines, in its sole discretion, that the Condos Component is no longer economically feasible. Upon such termination, the City shall have no obligation to reimburse the Condos Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Condos Developer for the abandoned Condos Component and any Condos Note issued in connection with the abandoned Condos Component pursuant to this Agreement shall be deemed null, void and canceled; provided, however, that upon completion of the Condos Component, the Condos Developer may not abandon the completed Condos Component nor terminate this Agreement, and the City shall not cancel any Condos Note issued with respect to the completed Condos Component and the terms of this Agreement and rights and obligations of the respective parties shall remain in full force and effect as to the completed Condos Component.

7.2 City’s Right of Termination. The City may terminate this Agreement if the Condos Developer fails to submit its Certificate of Substantial Completion, acceptable to the City, in accordance with **Section 3.8** of this Agreement and the schedule set forth in **Section 3.4** of this Agreement. Upon termination of this Agreement for any reason, the City shall have no obligation to reimburse the Condos Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by the Condos Developer and any Condos Note issued in connection with the Condos Component pursuant to this Agreement shall be deemed null, void and canceled; provided, however, that upon completion of the Condos Component, the Condos Developer may not abandon the completed Condos Component, neither the Condos Developer nor the City may terminate this Agreement, the City shall not cancel any Condos Note issued, and the terms of this Agreement and rights and obligations of the respective parties shall remain in full force and effect.

7.3 Successors and Assigns.

7.3.12 Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns.

7.3.2.2 Assignment or Sale. Without limiting the generality of the foregoing, the rights of the Condos Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after redevelopment of the Condos Component, whereupon the party assigning its interest under this Agreement shall be thereafter released from further obligation under this

Agreement (although any such property to which such interest pertains shall remain subject to the terms and conditions of this Agreement), *provided*, however, that until substantial completion of the Condos Component, the rights, duties and obligations of the Condos Developer under this Agreement shall not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed upon a reasonable demonstration by the Condos Developer of the proposed transferee's or assignee's experience and financial capability to undertake and complete such portions of the Work for the Condos Component and perform the Condos Developer's obligations under this Agreement, all in accordance with this Agreement. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with: (a) the right of the Condos Developer to encumber or collaterally assign its rights, duties and obligations under this Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of the Condos Developer to transfer the Property or assign the Condos Developer's rights, duties and obligations under the Agreement to any Related Entity or any corporation owned 70% by George Sherman and 30% by Craig Heller; provided that in each such event (i) the Condos Developer named herein (Syndicate Condominiums, LLC) shall remain liable hereunder for the substantial completion of the Condos Component, subject, however, to Condos Developer's right of termination pursuant to **Section 7.1** of this Agreement, and shall be released from such liability hereunder only upon substantial completion of the Condos Component and (ii) the Condos Developer provides to the City fifteen (15) days' advance written notice of the proposed assignment or transfer.

7.3.3.2 A successor or permitted assign of Condos Developer which was required to receive initial consent from the City may not sell, assign (whether by operation of law or otherwise), pledge, encumber, hypothecate, or otherwise transfer all or any part of its rights, duties or obligations under this Agreement or merge, consolidate with or otherwise acquire, or be acquired by, any individual, corporation, partnership, trust, or any other entity whatsoever, without the express written consent of the City.

7.3.4.2 A consent by the City to any such assignment under **Sections 7.3.2 or 7.3.3** shall not be deemed a consent to any subsequent assignment, and any such assignment made by Condos Developer or any of its successors or permitted assigns without the prior written consent of the City shall be void and shall, at the option of the City, constitute an Event of Default by Condos Developer or any of its successors or permitted assigns under this Agreement.

7.3.5.2 Notwithstanding anything in this Agreement to the contrary, no consent shall be required in connection with any sale or lease of a residential unit or the lease of a commercial unit in the ordinary course of business, except as may be required by **Section 4.3** of this Agreement.

7.3.6.2 Consent to Collateral Assignment. The City hereby agrees to execute a Consent to Collateral Assignment in substantially the form attached hereto as **Exhibit G** in connection with the collateral assignment of this Agreement to U.S. Bank, National City Bank, a community development entity formed for New Markets Tax Credit purposes, or any other bank or financial institution of nationally recognized standing.

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

7.4 Remedies. Except as otherwise provided in this Agreement and subject to the Condos Developer's and the City's respective rights of termination, in the event of any default in or breach of any term or conditions of this Agreement by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party specifying such default or breach, proceed immediately to cure or remedy such default or breach, and shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default or breach. In the event that the defaulting or breaching party (or successor) diligently

and in good faith commences to cure or remedy such default or breach but is unable to cure or remedy such default or breach within thirty (30) days after receipt of notice, the defaulting or breaching party (or successor) shall, prior to the end of such thirty (30) days, provide notice to the other party that it has in good faith commenced to cure or remedy such default or breach, whereupon the defaulting or breaching party (or successor) shall have an additional thirty (30) days to cure or remedy such default or breach. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied prior to the end of the additional thirty (30) day period, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party.

7.5 Force Majeure. Neither the City nor the Condos Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure (except as expressly limited in **Section 3.4**), including without limitation damage or destruction by fire or casualty; strike; lockout; civil disorder; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by the governmental entity necessary for the Condos Developer to proceed with construction of the Work for the Condos Component or any portion thereof; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other like causes beyond the parties' reasonable control, including without limitation any litigation, court order or judgment resulting from any litigation affecting the validity of the Redevelopment Plan, the Redevelopment Project or the TIF Obligations or this Agreement; provided that (i) such event of force majeure shall not be deemed to exist as to any matter initiated or sustained by the Condos Developer in bad faith, and (ii) the Condos Developer notifies the City in writing within thirty (30) days of the commencement of such claimed event of force majeure.

7.6 Notices. All notices, demands, consents, approvals, certificates and other communications required by this Agreement to be given by either party hereunder shall be in writing and shall be hand delivered or sent by United States first class mail, postage prepaid, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, certificates and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal if the sending party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication.

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

Syndicate Condominiums, LLC
 c/o Sherman Associates, Inc.
 233 Park Avenue South, Suite 201
 Minneapolis, MN 55414
 Attention: George Sherman
 Facsimile: 612-332-8119

And

Syndicate Condos, LLC
 c/o Loftworks, L.L.C.
 1006 Olive Street
 St. Louis, Missouri 63101
 Attention: Craig Heller
 Facsimile: 314-241-6702

With a copy to:

Husch & Eppenberger, LLC
 190 Carondelet Plaza, Suite 600
 St. Louis, Missouri 63105
 Attention: David G. Richardson
 Facsimile: 314-480-1505

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

City of St. Louis
Office of the Mayor
City Hall
1200 Market Street, Room 200
St. Louis, Missouri 63103
Attention: Barbara Geisman, Executive Director for Development
Facsimile: 314-622-3440

and

City of St. Louis
Office of the Comptroller
City Hall
1200 Market Street, Room 212
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy Comptroller
Facsimile: 314-588-0550

With a copy to:

SLDC
1015 Locust Street
Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz
Facsimile: 314-231-2341

and

Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102
Attention: James E. Mello
Facsimile: 314-621-5065

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

SLDC
1015 Locust Street, Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz
Facsimile: 314-231-2341

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

7.8 Damage or Destruction of Condos Component. In the event of total destruction or damage to the Condos Component by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Condos Notes are outstanding and the Master Developer, the Condos Developer, a Related Entity or any corporation owned 70% by George Sherman and 30% by Craig Heller owns the Condos Sub-Area, the Condos Developer shall determine and advise the City in writing

within one year of such destruction or damage whether to restore, reconstruct and repair any such destruction or damage so that the Condos Component will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Condos Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal or interest on the Condos Notes shall immediately terminate and the Condos Developer shall promptly surrender the Condos Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any TIF Bonds are issued or the issuance of a Condos Note to a purchaser other than the Condos Developer or a Related Entity, the Condos Developer shall, at the City's option after consultation with the Condos Developer, tender to the City that portion of the insurance proceeds, if any, to which Condos Developer is entitled, after satisfaction of any terms or obligations of any deed of trust, promissory note or financing agreement entered into by the Condos Developer for the financing of all or any part of the Redevelopment Project, from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the TIF Bonds or Condos Notes, plus accrued interest thereon to be deposited into the Special Allocation Fund.

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

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

7.11 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

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

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

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

7.15 Attorney's Fees. In any dispute arising out of or relating to this Agreement, including any action to enforce this Agreement against a defaulting or breaching party pursuant to **Section 7.4**, the prevailing party shall recover from the non-prevailing party the prevailing party's attorney fees, in addition to any other damages to which it may be entitled.

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

7.17 Release and Indemnification. The indemnifications and covenants contained in this Section shall survive

termination or expiration of this Agreement.

7.17.1.2 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable to the Condos Developer for damages or otherwise in the event that all or any part of the TIF Act, or any ordinance adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Condos Developer is prevented from enjoying the rights and privileges hereof.

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

7.17.3.2 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Condos Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Property or the Work except for matters arising out of the gross negligence or willful misconduct of the City and its governing body members, officers, agents, attorneys, employees and independent contractors.

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

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

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

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

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

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

7.20 Non-Discrimination. The Redeveloper agrees that as an independent covenant running with the land during the term of this Agreement there shall be no discrimination upon the basis of race, creed, color, national origin, sex, age, sexual preference, marital status or physical or mental handicap or disability in the sale, lease, rental, occupancy or use of any of the facilities under its control within the Property or any portion thereof and said covenant may be enforced by the City or the United States of America or any of their respective agencies. The Redeveloper further agrees that a provision containing the covenants of this paragraph shall be included in all agreements pertaining to the lease or conveyance or transfer (by any means) of all or a portion of the Property and any of the facilities under its control on the Property. Except as provided in this Section, the Redeveloper shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities on the Property.

7.21 Fair Employment. The Condos Developer shall comply with the Mayor’s Executive Order #28, as amended, during the design and construction of the Condos Component and with respect to ongoing services provided by third parties to the Condos Developer in connection with the Condos Component.

**ARTICLE VIII.
REPRESENTATIONS OF THE PARTIES**

8.1 Representations of the City. The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, including without limitation the right, power and authority to issue and sell the Condos TIF Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the Condos TIF Notes, duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

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

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

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

CITY

CITY OF ST. LOUIS, MISSOURI

By: _____
Francis G. Slay, Mayor

By: _____
Darlene Green, Comptroller

(SEAL)

Attest:

Parrie May, City Register

“CONDOS DEVELOPER”

SYNDICATE CONDOMINIUMS, LLC, a Missouri limited liability company

By: _____
Name: _____
Title: _____

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

On this ___ day of _____, 2006, before me appeared Francis G. Slay, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

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

On this ___ day of _____, 2006, before me appeared Darlene Green, to me personally known, who, being by me duly sworn, did say that she is the Comptroller of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

STATE OF MISSOURI)
) SS.
OF)

On this ___ day of _____, 2006, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of Syndicate Condominiums, LLC, a Missouri limited liability company, and that he is authorized to sign the instrument on behalf of said limited liability company by authority of its _____, and acknowledged to me that he executed the within instrument as said company’s free act and deed.

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

Notary Public

My Commission Expires:

EXHIBIT A
Legal Description of the Redevelopment Area

Lot 2 of the Resubdivision of City Block 273 according to the plat thereof, recorded in Plat Book 82 page 28 of the City of St. Louis Records and being described as follows:

A tract of land being part of Block 273 of the City of St. Louis, Missouri more particularly described as follows: Beginning at a point on the Southern line of Locust Street, 60 feet wide, at its intersection with the Eastern line of Tenth Street, 60 feet wide, said point being the Northwest corner of Block 273; thence South 72 degrees 34 minutes 43 seconds East, 127.78 feet along said Southern line of Locust to its intersection with the Western line of a 15-foot wide North-South alley vacated by Ordinance 26392; thence South 17 degrees 28 minutes 39 seconds West, 228.44 feet along the Western line of said vacated alley to the Northern line of Olive Street, 60 feet wide; thence North 72 degrees 35 minutes 47 seconds West, 127.78 feet along the Northern line of said Olive Street to its intersection with the Eastern line of Tenth Street, said point of intersection being the southwest corner of City Block 273; thence North 17 degrees 28 minutes 40 seconds East, 228.48 feet along the Eastern line of Tenth Street to the said point of beginning.

EXHIBIT B
Reimbursable Redevelopment Project Costs

CATEGORY

- (a) Acquisition Costs (as defined in Section 1.1 of this Agreement).
(b) Demolition Costs (includes, but is not limited to, interior demolition of existing buildings and structures or parts thereof).
(c) Site Preparation and Public Improvements Costs (includes, but is not limited to, roads, sidewalks, on-street parking, landscaping, lighting, benches, trash receptacles, bike racks, directional signage and all utility work in the common areas) and all costs incurred with respect to completing the Infrastructure and Public Improvements described in Exhibit C to the LCRA Agreement.
(d) Costs of rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures.
(e) Financing Costs (includes, but is not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations, loan fees, construction period interest, reserves, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred in connection with obtaining financing for and a low income, historic or New Markets tax credit investor in the Redevelopment Project).

- (f) Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
- (g) Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
- (h) TIF Costs and Issuance Costs and costs incurred pursuant to **subsections 2.2(i)-(v)** of the Agreement.
- (i) Costs of studies, surveys, plans and specifications.

¹ Subject to the limitations set forth in **Section 4.1** of this Agreement.

EXHIBIT C

Form of Certificate of Commencement of Construction

DELIVERED BY

Syndicate Condominiums, LLC

The undersigned, Syndicate Condos, LLC (the "Condos Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 2006, between the City of St. Louis, Missouri (the "City") and the Condos Developer (the "Agreement") hereby certifies to the City as follows:

- 1. All of the Condos Sub-Area within the Redevelopment Area (as legally described on Appendix A attached hereto and by this reference incorporated herein and made a part hereof) necessary for the Condos Component, has been acquired by Condos Developer in accordance with the Agreement.
- 2. The Condos Developer has entered into an agreement with a contractor or contractors to construct the Condos Component.
- 3. Condos Developer has obtained all necessary financing to complete the Condos Component.
- 4. This Certificate of Commencement of Construction is being issued by the Condos Developer to the City in accordance with the Agreement to evidence the Condos Developer's satisfaction of all obligations and covenants with respect to commencement of construction of the Condos Component.

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

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

Syndicate Condominiums, LLC

By: _____
 Name: _____
 Title: _____

EXHIBIT D

Form of Certificate of Reimbursable Redevelopment Project Costs

TO:
 City of St. Louis
 Office of Comptroller
 1200 Market Street, Room 212
 St. Louis, Missouri 63103

Attention: Ivy Neyland-Pinkston, Deputy Comptroller

Re: City of St. Louis, Missouri, Syndicate Trust Redevelopment Project

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____, 2006 (the "Agreement"), between the City and Syndicate Condominiums, LLC, a Missouri limited partnership (the "Condos Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost and was incurred in connection with the construction of the Redevelopment Project.

2. These Reimbursable Redevelopment Project Costs have been have been paid by the Condos Developer the Master Developer or a Related Entity to either, and are reimbursable under the Agreement.

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

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

5. All necessary permits and approvals required for the portion of the Condos Component of the Redevelopment Project for which this certificate relates have been issued and are in full force and effect.

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

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

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

Dated this ____ day of _____, _____.

Syndicate Condominiums, LLC

By: _____
Name: _____
Title: _____

Approved for payment this ____ day of _____, 20__.

CITY OF ST. LOUIS, MISSOURI

By: _____
Comptroller

Schedule 1

The Condos Developer has incurred the following Reimbursable Redevelopment Project Costs:

Payee:	Amount:	Description of Reimbursable Redevelopment Project Costs:
--------	---------	--

**EXHIBIT E
Form of Certificate of Substantial Completion**

CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, Syndicate Condominiums, LLC, a Missouri limited partnership (the “*Condos Developer*”), pursuant to that certain Redevelopment Agreement dated as of _____, 2006, between the City of St. Louis, Missouri (the “*City*”), and the Condos Developer (the “*Agreement*”), hereby certifies to the City as follows:

1. That as of _____, _____, the construction of the Condos Component (as that term is defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. That the Work for the Condos Component has been substantially completed or funded pursuant to the Agreement.
3. The Work for the Condos Component has been performed in a workmanlike manner and substantially in accordance with the Construction Plans (as those terms are defined in the Agreement).
4. This Certificate of Substantial Completion for the Condos Component is accompanied by the project architect’s or owner representative’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and incorporated herein by reference, certifying that the Condos Component has been substantially completed in accordance with the Agreement.
5. Lien waivers for applicable portions of the Work for the Condos Component in excess of Five Thousand Dollars (\$5,000) have been obtained.
6. This Certificate of Substantial Completion is being issued by the Condos Developer to the SLDC and the City in accordance with the Agreement to evidence the Condos Developer’s satisfaction of all material obligations and covenants with respect to the Condos Component.
7. The acceptance (below) or the failure of the SLDC and the Mayor or his designee to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the SLDC and the City (which written objection, if any, must be delivered to the Condos Developer prior to the end of such thirty (30) days) shall evidence the satisfaction of the Condos Developer’s agreements and covenants to perform the Work for the Condos Component.

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

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

Syndicate CONDOMINIUMS, LLC

By: _____
Name: _____
Title: _____

ACCEPTED:

SLDC

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

(Insert Notary Form(s) and Legal Description)

EXHIBIT F

Form of Note

[TO BE ATTACHED UPON EXECUTION]

EXHIBIT G

Consent to Collateral Assignment

CONSENT TO COLLATERAL ASSIGNMENT

This **CONSENT TO COLLATERAL ASSIGNMENT** (this “*Consent*”), dated as of this ___ day of _____, 200_, is made and entered into by and among the **CITY OF ST. LOUIS, MISSOURI**, a municipal corporation (“*City*”), _____, and its successors and assigns (“*Lender*”), and **SYNDICATE CONDOMINIUMS, LLC**, a Missouri limited liability company (“*Developer*”).

WITNESSETH

WHEREAS, the City and the Developer (the “*Developer*”) are parties to that certain Redevelopment Agreement dated _____, 200_ (the “*Redevelopment Agreement*”), a copy of which is attached hereto as **Exhibit A** (capitalized terms used and not defined herein shall have the meaning given to them in the Redevelopment Agreement); and

WHEREAS, the City has agreed to issue the Condos TIF Notes pursuant to the terms of the Redevelopment Agreement and Ordinance No. _____ (the “*Note Ordinance*”); and

WHEREAS, Developer has applied to Lender for certain loans in the aggregate principal amount of _____ (the “*Loan*”), said Loan to be issued pursuant to that certain Loan Agreement by and between _____ and Lender dated as of _____, 200_ (the “*Loan Agreement*”); and

WHEREAS, as partial security for the Loan, Developer has executed, among other documents, _____, dated as of _____ (the “*Pledge Agreement*”) and assignment of TIF Note, executed by Developer for the benefit of Lender, pledging its interest as the developer under the Redevelopment Agreement; and

WHEREAS, the Developer, as initial owner of the Notes to be issued by the City pursuant to the TIF Redevelopment Agreement (TIF Notes) TIF Notes, shall collaterally assign the TIF Notes to Lender pursuant to the Pledge Agreement and TIF Note Pledge; and

WHEREAS, the Redevelopment Agreement, Redevelopment Plan, the Ordinances, and all other documents and agreements between City and Developer relating thereto are collectively referred to herein as the “*Development Documents*,” a list of which is attached hereto as **Exhibit B** and incorporated herein by reference.

NOW THEREFORE, in consideration of the foregoing recitals, the agreements, promises and covenants herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Consent hereby agree as follows:

- 1. **Consent.** The City hereby acknowledges and consents to the pledge by Developer to Lender of the Development Documents including TIF Note as security for the Developer’s obligations to Lender pursuant to the terms and conditions of the Pledge Agreement, the Loan Agreement and each of the other Loan Documents (as such term is defined in the Loan Agreement).

2. Attornment. The City acknowledges that it will make full and complete attornment with respect to the TIF Notes and the Development Agreement (without the necessity of any other or further attornment or instrument) to, (a) Lender or an affiliate of Lender organized to hold the TIF Notes (Lender's "Affiliate"), or (b) any receiver which Lender requests be appointed for the TIF Notes.

3. Lender's Right to Cure Developer Default. Developer hereby requests that the City add the Lender to the Notice Section of the Redevelopment Agreement for all official notices and demands under the Redevelopment Agreement at the address set forth in Section 8.2 hereof. If any breach or default on the part of the Developer occurs under the Development Documents and the Developer fails to cure the same within any applicable cure or grace period (any such uncured breach or default being referred to herein as a "Developer Default"), Lender shall have the right, but not the obligation, to cure or cause the cure of such Developer Default on the same terms and under the same conditions as Developer under the Redevelopment Agreement.

4. Representations.

(a) The City represents to and for the benefit of Lender that:

(i) There are no side letters or oral or other agreements which affect any terms of the Development Documents or the relationship between City and Developer.

(ii) The Development Documents are in full force and effect on the date hereof and represent the valid, binding and enforceable obligations of City. To the best knowledge of the Mayor in consultation with the St. Louis Development Corporation ("SLDC") and the Comptroller, the City is not in default under the Development Documents and has not breached any of the terms of the Development Documents.

(iii) The City has received no notice of prior sale, transfer or assignment, hypothecation or pledge of Developer's interest in the Development Documents, except as otherwise set forth herein.

(iv) None of the following events have occurred: (i) the filing of a petition in bankruptcy, insolvency or reorganization, or for the appointment of a receiver or trustee, affecting City, or (ii) the making of an assignment by City for the benefit of its creditors.

(b) In the event that Lender becomes the holder of the TIF Notes, Lender hereby represents to and for the benefit of the City that:

(i) Lender has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of limited revenue obligations and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the TIF Notes. Lender understands that the TIF Notes are repayable solely from funds available in the Special Allocation Fund and, with respect to a portion of the funds therein, subject to annual appropriation by the Board of Aldermen of the City.

(ii) Lender understands that the TIF Notes do not constitute an indebtedness of the City or a loan or credit thereof within the meaning of any constitutional or statutory debt limitation or restriction.

(iii) Lender 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. Lender hereby covenants and agrees that the undersigned will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph (d) below.

(iv) Lender acknowledges that the right to sell, assign, negotiate or otherwise transfer the TIF Notes shall be limited to the sale, assignment, negotiation or transfer to an Approved Investor.

Notwithstanding the foregoing, the parties hereto agree that Lender shall not be (i) liable for any act or omission of Developer under the Development Documents; or (ii) subject to any offsets or defenses which the City might have against Borrower; or (iii) bound by any amendment or modification of the Development Documents made without Lender’s prior written consent.

5. Acknowledgment of Lender’s Rights and Interests in TIF Notes.

The City has agreed to issue TIF Notes, in accordance with the Note Ordinance, to evidence City’s obligations to Developer under the Redevelopment Agreement, which TIF Notes shall be endorsed from time to time on the Schedule A thereto to evidence the amount of City’s indebtedness to Developer.

Developer hereby directs the City to deliver the TIF Notes (as and when issued in accordance with the Redevelopment Agreement and Note Ordinance), together with endorsement(s) thereof to the order of the Lender or Lender’s designee, as Lender may from time to time direct the City in writing, to enable Lender to constructively hold (through possession in trust by the Finance Officer) such TIF Notes in accordance with the Loan Agreement and the Pledge Agreement.

6. Delivery of Notes. Upon receipt of any written notice from Lender directing that the TIF Notes be delivered to Lender, the City shall promptly deliver any and all TIF Notes held pursuant to the terms of the Note Ordinance and this Consent and not previously delivered to Lender under the terms hereof to or at the order of the Lender as set forth in such notice.

7. Termination. This Consent shall terminate upon the earliest of (i) the mutual written consent of the Lender, the Developer and the City; (ii) the payment in full, satisfaction and discharge of all of the principal and accrued interest on the Loan; or (iii) the payment in full, satisfaction and discharge of all of the principal of and accrued interest on all TIF Notes.

8. Miscellaneous.

(a) Waiver. No waiver of any breach or default hereunder shall constitute or be construed as a waiver by Lender of any subsequent breach or default or of any breach or default of any other provisions of this Consent. Any waiver by Lender must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default of Developer.

(b) Notices. Any notices required or permitted to be given under this Consent shall be in writing and shall be deemed to have been given if and when received if personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, and addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to Lender:

With a copy to:

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

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

With a copy to: SLDC
 1015 Locust Street
 Suite 1200
 St. Louis, Missouri 63101
 Attention: Dale Ruthsatz
 Facsimile: 314-231-2341

and Armstrong Teasdale LLP
 One Metropolitan Square, Suite 2600
 St. Louis, Missouri 63102
 Attention: James E. Mello
 Facsimile: 314-621-5065

If to Developer: Syndicate Condominiums, LLC
 c/o Sherman Associates, Inc.
 233 Park Avenue South, Suite 201
 Minneapolis, MN 55414
 Attention: George Sherman
 Facsimile: 612-332-8119

and Syndicate Condominiums, LLC
 c/o Loftworks, L.L.C.
 1006 Olive Street
 St. Louis, Missouri 63101
 Attention: Craig Heller
 Facsimile: 314-241-6702

With a copy to: Husch & Eppenberger, LLC
 190 Carondelet Plaza, Suite 600
 St. Louis, Missouri 63105
 Attention: David G. Richardson
 Facsimile: 314-480-1505

or to such other address the party to receive such notice may have theretofore furnished to all other parties by notice in accordance herewith. Except as otherwise specifically required herein, no notice of the exercise of any right or option granted to Lender herein is required to be given.

9. Fees. Developer acknowledges its obligation to satisfy the requirements of Section 2.2(iv) of the Redevelopment Agreement within the time period set forth therein and further acknowledges and agrees that that it shall pay to the Comptroller an additional amount to reimburse the Comptroller for its actual legal expenses incurred in connection with the negotiation and execution of this Consent and the Acknowledgement and Consent Agreement by and among the City, the Developer and the Lender dated of even date herewith.

10. Counterparts. This Consent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent,

11. Governing Law. This Consent and the terms, provisions and conditions herewith shall be governed by and construed and enforced in accordance with the internal laws of the State of Missouri (without giving effect to the conflicts of law provisions thereof).

12. General. This Consent may not be modified or amended except by written agreement of each of the parties hereto. The headings contained herein have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms and provisions hereof. If any term, covenant or condition of this Consent, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Consent, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Consent shall be valid and enforceable to the fullest extent permitted by law. This Consent represents the entire agreement between the parties and all prior negotiations and communications between the parties

concerning the subject loan are superseded hereby.

[The remainder of this page is intentionally left blank.]

[Signature Pages to Follow]

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed as of the year and date first set forth above.

CITY:

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

(SEAL)

Attest:

City Register

Approved as to form:

City Counselor

COUNTERPART SIGNATURE PAGE

DEVELOPER:

SYNDICATE RETAIL, LLC

By: _____

COUNTERPART SIGNATURE PAGE

LENDER:

By: _____

EXHIBIT A

REDEVELOPMENT AGREEMENT (SEE ATTACHED)

EXHIBIT B

DEVELOPMENT DOCUMENTS

1. Redevelopment Agreement dated _____ (attached hereto as **Exhibit A**)
2. St. Louis City Ordinance Nos. _____ and _____ (the "Ordinances")

- 3. St. Louis City Ordinance No. _____ (the "Note Ordinance")
- 4. All amendments, modifications, restatements, and renewals of the foregoing items.

EXHIBIT H

Retail TIF Revenues

(To be attached upon execution of Agreement.)

EXHIBIT B

Retail Agreement by and between the City of St. Louis and the Retail Developer
(Attached hereto.)

REDEVELOPMENT AGREEMENT
Between the
CITY OF ST. LOUIS, MISSOURI
And
SYNDICATE RETAIL, LLC

Dated as of
_____, 2006

SYNDICATE TRUST REDEVELOPMENT PROJECT – RETAIL COMPONENT

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EXHIBIT F Form of Retail TIF Notes (Series R)

EXHIBIT G Form of Consent to Collateral Assignment

EXHIBIT H Retail Component TIF Revenue Projections

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “*Agreement*”) is made and entered into as of this _____ day of _____, 2006, by and between the **CITY OF ST. LOUIS, MISSOURI** (the “*City*”), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and **SYNDICATE RETAIL, LLC**, (the “*Retail Developer*”), a limited liability company duly organized and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in **Article I** of this Agreement.)

RECITALS

A. The Land Clearance for Redevelopment Authority (LCRA) of the City published a Request for Proposals on November 5, 2004 in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the purchase and rehabilitation of the Syndicate Trust Building, and made such Request for Proposals available for potential redevelopers of the Syndicate Trust Building.

B. The LCRA acquired the Syndicate Trust Building in February 2002 and the City of St. Louis, Missouri (the “*City*”) approved a plan for the Syndicate Trust Building pursuant to Ordinance No. 65445.

C. Syndicate Partners, LLC (the “*Master Developer*”), in response to the solicitation of proposals from redevelopers, submitted its proposal for redevelopment of the Syndicate Trust Building dated January 13, 2005, as amended.

D. On April 5, 2005, the LCRA, acting on a recommendation by a seven-member selection committee, preliminarily selected the Master Developer as the purchaser and developer of the Syndicate Trust Building, with such preliminary selection to become final upon successful negotiation of an agreement with the Master Developer.

E. On June 6, 2005, the Board of Commissioners of the LCRA approved a form of agreement (the “*LCRA Agreement*”) by Board Resolution Number 05-LCRA-7948.

F. Pursuant to Ordinance No. 62477, adopted and approved on December 20, 1991, the Board of Aldermen duly formed the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “*TIF Commission*”), in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, (2000) (the “*TIF Act*”), and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act.

G. The City published a notice on _____, 2005 and _____, 2005 in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the redevelopment of the Redevelopment Area, and made such requests for proposals available for potential developers of the Redevelopment Area.

H. Master Developer submitted its development proposal dated June 9, 2005, (the “*Redevelopment Proposal*”) to the TIF Commission for redevelopment of the Redevelopment Area.

I. On August 10, 2005, following a public hearing held on August 10, 2005, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the Redevelopment Plan titled “*Syndicate Trust Building TIF Redevelopment Plan*” dated June 25, 2005, as amended July 28, 2005, as further amended October 25, 2005 (the “*Redevelopment Plan*”), the Redevelopment Project described in the Redevelopment Plan (the “*Redevelopment Project*”) and the Redevelopment Area, and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a “*redevelopment area*” as provided in the Act, (c) approving the Redevelopment Project, and (d) creating the Syndicate Trust Special Allocation Fund.

J. On _____, 2006, after due consideration of the TIF Commission’s recommendations, the Board of Aldermen adopted Ordinance No. 66975 [Board Bill No. 307] designating the Redevelopment Area as a “*redevelopment area*” as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

K. On _____, 2006, the Board of Aldermen adopted Ordinance No. _____ [Board Bill No. ____] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project and authorizing the City to enter

into this Agreement with the Retail Developer.

L. On _____, 2006, the Board of Aldermen adopted Ordinance No. _____ [Board Bill No. ____] authorizing the issuance of TIF Notes as evidence of the City's obligation to reimburse certain Redevelopment Project Costs as provided by this Agreement incurred in furtherance of the Redevelopment Plan and the Redevelopment Project and pledging TIF Revenues to the payment of the TIF Notes and authorizing the City to enter into the Trust Indenture, as such term is herein defined.

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

AGREEMENT

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

ARTICLE I. DEFINITIONS

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

"Acquisition Costs" means the consideration paid by Developers to a third party to acquire fee simple interest in the Redevelopment Area.

"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 (2000), as amended.

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

"Apartments Available Revenues" means all Apartments TIF Revenues on deposit from time to time (including investment earnings thereon) in (a) the Apartments Sub-Account of the PILOTS Account of the Special Allocation Fund, and (b) the Apartments Sub-Account of the EATS Account of the Special Allocation Fund that have been appropriated to the repayment of the 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.

"Apartments Component" means the rehabilitation and redevelopment of the Apartments Sub-Area into (i) 28 loft-style apartment units subject to income restrictions under Section 42 of the Internal Revenue Code to qualify for Low Income housing Tax Credits and (ii) gallery space, artist workshop space, storage space and a theater/media room, as further set forth in the LCRA Agreement.

"Apartments Developer" means Syndicate Apartments, LP, a limited partnership duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

"Apartments EATs Sub-Account" means that sub-account by that name in the EATs Account of the Special Allocation Fund.

"Apartments PILOTs Sub-Account" means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

"Apartments Sub-Area" means floors 4 and 5 of the Syndicate Trust Building currently existing within the Redevelopment Area.

"Apartments 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 Apartments Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value

(as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Apartments Sub-Area over the amount of such taxes generated by economic activities within the Apartments Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City), as defined and described in Sections 99.805(4) and 99.845.3 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, Apartments 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.

“*Approved Investors*” means (a) the Retail Developer or the Master Developer, or a Related Entity thereto, (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. 66975 [Board Bill No. 307] designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, adopting tax increment allocation financing within the Redevelopment Area, and establishing the Special Allocation Fund.

“*Authority*” means The Industrial Development Authority of The City of St. Louis, Missouri, a public corporation duly organized under Chapter 349 of the Revised Statutes of Missouri.

“*Authorizing Ordinance*” means Ordinance No. _____ [Board Bill No. ____] affirming approval and adoption of the Redevelopment Plan, Redevelopment Project, and designation of the Redevelopment Area and authorizing the City to enter into this Redevelopment Agreement with the Retail Developer.

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

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

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

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

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

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

“*Certificate of Substantial Completion*” means, as the context requires, (i) with respect to the Retail Component a document substantially in the form of **Exhibit E**, attached hereto and incorporated herein by reference, issued by the Retail Developer to the City in accordance with this Agreement and evidencing the Retail Developer’s satisfaction of all obligations and covenants to construct the Retail Component in accordance with the Redevelopment Plan and this Agreement, or (ii) with respect to the Redevelopment Project as a whole, the Certificate of Substantial Completion submitted by the Master Developer in accordance with

the LCRA Agreement.

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

“Comptroller” means the Comptroller of the City.

“Condos Available Revenues” means _____ percent (___%) of all Condos TIF Revenue on deposit from time to time (including investment earnings thereon) in each of (a) the Condos Sub-Account of the PILOTS Account of the Special Allocation Fund, and (b) the Condos Sub-Account of the EATS Account of the Special Allocation Fund that have been appropriated to the repayment of the 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.

“Condos Component” means the rehabilitation and redevelopment of the Condos Sub-Area into (i) 102 Condominium and Townhome Units on the eight upper floors of the Property; and (ii) parking, storage space, a party room and outdoor patios (including a roof deck), as further set forth in the LCRA Agreement.

“Condos Developer” means Syndicate Condominiums, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

“Condos EATs Sub-Account” means that sub-account by that name in the EATs Account of the Special Allocation Fund.

“Condos Note” or “Condos TIF Notes” or “Series C Notes” means one or more TIF Notes designated as such and issued by the City pursuant to the Condos Redevelopment Agreement and the Indenture to reimburse the Condos Developer for Reimbursable Redevelopment Project Costs incurred in the Redevelopment Project.

“Condos PILOTs Sub-Account” means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

“Condos Redevelopment Agreement” means the Redevelopment Agreement dated as of _____, 2006, by and between the City and the Condos Developer, as may be modified, amended or supplemented from time to time.

“Condos Sub-Area” means floors 2, 3, 9 through 17 (including any penthouses located or extending above the 17th floor) and the basement of the Syndicate Trust Building currently existing within the Redevelopment Area.

“Condos 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 Condos Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Condos Sub-Area over the amount of such taxes generated by economic activities within the Condos Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 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, Condos 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.

“Consent to Collateral Assignment” means a written consent by the City to the collateral assignment of this Agreement, in substantially similar form to that attached hereto as **Exhibit G** and incorporated herein by reference.

“Construction Plans” means plans, drawings, specifications and related documents, and construction schedules for the construction of the Work for the Retail Component, together with all supplements, amendments or corrections, submitted by the

Retail Developer and approved by the City in accordance with applicable law.

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

“*Governmental Approvals*” means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, or other subdivision, zoning, or similar approvals required for the implementation of the Redevelopment Project related to the Redevelopment Area and consistent with the Redevelopment Plan and this Agreement.

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

“*LCRA Agreement*” means that certain Redevelopment Agreement between the Land Clearance for Redevelopment Authority of the City (LCRA) and Master Developer and dated June 6, 2005, as may be amended.

“*Master Developer*” means Syndicate Partners, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri.

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

“*Note Ordinance*” means Ordinance No. _____ [Board Bill No. ____] adopted by the Board of Aldermen authorizing the TIF Notes, the Trust Indenture and all related proceedings.

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

“*Post-Completion Funding Source*” means those sources of permanent financing enumerated in clause (b) of **Section 4.3** of this Agreement.

“*Project Component*” means the Apartments Component, the Condos Component and/or the Retail Component, as each is defined herein, collectively or individually as the context provides.

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

“*Project Lender*” means a commercial bank, savings bank, savings & loan association, credit union, other financial institution, or a community development entity formed for New Markets Tax Credits purposes that has loaned funds to the Retail Developer to be used for construction of the Redevelopment Project and has secured such loan with a mortgage or security interest in any portion of the Redevelopment Project.

“*Property*” means the real property (including without limitation all options held by third parties, fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) and existing improvements in the Redevelopment Area as set forth in the Redevelopment Plan.

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

“*Redevelopment Area*” means the real property described in **Exhibit A**, attached hereto and incorporated herein by reference.

“*Redevelopment Plan*” means the plan titled “Syndicate Trust Building TIF Redevelopment Plan” dated June 25, 2005, as amended July 28, 2005, as further amended October 25, 2005, approved by the City pursuant to the Approving Ordinance, as such plan may from time to time be amended in accordance with the TIF Act.

“*Redevelopment Project*” means the Redevelopment Project identified by the Redevelopment Plan and the LCRA

Agreement, including the Apartments Component, the Condos Component and the Retail Component, as defined herein, as approved by the Approving Ordinance.

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

“*Redevelopment Proposal*” means the document on file with the City and incorporated herein by reference, titled “Syndicate Trust Building TIF Application,” dated June 9, 2005 and submitted by the Master Developer to the City.

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

“*Related Entity*” means any party or entity related to the Retail Developer by one of the relationships described in Section 267(b), Section 707(b)(1)(A) or Section 707(b)(1)(B) of the Internal Revenue Code of 1986, as amended, provided that the Master Developer and the Retail Developer shall be deemed to be Related Entities to one another.

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

“*Retail Acquisition Costs*” means the consideration paid by the Retail Developer to a third party to acquire fee simple interest in the Retail Sub-Area.

“*Retail Available Revenues*” means all Retail TIF Revenue, all Apartments TIF Revenue and _____ percent (___%) of the Condos TIF Revenue on deposit from time to time (including investment earnings thereon) in each of (a) the PILOTs Account, or (b) the EATS Account, of the Special Allocation Fund that have been appropriated to the repayment of the 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.

“*Retail Component*” means the rehabilitation and redevelopment of the Retail Sub-Area into (i) a minimum of 19,000 gross square ft. of street level retail space, (ii) 42 loft-style apartment units, and (iii) a business center, gallery space, storage space, a fitness area, and laundry facility, as further set forth in the LCRA Agreement.

“*Retail Developer*” means Syndicate Retail, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

“*Retail EATs Sub-Account*” means that sub-account by that name in the EATs Account of the Special Allocation Fund.

“*Retail Notes*” or “*Retail TIF Notes*” or “*Series R Notes*” means one or more TIF Notes designated as such and issued by the City pursuant to this Agreement and the Indenture to reimburse the Retail Developer for Reimbursable Redevelopment Project Costs incurred in the Retail Component of the Redevelopment Project, such TIF Notes as are in the form attached hereto as **Exhibit F** and incorporated herein by this reference.

“*Retail PILOTs Sub-Account*” means that sub-account by that name in the PILOTs Account of the Special Allocation Fund.

“*Retail Sub-Area*” means floors 1, 6, 7 and 8 of the Syndicate Trust Building currently existing in the Redevelopment Area.

“*Retail 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 Retail Sub-Area and any applicable penalty and interest over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and 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 Retail Sub-Area over the amount of such taxes generated by economic activities within the Retail Sub-Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 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, Retail 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.

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

“*Special Allocation Fund*” means the Syndicate Trust Special Allocation Fund, created by the Approving Ordinance in accordance with the TIF Act, and including the accounts and sub-accounts for the Redevelopment Project into which TIF Revenues are from time to time deposited in accordance with the TIF Act, the Note Ordinance and this Agreement.

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

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

“*TIF Notes*” means tax increment revenue notes issued by the City pursuant to and subject to the Redevelopment Plan, the Note Ordinance and this Agreement, in substantially the form set forth in **Exhibit F**, to evidence the City’s limited obligation to repay Reimbursable Redevelopment Project Costs incurred by the Master Developer, Apartments Developer, Condos Developer or Retail Developer or a Related Entity thereto, as the case may be, on behalf of the City in accordance with the TIF Act and this Agreement. “*TIF Obligations*” means TIF Bonds, TIF Notes or other obligations, singly or in series, issued by the City or the Authority, as the case may be, pursuant to the TIF Act and in accordance with this Agreement.

“*TIF Revenues*” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Redevelopment Area over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and Redevelopment Project, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845.3 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, and licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all as provided in Section 99.845 of the TIF Act. 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.

“*Trust Indenture*” means the Trust Indenture approved by the Note Ordinance.

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

“*Verified Total Project Costs*” shall have the meaning set forth in **Section 4.3** of this Agreement.

“*Work*” means all work necessary to prepare the Redevelopment Area and to construct or cause the construction and completion of the Redevelopment Project, or as the context may require, any individual component thereof described in the Redevelopment Plan and this Agreement, including but not limited to: (1) property acquisition; (2) site preparation and environmental remediation; (3) construction, reconstruction, renovation and/or rehabilitation of the building within the Redevelopment Area into residential units and commercial space, parking and other common improvements; (4) construction, reconstruction, renovation and/or rehabilitation of common space and amenities within the building in the Redevelopment Area; (5) construction, reconstruction, renovation and/or rehabilitation of related infrastructure and/or public improvements, including without limitation surrounding roads, sidewalks, parking, landscaping, trees, planters, lighting, decorative banners, benches, trash receptacles, bike racks, directional signage and sewer, water, electrical, and all other utilities necessary to maintain and operate the Redevelopment Project; (6) professional services, including, but not limited to, architecture, engineering, surveying, financing, legal, planning and consulting; (7) all other work described in the Redevelopment Plan and this Agreement, or reasonably necessary to effectuate the intent of this

Agreement.

ARTICLE II. ACCEPTANCE OF PROPOSAL

2.1 Retail Developer Designation. The City hereby selects the Retail Developer to perform or cause the performance of the Work for the Retail Component in accordance with the Redevelopment Plan and this Agreement and all Governmental Approvals. To the extent of any inconsistency among the foregoing, the parties agree that the Redevelopment Plan shall govern.

2.2 Retail Developer to Advance Costs. The Retail Developer agrees to advance or cause to be advanced all Redevelopment Project Costs as necessary to acquire the Retail Sub-Area and to complete the Work for the Retail Component, all subject to the Retail Developer's right to abandon the Retail Component of the Redevelopment Project and to terminate this Agreement as set forth in **Section 7.1** of this Agreement. Additionally, and not by way of limitation:

(i) the City acknowledges payment by the Master Developer of a Five Thousand Dollar and no/100 (\$5,000.00) TIF Application Fee for the entire Redevelopment Project;

(ii) the City acknowledges that, prior to the execution of this Agreement, the Retail Developer paid the sum of Fourteen Thousand One Hundred Fifty-Four Dollars and no/100 (\$14,154.00) (which sum represents 0.3% of the maximum amount of Retail Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement, exclusive of Issuance Costs), which monies have been paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iii) the Retail Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Fourteen Thousand One Hundred Fifty-Four Dollars and no/100 (\$14,154.00) (which sum represents 0.3% of the maximum amount of Retail Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement, exclusive of Issuance Costs), which monies shall be paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iv) the Retail Developer shall pay or cause to be paid to the LCRA an additional amount to reimburse the LCRA for its actual legal expenses incurred in connection with the review of the Redevelopment Proposal, the review and adoption of the Redevelopment Plan (provided that the Condos Developer and Retail Developer and Master Developer, collectively, shall only be required to compensate the LCRA once for expenses incurred with respect to the entire Redevelopment Project) and the Retail Developer shall pay to the LCRA an additional amount to reimburse the LCRA for its actual legal expenses incurred in connection with the negotiation, execution and implementation of this Agreement, which amount shall be paid as follows: (i) all such costs incurred through the date of execution of this Agreement shall be paid within ten (10) days after the execution of this Agreement, and (ii) all such costs incurred after the date of execution of this Agreement and prior to the date upon which the City receives from Retail Developer a Certificate of Reimbursable Redevelopment Project Costs shall be paid concurrently with the initial issuance of the Retail Notes; and

(v) the Retail Developer shall, concurrently with the issuance of Retail Notes as provided for herein, pay the City for the City's Issuance Costs of such Retail Notes; and

(vi) any amounts advanced to the City shall represent Reimbursable Redevelopment Project Costs to be reimbursed exclusively from the proceeds of TIF Obligations as provided in and subject to **Articles IV and V** of this Agreement.

ARTICLE III. CONSTRUCTION OF REDEVELOPMENT PROJECT

3.1 Acquisition of Property. The Retail Developer represents that, as of the date of this Agreement, Master Developer is the owner or owner under contract of the Retail Sub-Area. Any additional properties acquired by the Retail Developer for completion of the Work for the Retail Component shall be acquired in the name of the Retail Developer and shall be subject to the terms, conditions and covenants contained herein and in the Redevelopment Plan immediately upon acquisition.

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

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

3.4 Retail Developer to Construct the Retail Component. The Retail Developer shall commence or cause the commencement of the construction of the Work with respect to the Retail Component on or before the date set forth for such commencement in the LCRA Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Redevelopment Plan. The Retail Developer shall substantially complete or cause the Work with respect to the Retail Component to be substantially complete not later than the date set forth in the LCRA Agreement absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Retail Developer shall be granted additional time to complete the Work with respect to the Retail Component, but under no circumstance shall such time to complete such Work extend beyond the date provided for pursuant to the LCRA Agreement.

The Retail Developer may enter into or cause to be entered into one or more construction contracts to complete the Work. Prior to the commencement of construction of any portion of the Work with respect to the Retail Component, the Retail Developer shall obtain or shall require that any of its contractors obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The Retail Developer shall require that such insurance be maintained by any of its contractors for the duration of the construction of such portion of the Work. To the extent that laws pertaining to prevailing wage and hour apply to any portion of the Work the Retail Developer agrees to take all actions necessary to apply for the wage and hour determinations and otherwise comply with such laws.

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

3.6 Construction Plans; Changes. The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect to the Work for the Retail Component shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work for the Retail Component, the Retail Developer may make such reasonable changes, including without limitation modification of the construction schedule, subject to the provisions of **Section 3.4**, including but not limited to, dates of commencement and completion (subject to the time limitations set forth in this Agreement), modification of the areas in which the Work for the Retail Component is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work for the Retail Component, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Retail Developer, to enhance the economic viability or eligibility for State and/or Federal historic tax credits of the Retail Component or the Redevelopment Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided that (a) the Retail Developer shall comply with all laws, regulations and ordinances of the City and (b) prior to any material changes, the Retail Developer shall obtain the advance written consent of SLDC, which consent shall not be unreasonably withheld or delayed provided that the SLDC shall approve any such change that is required by a governmental authority to obtain historic tax credits for the Redevelopment Project and to comply with the Federal and State historic tax credit programs and shall approve any change that is required by the City or any officer or department thereof to cause the Redevelopment Project to comply with the Building Code of the City. For purposes of this **Section 3.6**, "material changes" shall mean (i) any change that could reasonably be expected to result in a decrease in the aggregate amount of Retail TIF Revenues generated within the Retail Sub-Area to an amount less than 90% of the aggregate amount of Retail TIF Revenues as projected in the document attached hereto as **Exhibit H**; or (ii) any change that would reduce or increase the final number of residential units or the final total square footage of commercial space by more than ten percent (10%) of the units or square footage set forth in this Agreement, and the Construction Plans; or (iii) any change that would require the consent of the City, the LCRA or the SLDC under the LCRA Agreement.

3.7 Certificate of Commencement of Construction. The Retail Developer shall furnish to the SLDC, with a copy to the Comptroller, a Certificate of Commencement of Construction, which certificate shall be submitted for the Retail Component in accordance with the schedule set forth in **Section 3.4** of this Agreement. The Certificate of Commencement of Construction shall be deemed accepted by the SLDC upon receipt of the same.

3.8 Certificate of Substantial Completion. The Retail Developer shall furnish to the City and the SLDC a Certificate of Substantial Completion for the Retail Component after substantial completion of the Work with respect to the Retail Component. The Mayor or his designee and the SLDC shall, within thirty (30) days following delivery of such Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City and the SLDC unless, within thirty (30) days following delivery of the Certificate of Substantial Completion for the Retail Component, the Mayor or his designee or SLDC furnishes the Retail Developer with specific written objections to the status of the Work in the Retail Component, describing such objections and the measures required to correct such objections in reasonable detail. In the case where the Mayor or his designee or SLDC, within thirty (30) days following delivery of the Certificate of Substantial Completion, provides the Retail Developer with specific written objections to the status of the Work for the Retail Component, the Retail Developer shall have such amount of time as is reasonably necessary to address such objections and when addressed shall re-submit the Certificate of Substantial Completion to the Mayor or his designee or the SLDC in accordance with this Section. Upon acceptance of the Certificate of Substantial Completion by the Mayor or his designee and the SLDC for the Retail Component, or upon the lapse of thirty (30) days after delivery thereof to the Mayor or his designee and the SLDC without any written objections thereto, the Retail Developer may record a Certificate of Substantial Completion with the City's Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Retail Developer's agreements and covenants to perform the Work required to complete the Retail Component. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit E**, attached hereto and incorporated by referenced herein.

ARTICLE IV. REIMBURSEMENT OF RETAIL DEVELOPER COSTS

4.1 City's Obligation to Reimburse Retail Developer. Subject to the terms of the Note Ordinance and this Agreement, the City agrees to reimburse Retail Developer for the verified Reimbursable Redevelopment Project Costs in a total amount not to exceed Four Million Seven Hundred Thirteen Thousand Dollars (\$4,718,000.00) plus Issuance Costs.

Subject to the terms of the Note Ordinance and this Agreement, the City agrees to issue Retail Notes to the Retail Developer to evidence the City's obligation to reimburse the Retail Developer for verified Reimbursable Redevelopment Project Costs in an amount not to exceed Four Million Seven Hundred Thirteen Thousand Dollars (\$4,718,000.00), plus Issuance Costs and interest as provided in **Section 5.2** of this Agreement, subject to the limitations of **Article IV** of this Agreement.

4.2 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Retail Developer's Right to Substitute. Nothing in this Agreement shall obligate the City to issue Retail TIF Notes or to reimburse the Retail Developer for any cost that is not incurred pursuant to Section 99.820.1 of the TIF Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF Act. The Retail Developer shall provide to the City (a) itemized invoices, receipts or other information evidencing such costs; and (b) a Certificate of Reimbursable Redevelopment Project Costs constituting certification by the Retail Developer that such cost is eligible for reimbursement under the TIF Act. Within thirty (30) days of the City's receipt from the Retail Developer of a Certificate of Reimbursable Redevelopment Project Costs, the City shall review and act upon such Certificate of Reimbursable Redevelopment Project Costs. The parties agree that each of the categories of costs set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, shall constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. The Retail Developer shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth in **Exhibit B** up to the maximum aggregate amount established in **Section 4.1** of this Agreement; *provided*, that the Retail Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i)-(v)**, of this Agreement. If the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is not a "redevelopment project cost" under Section 99.805(14) of the TIF Act, the City shall so notify the Retail Developer in writing within the 30-day period referenced in this **Section 4.2**, identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Retail Developer shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment. If the City fails to approve or disapprove any Certificate of Reimbursable Redevelopment Project Costs within thirty (30) days after receipt thereof, the Certificate of Reimbursable Redevelopment Project Costs shall be deemed approved.

4.3 Cost Savings and Excess Profits. Within one hundred eighty (180) days after the submission of the Certificate of Substantial Completion by Master Developer for the Redevelopment Project as a whole as provided in Section 3.13 of the LCRA Agreement, Retail Developer, Master Developer and Condos Developer also shall furnish to the City for the City's review and approval, (a) a statement of Verified Total Project Costs, with evidence of billings and payments for each expenditure, including itemized invoices, receipts, and pay applications or other evidence of payment as appropriate for the type of cost; and (b) a statement

of each and every Post-Completion Funding Source for the Redevelopment Project, which shall include Redevelopment Project sources actually received by the Condos Developer, Retail Developer and Master Developer as of the date of the statement and the net present value of any future source, including (i) documentation from accountants, tax credit authorities and tax credit purchasers evidencing the total amount of tax credits approved for the Redevelopment Project and the net present value of proceeds available to the Condos Developer, Retail Developer and Master Developer from the sale of such tax credits; (ii) One Million Dollars (\$1,000,000.00) (the amount of equity in the Redevelopment Project as identified in the Proposal); (iii) statements from each and every lender for the Redevelopment Project as to the amount of amortizing debt financing that will be available to the Redevelopment Project upon commencement of operations; and (iv) a statement of all net sales proceeds derived from the sale of any portion of the Redevelopment Project.

“Verified Total Project Costs” means the sum total of all reasonable or necessary costs incurred, and any such costs incidental to the Redevelopment Project or the Work, including, but not limited to, all Acquisition Costs, Issuance Costs, Redevelopment Project Costs, Reimbursable Redevelopment Project Costs, and Tenant Improvement costs up to the amount of \$700,000.00, *provided, however*, that Retail Developer shall not include developer fees, developer overhead, or consultant fees for any service typically performed by the Condos Developer, Retail Developer or Master Developer in the Verified Total Project Costs, provided further that, with respect to any other costs for any services provided by the Condos Developer, Retail Developer and Master Developer or a Related Entity to any of the aforesaid developers, the amount of such costs included in the Verified Total Project Costs shall not exceed the amount set forth in the Redevelopment Plan for such services, *and provided further* that, if any of the owners, officers, principals or members of the construction contractor for the Redevelopment Project are the same as any owner, officer, principal or member of Condos Developer, Retail Developer or Master Developer or general partner in the owner of the development, amounts submitted for aggregate contractor fees in the Verified Total Project Costs shall not exceed eighteen percent (18%) of construction costs as provided for in the Missouri Housing Development Commission’s 2005 Qualified Allocation Plan for the Low Income Housing Tax Credit Program. Retail Developer shall include documentation, including detailed invoices and receipts for payment, for each and every item of costs traceable to third parties with no relationship to Condos Developer, Retail Developer or Master Developer, in addition to summary pay applications submitted to Condos Developer, Retail Developer and Master Developer by the construction contractor, and the sum of such third party costs shall be the construction costs upon which all contractor’s fees are calculated.

To the extent that the Condos Component is less than 100% sold at the time the Retail Developer, Master Developer and Condos Developer submit their statement of Post-Completion Funding Sources for the Redevelopment Project such that the City is required to calculate the net present value of any future sales, the following calculation shall be used:

Developer shall submit a complete and accurate list of all of the units sold, together with, for each unit, the date the sale contract was executed, the date upon which the sale actually closed, the date upon which construction of the unit was substantially complete, total price for which the unit sold, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds received by the Developer or affiliate or related party to the Developer. Developer shall also submit a complete and accurate list of all units that are under contract at the time of the submission, together with, for each unit, the date the sale contract was executed, the date upon which the sale contract specifies that the sale of the unit is to close, the date upon which construction of the unit was substantially complete, the total sale price for the unit specified in the sale contract, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds expected to be received by the Developer or affiliate or related party to the Developer. Developer shall also submit a complete and accurate list of all units for which have been “reserved” for purchase via a reservation form, letter of intent, or other document, together with, for each unit, the date upon which the “reservation” was executed, the date upon which the reservation specifies that the sale of the unit is to close, the date upon which construction of the unit was or is expected to be substantially complete, the total anticipated sale price for the unit specified in the reservation, an itemized list of adjustments, positive and negative, expected to be made to the gross sales proceeds, and the amount of net proceeds expected to be received by the Developer or affiliate or related party to the Developer. Developer shall also submit a list of all units which have not been sold and for which no sale contract or reservation is pending, the sale price at which each unit is listed, and, for each unit, the date upon which such unit was completed.

The net present value of future sales shall be calculated as follows:

(a) the average number of days each sold or under contract unit was on the market shall be determined by establishing the sum of all of the days that elapsed between substantial completion of each unit and the closing of the sale of such unit (or the anticipated closing date pursuant to the sale contract), and dividing such sum by the number of units included in the calculation. Units where substantial completion occurred within thirty (30) days of the closing of the sale shall be ignored in the calculation.

(b) the average sales commission shall be calculated by totaling the amounts of all of the sales commissions actually

paid on sold units or agreed to per executed sales contracts, and dividing such total by the total of the gross sales prices for all units sold or under contract.

(c) The average amount of other deductions, excluding sales commissions, from gross sales proceeds shall be established by adding up the total value of adjustments, positive and negative, made to the gross sales proceeds for each unit for which closing has occurred.

(d) future sales proceeds shall be calculated as the sum of all of the listing prices for all units not sold and not under contract as of the date of the submission, and subtracting from such total (i) the amount derived by multiplying such sum by the average sales commission calculated in (b) above; and then (ii) subtracting the amount derived by multiplying the average adjustment amount per unit calculated per (c) above by the number of units not sold and not under contract as of the date of the submission.

(e) the present value of the gross future sales proceeds shall be determined by calculating the present value of the amount derived from the calculation in (d) above, assuming that such amount is received at a point in time that equals the average number of days calculated in (a) above, that the present value rate is 8.75% per annum, or 0.023973%% per day, as follows.

Net present value of future sales = total future sales proceeds per “d” above – (total future sales proceeds per “d” above x average number of days per “a” above x 0.023973%/day).

To the extent that the sum of Post-Completion Funding Sources exceeds the sum of (i) Verified Total Project Costs; and (ii) four percent (4%) of the Acquisition Costs; and (iii) fifteen percent (15%) of all Verified Total Project Costs other than Acquisition Costs, the Retail Developer hereby agrees that the maximum amount of Reimbursable Redevelopment Project Costs for which the Retail Developer shall be reimbursed by the City as provided for in **Section 4.1** of this Agreement and the maximum amount of any Retail Notes to be issued by the City in accordance with **Section 5.2** of this Agreement shall be reduced (or if any Retail Notes have already been issued at the time of calculating the excess, the City may discharge such Retail Notes) by the product “X” of the following formula:

$$(E \bullet .75) \bullet .575 = X$$

E = The amount by which the Post-Completion Funding Sources exceeds the sum of (i) Verified Total Project Costs; and (ii) four percent (4%) of the Acquisition Costs; and (iii) fifteen percent (15%) of all Verified Total Project Costs other than Acquisition Costs.

X = The amount by which the Retail Note shall be abated or discharged, as the case may be, in accordance with the terms hereof.

.575 is the proportion of the total amount of all of the TIF notes for the Redevelopment Project that is attributable to the Retail Project.

4.4 City’s Obligations Limited to Special Allocation Fund and Bond Proceeds. Notwithstanding any other term or provision of this Agreement, Retail Notes issued by the City in accordance with this Agreement for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from Bond Proceeds, if any, and from no other source. The City has not pledged its full faith and credit relative to the City’s obligation to issue the TIF Obligations or to pay any Reimbursable Redevelopment Project Costs. The TIF Obligations shall be special, limited obligations of the City, and shall not constitute debt to the City within any constitutional or statutory meaning of the word “debt.”

**ARTICLE V.
TIF OBLIGATIONS**

5.1 Conditions Precedent to the Issuance of Retail Notes.

No Retail Notes shall be issued to Retail Developer a Related Entity or a Project Lender for the Retail Component until such time as the City has (i) accepted a Certificate of Substantial Completion evidencing 100% completion of the Retail Component; (ii) approved Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference; (iii) received an opinion of Bond Counsel regarding the taxable nature of the Retail Notes; (iv) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (v) received such other

documentation as the City shall reasonably require of Retail Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**.

5.1.2.2 No Retail Notes shall be issued to a Qualified Institutional Buyer for the Retail Component until such time as the City has (i) accepted a Certificate of Substantial Completion evidencing 100% completion of the Redevelopment Project; (ii) received the documentation specified in **Section 4.3** of this Agreement and calculated the amount of the clawback as provided for therein; (iii) approved Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference; (iv) received an opinion of Bond Counsel regarding the taxable nature of the Retail Notes; (v) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (vi) received such other documentation as the City shall reasonably require of Retail Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**.

5.2 Issuance of Retail Notes. The City agrees to issue one or more Retail Notes to Retail Developer, a Related Entity, a Project Lender or a Qualified Institutional Buyer as provided in this Agreement and the Note Ordinance to reimburse the Retail Developer for Reimbursable Redevelopment Project Costs up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of **Article IV** of this Agreement. The Retail Notes shall be in a form substantially similar to **Exhibit F**, attached hereto and incorporated herein by reference.

5.2.1.2 Terms. Each Retail TIF Note shall bear interest at a fixed rate per annum, determined on the date that is not less than ten (10) business days and not more than sixty (60) days prior to the scheduled closing date for the issuance of the Retail TIF Notes (the "Pricing Date") based on the municipal yield curve for general obligation bonds (the "MMD") compiled by Municipal Market Data-Line® (or its successors) and published by Thomson Financial, an operating unit of The Thomson Corporation (or its successors), using the MMD yield published as of the Issuance Date for general obligation bonds rated "AAA" that mature in the same year as the Retail TIF Notes, (i) plus four percent (4%) or less if the interest on the Retail TIF Notes (in the opinion of Bond Counsel) is not exempt from federal income taxation the ("Taxable Rate"), or (ii) plus two percent (2.0%) or less if the interest on the Retail TIF Notes (in the opinion of Bond Counsel) is exempt from federal income taxation (the "Tax-Exempt Rate"); provided, in no event shall the interest rate on the Retail TIF Notes exceed ten percent (10%) per annum. All Retail TIF Notes shall have a stated maturity of the Maturity Date.

5.2.2.1 Procedures for Issuance of Retail Notes to Developer, a Related Entity or Project Lender. Within sixty (60) days of the Retail Developer's satisfaction of the conditions of **Section 5.1.1** of this Agreement the City shall issue a Retail TIF Note to Retail Developer, a Related Entity or a Project Lender evidencing reimbursement of Reimbursable Redevelopment Project Costs. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Retail TIF Note as provided in this **Section 5.2**, the Retail Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Retail Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

Notwithstanding anything contained in this Agreement to the contrary, until such time as the final Certificate of Substantial Completion of the Redevelopment Project as a whole has been accepted by the City, the City shall issue a Retail TIF Note in an amount not to exceed _____ (\$ _____) [**The amount of TIF that the Retail Component can support on its own revenue stream as determined by the City**] until such time the final Certificate of Substantial Completion for the Redevelopment Project as a whole has been accepted by the City. Upon the City's acceptance of the final Certificate of Substantial Completion for the Redevelopment Project as a whole, the City shall, within ten (10) days of its acceptance of such Certificate, issue an endorsement to the Retail TIF Note up to the full amount authorized under **Section 4.1** of this Agreement.

5.2.2.2 Procedures for Issuance of Retail Notes to a Qualified Institutional Buyer. Within sixty (60) days of the Retail Developer's satisfaction of the conditions of **Section 5.1.2** of this Agreement the City shall issue a Retail TIF Note to a Qualified Institutional Buyer. Notwithstanding anything contained in this

Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Retail TIF Note as provided in this **Section 5.2**, the Retail Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Retail Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.2.3 Special Mandatory Redemption of Retail TIF Notes. All Retail TIF Notes are subject to special mandatory redemption by the City, in whole at any time or in part on each May 1 and November 1 (each, a “Payment Date”) occurring after the acceptance by the City of the final Certificate of Substantial Completion for the Redevelopment Project and issuance of one or more Retail TIF Notes at a redemption price equal to 100% of the principal amount being redeemed, together with the accrued interest thereon to the date fixed for redemption.

5.3 Issuance of TIF Bonds.

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

5.3.2.2 Upon receipt of a written request by the Retail Developer and upon the City’s underwriter’s recommendation in favor of issuing TIF Bonds and recommendation of the principal amount thereof based on the criteria set forth below, the City shall use its best efforts to cause the Authority to issue TIF Bonds as described in this Section. The aggregate gross cash proceeds from the sale of the TIF Bonds before payment of Issuance Costs, together with any interest accrued thereon (“Bond Proceeds”) of such TIF Bonds will be finally determined by the City after receiving the underwriter’s recommendation based on the criteria set forth below. The City shall not be obligated to cause the Authority to issue such TIF Bonds unless the underwriter determines that all of the following criteria are satisfied as of the date of issuance of such bonds, unless such criteria are waived by the City’s underwriter. The Retail Developer shall not have any liability for any costs associated with the issuance of TIF Bonds but shall bear its own costs and expenses, including any attorneys’ fees and expenses, that the Retail Developer may incur in complying with this Section. Notwithstanding anything in this Section to the contrary, the Retail Developer shall be liable for all costs incurred by the City or the Authority in the event the Retail Developer has requested the issuance of bonds and the City’s underwriter has determined that such bonds cannot be issued at such time.

5.3.2.1 Criteria for Issuance. The underwriter’s recommendation for issuance of TIF Bonds and the principal amount thereof shall be based on the following criteria:

- (i) Acceptance by the City of the Certificate of Substantial Completion for the Redevelopment Project;
- (ii) Review of projections of Available Retail Revenues available for debt service as proposed by an independent qualified consultant. Such projections must show that (A) if all Available Retail Revenues were to be applied to the immediate repayment of the TIF Bonds, the TIF Bonds would reasonably be anticipated to be retired within twenty-three years from the date of adoption of the Approving Ordinance, and (B) based on a maturity date twenty-three years from the date of adoption of the Approving Ordinance, the TIF Bonds are reasonably likely to achieve debt service coverage ratio reasonably acceptable to the City’s underwriter;
- (iii) Documentation of stabilization of the Redevelopment Project for a minimum period of two years after substantial completion as evidenced in a report to the City prepared by a qualified independent consultant to be paid for by the City, which report also sets forth TIF revenue projections for the Retail Component in connection with the issuance of the TIF Bonds;
- (iv) The aggregate net projected debt service on the TIF Bonds (taking into account the principal portion of the TIF Bonds that are issued to establish a reserve fund

and to pay Issuance Costs, and including any reserve fund earnings) will be lower than the net average annual debt service on the outstanding Retail Notes, unless the Retail Developer voluntarily elects to defer or forgive principal of and/or interest on the Retail Notes in an amount necessary to make the aggregate net projected debt service on the TIF Bonds lower than the net average annual debt service on the outstanding Retail Notes; and

- (v) The TIF Bonds can be sold at an aggregate net interest cost which is less than the aggregate net interest cost of the Retail Notes to be redeemed.

5.4 Application of TIF Bond Proceeds. Proceeds of any TIF Bonds shall be applied:

5.4.1.2 To the payment of costs relating to the issuance of the TIF Bonds;

5.4.2.2 To the payment of outstanding principal of and interest on the Retail Notes to be refunded;

5.4.3.2 To the payment of capitalized interest on the TIF Bonds; and

5.4.4.2 To the establishment of a debt service reserve fund for the TIF Bonds in a reasonable amount of the principal amount of TIF Bonds to be issued, as to be determined by the City's underwriter.

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

5.6 Subordinate Notes. If the amount of TIF Bonds issued pursuant to this Agreement is insufficient to refund all of the outstanding Retail Notes, the Retail Notes remaining outstanding shall be redeemed by the issuance of notes subordinate to the TIF Bonds (the "Subordinate Notes"). Each Subordinate Note shall have the same maturity and have the same outstanding principal amount and the same interest rate as the Retail Note it redeems. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.4** of this Agreement and the Note Ordinance.

5.7 City to Select Underwriter, Placement Agent and Financial Advisor; Term and Interest Rate. The City shall have the right to select the designated underwriter (and such financial advisors and consultants as the underwriter and the City deem necessary for the issuance of the TIF Bonds), underwriter's counsel and the placement agent and disclosure counsel for the issuance of TIF Bonds. The final maturity of the TIF Bonds shall not exceed the maximum term permissible under the TIF Act. The TIF Bonds shall bear interest at such rates, shall be subject to redemption and shall have such terms as the City shall determine in its sole discretion. Notwithstanding anything contained herein to the contrary, the City shall have the right to select the disclosure counsel with respect to the issuance of any TIF Obligations.

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

6.1 Creation of Special Allocation Fund. The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a "PILOTs Account," an "EATs Account," and therein a Retail PILOTs Sub-Account and a Retail EATs Sub-Account, respectively and such further accounts or sub-accounts as are required by this Agreement or the Note Ordinance, or as the Comptroller may deem appropriate in connection with the administration of the Special Allocation Fund pursuant to this Agreement. Subject to the requirements of the TIF Act and, with respect to Economic Activity Taxes, subject to annual appropriation by the Board of Aldermen, the City will promptly upon receipt thereof deposit all Payments in Lieu of Taxes

derived from the Retail Sub-Area into the Retail PILOTs Sub-Account of the PILOTs Account and all Economic Activity Taxes derived from the Retail Sub-Area into the Retail EATs Sub-Account of the EATs Account.

6.2 Certification of Base for PILOTs and EATs.

6.2.1.2 Upon the reasonable written request of the City, Retail Developer shall use its best efforts to provide or cause to be provided to the Comptroller or its authorized representative any documents necessary for the City to calculate the base for PILOTs and EATs including, but not limited to: (i) the address and locator number of all parcels of real property located within the Retail Sub-Area; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of the Retail Sub-Area in the calendar year ending December 31, 2005.

6.2.2 Within ninety (90) days after execution of all agreements pertaining to the redevelopment of the Redevelopment Area, the City shall provide to the Retail Developer (i) a certification of the City Assessor of the total initial equalized assessed value of the taxable real property within the Redevelopment Area based upon the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area; and (ii) a certification of the amount of revenue from taxes, penalties and interest which are imposed by the City and other taxing districts and which are generated by economic activities within the Redevelopment Area for the calendar year ending December 31, 2005, but excluding those personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, taxes levied for the purpose of public transportation, or licenses, fees or special assessments identified as excluded in Section 99.845.3 of the TIF Act.

6.3 Application of Available Revenues. The City hereby agrees for the term of this Agreement to apply the Available Revenues and any taxes, fees or assessments subsequently enacted and imposed in substitution therefor and allocable to the Special Allocation Fund under the TIF Act or this Agreement to the repayment of Retail TIF Notes issued under **Article V** of this Agreement as provided in the Trust Indenture, as authorized by the Note Ordinance, and this Agreement.

6.4 Cooperation in Determining TIF Revenues. The City and the Retail Developer agree to cooperate and take all reasonable actions necessary to cause the Retail TIF Revenues to be paid into the Special Allocation Fund, including, but not limited to, the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement. The Retail Developer (or its successor(s) in interest as an owner or owner(s) of the affected portion(s) of the Retail Sub-Area) shall require each "seller" (as that term is defined in Section 144.010(11) of the Missouri Revised Statutes, as amended) located in the Retail Sub-Area to provide to the Comptroller of the City the following information:

- (i) Each "seller's" federal and state tax identification numbers.
- (ii) Within thirty (30) days of the end of each calendar quarter, copies of a completed Tax Increment Financing District Quarterly Information Form for each "seller's" business located within the Retail Sub-Area along with:
 - (a) copies of all sales tax returns filed with the Missouri Department of Revenue (on Form 53-S.F. Missouri Department of Revenue or such successor form) with respect to the sales taxes originating from businesses located within the Retail Sub-Area for such quarter. In the event that a "seller" has multiple business operations within the City, such "seller" shall file separate sales tax returns for the sales taxes originating from the business located within the Retail Sub-Area.
 - (b) copies of all earnings tax returns filed with the City (on Business Return Form 234 or such successor form) with respect to earnings taxes originating from the business located within the Retail Sub-Area for such quarter. In the event that a business has multiple operations within the City, such business shall file separate earnings tax returns for the earnings taxes originating from the business located within the Retail Sub-Area.
 - (c) copies of all earnings tax withholding reports filed with the City (on Form W-10 or such successor form) with respect to earnings tax withholdings originating from the business

located within the Retail Sub-Area for such quarter. In the event that a business has multiple operations within the City, such business shall file separate earnings tax withholding reports for the earnings tax withholdings originating from the business located within the Retail Sub-Area.

- (d) copies of monthly invoices received for utility services provided to the property on which the business within the Retail Sub-Area is located, including without limitation electric, water, natural gas, and telephone services, for such quarter.

During such time as the Retail Developer or a Related Entity owns all or any portion of the Property, the Retail Developer shall provide the information required in clauses (i) through (vi) of this **Section 6.4**. The Retail Developer (or its successor(s) in interest as an owner or owner(s) of any portion(s) of the Retail Sub-Area) shall also request any purchaser or transferee of real property and any lessee or other user of real property located within the Retail Sub-Area to (i) designate sales subject to sales taxes pursuant to Chapter 144 of the Revised Statutes of Missouri, as amended, to be reported as originating from the Retail Sub-Area to the fullest extent permitted by law (including reasonable efforts to negotiate for the inclusion of a clause so providing in the leases of the Retail Sub-Area) and (ii) to provide to the Comptroller of the City within thirty (30) days of the end of each calendar quarter, copies of monthly invoices received for utility services provided to the property on which any purchaser, transferee or lessee of any residential or commercial unit within the Retail Sub-Area is located, including without limitation electric, water, natural gas, and telephone services, for such quarter.

The Retail Developer shall satisfy the requirements of this **Section 6.4** by including the obligations set forth in this Section within any deed conveying a portion of the Retail Sub-Area to any purchaser or transferee or any lease entered into with any “seller” or lessee.

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

6.6 Notice to City of Transfer. The Retail Developer agrees to notify the City in writing of any sale, transfer or other disposition of the Retail Sub-Area or any interest therein as permitted by **Section 7.3.2** of this Agreement at least fifteen (15) days prior to such sale, transfer or other disposition. Said notice shall specify the name and address of the person so acquiring any or all of the Retail Sub-Area or any interest therein and shall identify the Retail Sub-Area to be sold, transferred or otherwise disposed, whether by voluntary transfer or otherwise. Notwithstanding the foregoing, Retail Developer shall not be required to notify the City of the sale or lease of a residential unit, commercial unit or parking space in the ordinary course of business except as may be required by **Section 4.3** or the transfer of the Retail Sub-Area in accordance with **Section 7.3.2** of this Agreement.

ARTICLE VII. GENERAL PROVISIONS

7.1 Retail Developer’s Right of Termination. At any time prior to the delivery of a Certificate of Substantial Completion applicable to the Retail Component, the Retail Developer may, by giving written notice to the City, abandon the Retail Component and terminate this Agreement and the Retail Developer’s obligations hereunder if the Retail Developer determines, in its sole discretion, that the Retail Component is no longer economically feasible. Upon such termination, the City shall have no obligation to reimburse the Retail Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Retail Developer for the abandoned Retail Component and any Retail Note issued in connection with the abandoned Retail Component pursuant to this Agreement shall be deemed null, void and canceled; provided, however, that upon completion of the Retail Component, the Retail Developer may not abandon the completed Retail Component nor terminate this Agreement, and the City shall not cancel any Retail Note issued with respect to the completed Retail Component and the terms of this Agreement and rights and obligations of the respective parties shall remain in full force and effect as to the completed Retail Component.

7.2 City’s Right of Termination. The City may terminate this Agreement if the Retail Developer fails to submit its Certificate of Substantial Completion, acceptable to the City, in accordance with **Section 3.8** of this Agreement and the schedule set forth in **Section 3.4** of this Agreement. Upon termination of this Agreement for any reason, the City shall have no obligation to

reimburse the Retail Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by the Retail Developer and any Retail Note issued in connection with the Retail Component pursuant to this Agreement shall be deemed null, void and canceled; *provided, however*, that upon completion of the Retail Component, the Retail Developer may not abandon the completed Retail Component, neither the Retail Developer nor the City may terminate this Agreement, the City shall not cancel any Retail Note issued, and the terms of this Agreement and rights and obligations of the respective parties shall remain in full force and effect.

7.3 Successors and Assigns.

7.3.1.2 Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns.

7.3.2.2 Assignment or Sale. Without limiting the generality of the foregoing, the rights of the Retail Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after redevelopment of the Retail Component, whereupon the party assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such property to which such interest pertains shall remain subject to the terms and conditions of this Agreement), *provided, however*, that until substantial completion of the Retail Component, the rights, duties and obligations of the Retail Developer under this Agreement shall not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed upon a reasonable demonstration by the Retail Developer of the proposed transferee's or assignee's experience and financial capability to undertake and complete such portions of the Work for the Retail Component and perform the Retail Developer's obligations under this Agreement, all in accordance with this Agreement. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with: (a) the right of the Retail Developer to encumber or collaterally assign its rights, duties and obligations under this Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of the Retail Developer to transfer the Property or assign the Retail Developer's rights, duties and obligations under the Agreement to any Related Entity or any corporation owned 70% by George Sherman and 30% by Craig Heller; *provided that* in each such event (i) the Retail Developer named herein (Syndicate Retail, LLC) shall remain liable hereunder for the substantial completion of the Retail Component, subject, however, to Retail Developer's right of termination pursuant to **Section 7.1** of this Agreement, and shall be released from such liability hereunder only upon substantial completion of the Retail Component and (ii) the Retail Developer provides to the City fifteen (15) days' advance written notice of the proposed assignment or transfer.

7.3.3.2 A successor or permitted assign of Retail Developer which was required to receive initial consent from the City may not sell, assign (whether by operation of law or otherwise), pledge, encumber, hypothecate, or otherwise transfer all or any part of its rights, duties or obligations under this Agreement or merge, consolidate with or otherwise acquire, or be acquired by, any individual, corporation, partnership, trust, or any other entity whatsoever, without the express written consent of the City.

7.3.4.2 A consent by the City to any such assignment under **Sections 7.3.2 or 7.3.3** shall not be deemed a consent to any subsequent assignment, and any such assignment made by Retail Developer or any of its successors or permitted assigns without the prior written consent of the City shall be void and shall, at the option of the City, constitute an Event of Default by Retail Developer or any of its successors or permitted assigns under this Agreement.

7.3.5.2 Notwithstanding anything in this Agreement to the contrary, no consent shall be required in connection with any sale or lease of a residential unit or the lease of a commercial unit in the ordinary course of business, except as may be required by **Section 4.3** of this Agreement.

7.3.6.2 Consent to Collateral Assignment. The City hereby agrees to execute a Consent to Collateral Assignment in substantially the form attached hereto as **Exhibit G** in connection with the collateral

assignment of this Agreement to U.S. Bank, National City Bank, a community development entity formed for New Markets Tax Credit purposes, or any other bank or financial institution of nationally recognized standing.

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

7.4 Remedies. Except as otherwise provided in this Agreement and subject to the Retail Developer's and the City's respective rights of termination, in the event of any default in or breach of any term or conditions of this Agreement by either party, or any successor, the defaulting or breaching party (or successor) shall, upon written notice from the other party specifying such default or breach, proceed immediately to cure or remedy such default or breach, and shall, in any event, within thirty (30) days after receipt of notice, cure or remedy such default or breach. In the event that the defaulting or breaching party (or successor) diligently and in good faith commences to cure or remedy such default or breach but is unable to cure or remedy such default or breach within thirty (30) days after receipt of notice, the defaulting or breaching party (or successor) shall, prior to the end of such thirty (30) days, provide notice to the other party that it has in good faith commenced to cure or remedy such default or breach, whereupon the defaulting or breaching party (or successor) shall have an additional thirty (30) days to cure or remedy such default or breach. In case such cure or remedy is not taken or not diligently pursued, or the default or breach shall not be cured or remedied prior to the end of the additional thirty (30) day period, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including without limitation proceedings to compel specific performance by the defaulting or breaching party.

7.5 Force Majeure. Neither the City nor the Retail Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure (except as expressly limited in **Section 3.4**), including without limitation damage or destruction by fire or casualty; strike; lockout; civil disorder; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by the governmental entity necessary for the Retail Developer to proceed with construction of the Work for the Retail Component or any portion thereof; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other like causes beyond the parties' reasonable control, including without limitation any litigation, court order or judgment resulting from any litigation affecting the validity of the Redevelopment Plan, the Redevelopment Project or the TIF Obligations or this Agreement; provided that (i) such event of force majeure shall not be deemed to exist as to any matter initiated or sustained by the Retail Developer in bad faith, and (ii) the Retail Developer notifies the City in writing within thirty (30) days of the commencement of such claimed event of force majeure.

7.6 Notices. All notices, demands, consents, approvals, certificates and other communications required by this Agreement to be given by either party hereunder shall be in writing and shall be hand delivered or sent by United States first class mail, postage prepaid, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, certificates and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal if the sending party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication.

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

Syndicate Retail, LLC
 c/o Sherman Associates, Inc.
 233 Park Avenue South, Suite 201
 Minneapolis, MN 55414
 Attention: George Sherman
 Facsimile: 612-332-8119

And

Syndicate Retail, LLC
c/o Loftworks, L.L.C.
1006 Olive Street
St. Louis, Missouri 63101
Attention: Craig Heller
Facsimile: 314-241-6702

With a copy to:

Husch & Eppenberger, LLC
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: David G. Richardson
Facsimile: 314-480-1505

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

City of St. Louis
Office of the Mayor
City Hall
1200 Market Street, Room 200
St. Louis, Missouri 63103
Attention: Barbara Geisman, Executive Director for Development
Facsimile: 314-622-3440

And

City of St. Louis
Office of the Comptroller
City Hall
1200 Market Street, Room 212
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy Comptroller
Facsimile: 314-588-0550

With a copy to:

SLDC
1015 Locust Street
Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz
Facsimile: 314-231-2341

And

Armstrong Teasdale, LLP
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102
Attention: James R. Mello
Facsimile: 314-621-5065

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

SLDC
1015 Locust Street, Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz
Facsimile: 314-231-2341

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

7.8 Damage or Destruction of Retail Component. In the event of total destruction or damage to the Retail Component by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Retail Notes are outstanding and the Master Developer, the Retail Developer, a Related Entity or any corporation owned 70% by George Sherman and 30% by Craig Heller owns the Retail Sub-Area, the Retail Developer shall determine and advise the City in writing within one year of such destruction or damage whether to restore, reconstruct and repair any such destruction or damage so that the Retail Component will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Retail Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal of or interest on the Retail Notes shall immediately terminate and the Retail Developer shall promptly surrender the Retail Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any TIF Bonds are issued or the issuance of a Retail Note to a purchaser other than the Retail Developer or a Related Entity, the Retail Developer shall, at the City's option after consultation with the Retail Developer, tender to the City that portion of the insurance proceeds, if any, to which Retail Developer is entitled, after satisfaction of any terms or obligations of any deed of trust, promissory note or financing agreement entered into by the Retail Developer for the financing of all or any part of the Redevelopment Project, from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the TIF Bonds or Retail Notes, plus accrued interest thereon to be deposited into the Special Allocation Fund.

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

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

7.11 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

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

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

7.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of the City shall be personally liable to the Retail Developer in the event of any default or breach by any party under this Agreement,

or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

7.15 Attorney's Fees. In any dispute arising out of or relating to this Agreement, including any action to enforce this Agreement against a defaulting or breaching party pursuant to **Section 7.4**, the prevailing party shall recover from the non-prevailing party the prevailing party's attorney fees, in addition to any other damages to which it may be entitled.

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

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

7.17.1.2 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable to the Retail Developer for damages or otherwise in the event that all or any part of the TIF Act, or any ordinance adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Retail Developer is prevented from enjoying the rights and privileges hereof.

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

7.17.3.2 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Retail Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Property or the Work except for matters arising out of the gross negligence or willful misconduct of the City and its governing body members, officers, agents, attorneys, employees and independent contractors.

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

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

7.17.6.2 The Retail Developer releases from and covenants and agrees that the City, its governing

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

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

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

7.20 Non-Discrimination. The Redeveloper agrees that as an independent covenant running with the land during the term of this Agreement there shall be no discrimination upon the basis of race, creed, color, national origin, sex, age, sexual preference, marital status or physical or mental handicap or disability in the sale, lease, rental, occupancy or use of any of the facilities under its control within the Property or any portion thereof and said covenant may be enforced by the City or the United States of America or any of their respective agencies. The Redeveloper further agrees that a provision containing the covenants of this paragraph shall be included in all agreements pertaining to the lease or conveyance or transfer (by any means) of all or a portion of the Property and any of the facilities under its control on the Property. Except as provided in this Section, the Redeveloper shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities on the Property.

7.21 Fair Employment. The Retail Developer shall comply with the Mayor's Executive Order #28, as amended, during the design and construction of the Retail Component and with respect to ongoing services provided by third parties to the Retail Developer in connection with the Retail Component.

ARTICLE VIII. REPRESENTATIONS OF THE PARTIES

8.1 Representations of the City. The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this

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

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

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

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

“CITY”

CITY OF ST. LOUIS, MISSOURI

By: _____
Francis G. Slay, Mayor

By: _____
Darlene Green, Comptroller

(SEAL)

Attest:

Parrie May, City Register

“RETAIL DEVELOPER”

SYNDICATE RETAIL, LLC, a Missouri limited liability company

By: _____
Name: _____
Title: _____

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

On this ___ day of _____, 2006, before me appeared Francis G. Slay, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

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

On this ___ day of _____, 2006, before me appeared Darlene Green, to me personally known, who, being by me duly sworn, did say that she is the Comptroller of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

STATE OF MISSOURI)
) SS.
OF)

On this ___ day of _____, 2006, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of Syndicate Retail, LLC, a Missouri limited liability company, and that he is authorized to sign the instrument on behalf of said limited liability company by authority of its _____, and acknowledged to me that he executed the within instrument as said company's free act and deed.

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

Notary Public

My Commission Expires:

EXHIBIT A
Legal Description of the Redevelopment Area

Lot 2 of the Resubdivision of City Block 273 according to the plat thereof, recorded in Plat Book 82 page 28 of the City of St. Louis Records and being described as follows:

A tract of land being part of Block 273 of the City of St. Louis, Missouri more particularly described as follows: Beginning at a point on the Southern line of Locust Street, 60 feet wide, at its intersection with the Eastern line of Tenth Street, 60 feet wide, said point being the Northwest corner of Block 273; thence South 72 degrees 34 minutes 43 seconds East, 127.78 feet along said Southern line of Locust to its intersection with the Western line of a 15-foot wide North-South alley vacated by Ordinance 26392; thence South 17 degrees 28 minutes 39 seconds West, 228.44 feet along the Western line of said vacated alley to the Northern line of Olive Street, 60 feet wide; thence North 72 degrees 35 minutes 47 seconds West, 127.78 feet along the Northern line of said Olive Street to its intersection with the Eastern line of Tenth Street, said point of intersection being the southwest corner of City Block 273; thence North 17 degrees 28 minutes 40 seconds East, 228.48 feet along the Eastern line of Tenth Street to the said point of beginning.

EXHIBIT B
Reimbursable Redevelopment Project Costs

CATEGORY	
(a)	Acquisition Costs (as defined in Section 1.1 of this Agreement).
(b)	Demolition Costs (includes, but is not limited to, interior demolition of existing buildings and structures or parts thereof).
(c)	Site Preparation and Public Improvements Costs (includes, but is not limited to, roads, sidewalks, on-street parking, landscaping, lighting, benches, trash receptacles, bike racks, directional signage and all utility work in the common areas) and all costs incurred with respect to completing the Infrastructure and Public Improvements described in Exhibit C to the LCRA Agreement.
(d)	Costs of rehabilitation, reconstruction, repair or remodeling of existing buildings and fixtures.
(e)	Financing Costs (includes, but is not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations, loan fees, construction period interest, reserves, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred in connection with obtaining financing for and a low income, historic or New Markets tax credit investor in the Redevelopment Project).
(f)	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
(g)	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
(h)	TIF Costs and Issuance Costs and costs incurred pursuant to subsections 2.2(i)-(v) of the Agreement.
(i)	Costs of studies, surveys, plans and specifications.

¹ Subject to the limitations set forth in **Section 4.1** of this Agreement.

EXHIBIT C
Form of Certificate of Commencement of Construction

DELIVERED BY
Syndicate Retail, LLC

The undersigned, Syndicate Retail, LLC (the “Retail Developer”), pursuant to that certain Redevelopment Agreement dated as of _____, 2006, between the City of St. Louis, Missouri (the “City”) and the Retail Developer (the “Agreement”) hereby certifies to the City as follows:

1. All of the Retail Sub-Area within the Redevelopment Area (as legally described on Appendix A attached hereto and by this reference incorporated herein and made a part hereof) necessary for the Retail Component, has been acquired by Retail Developer in accordance with the Agreement.
2. The Retail Developer has entered into an agreement with a contractor or contractors to construct the Retail Component.
3. Retail Developer has obtained all necessary financing to complete the Retail Component.
4. This Certificate of Commencement of Construction is being issued by the Retail Developer to the City in accordance with the Agreement to evidence the Retail Developer’s satisfaction of all obligations and covenants with respect to commencement of construction of the Retail Component.

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

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

Syndicate Retail, LLC

By: _____
Name: _____
Title: _____

**EXHIBIT D
Form of Certificate of
Reimbursable Redevelopment Project Costs**

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

Re: City of St. Louis, Missouri, Syndicate Trust Redevelopment Project

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____, 2006 (the "Agreement"), between the City and Syndicate Retail, LLC, a Missouri limited partnership (the "Retail Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost and was incurred in connection with the construction of the Redevelopment Project.
2. These Reimbursable Redevelopment Project Costs have been have been paid by the Retail Developer the Master Developer or a Related Entity to either, and are reimbursable under the Agreement.
3. Each item listed on **Schedule 1** has not previously been paid or reimbursed from money derived from the Special Allocation Fund or any money derived from any project fund established pursuant to the Note Ordinance, and no part thereof has been included in any other certificate previously filed with the City.
4. There has not been filed with or served upon the Retail Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. All necessary permits and approvals required for the portion of the Retail Component of the Redevelopment Project for which this certificate relates have been issued and are in full force and effect.
6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Redevelopment Plan and the Agreement.
7. If any cost item to be reimbursed under this Certificate is deemed not to constitute a "redevelopment project cost" within the meaning of the TIF Act and the Agreement, the Retail Developer shall have the right to substitute other eligible Reimbursable Redevelopment Project Costs for payment hereunder.
8. The Retail Developer is not in default or breach of any material term or condition of the Agreement beyond the applicable cure period, if any.

Dated this ____ day of _____, _____.

Syndicate Retail, LLC

By: _____
Name: _____
Title: _____

Approved for payment this ____ day of _____, 20__.

CITY OF ST. LOUIS, MISSOURI

By: _____
Comptroller

Schedule 1

The Retail Developer has incurred the following Reimbursable Redevelopment Project Costs:

Payee: Amount: Description of Reimbursable Redevelopment Project Costs:

EXHIBIT E
Form of Certificate of Substantial Completion
CERTIFICATE OF SUBSTANTIAL COMPLETION

The undersigned, **Syndicate Retail, LLC**, a Missouri limited partnership (the “Retail Developer”), pursuant to that certain Redevelopment Agreement dated as of _____, 2006, between the City of St. Louis, Missouri (the “City”), and the Retail Developer (the “Agreement”), hereby certifies to the City as follows:

1. That as of _____, _____, the construction of the Retail Component (as that term is defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. That the Work for the Retail Component has been substantially completed or funded pursuant to the Agreement.
3. The Work for the Retail Component has been performed in a workmanlike manner and substantially in accordance with the Construction Plans (as those terms are defined in the Agreement).
4. This Certificate of Substantial Completion for the Retail Component is accompanied by the project architect’s or owner representative’s certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and incorporated herein by reference, certifying that the Retail Component has been substantially completed in accordance with the Agreement.
5. Lien waivers for applicable portions of the Work for the Retail Component in excess of Five Thousand Dollars (\$5,000) have been obtained.
6. This Certificate of Substantial Completion is being issued by the Retail Developer to the SLDC and the City in accordance with the Agreement to evidence the Retail Developer’s satisfaction of all material obligations and covenants with respect to the Retail Component.
7. The acceptance (below) or the failure of the SLDC and the Mayor or his designee to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the SLDC and the City (which written objection, if any, must be delivered to the Retail Developer prior to the end of such thirty (30) days) shall evidence the satisfaction of the Retail Developer’s agreements and covenants to perform the Work for the Retail Component.

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

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

Syndicate Retail, LLC

By: _____
Name: _____
Title: _____

ACCEPTED:

SLDC

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

(Insert Notary Form(s) and Legal Description)

EXHIBIT F

Form of Note
[TO BE ATTACHED UPON EXECUTION]

EXHIBIT G

Consent to Collateral Assignment

CONSENT TO COLLATERAL ASSIGNMENT

This **CONSENT TO COLLATERAL ASSIGNMENT** (this "Consent"), dated as of this ____ day of _____, 200_, is made and entered into by and among the **CITY OF ST. LOUIS, MISSOURI**, a municipal corporation ("City"), _____, and its successors and assigns ("Lender"), and **SYNDICATE RETAIL, LLC**, a Missouri limited liability company ("Developer").

WITNESSETH

WHEREAS, the City and the Developer (the "Developer") are parties to that certain Redevelopment Agreement dated _____, 200_ (the "Redevelopment Agreement"), a copy of which is attached hereto as **Exhibit A** (capitalized terms used and not defined herein shall have the meaning given to them in the Redevelopment Agreement); and

WHEREAS, the City has agreed to issue the Retail TIF Notes pursuant to the terms of the Redevelopment Agreement and Ordinance No. _____ (the "Note Ordinance"); and

WHEREAS, Developer has applied to Lender for certain loans in the aggregate principal amount of _____ (the "Loan"), said Loan to be issued pursuant to that certain Loan Agreement by and between _____ and Lender dated as of _____, 200_ (the "Loan Agreement"); and

WHEREAS, as partial security for the Loan, Developer has executed, among other documents, _____, dated as of _____ (the "Pledge Agreement") and assignment of TIF Note, executed by Developer for the benefit of Lender, pledging its interest as the developer under the Redevelopment Agreement; and

WHEREAS, the Developer, as initial owner of the Notes to be issued by the City pursuant to the TIF Redevelopment Agreement (TIF Notes) TIF Notes, shall collaterally assign the TIF Notes to Lender pursuant to the Pledge Agreement and TIF Note

Pledge; and

WHEREAS, the Redevelopment Agreement, Redevelopment Plan, the Ordinances, and all other documents and agreements between City and Developer relating thereto are collectively referred to herein as the "Development Documents," a list of which is attached hereto as **Exhibit B** and incorporated herein by reference.

NOW THEREFORE, in consideration of the foregoing recitals, the agreements, promises and covenants herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Consent hereby agree as follows:

1. Consent. The City hereby acknowledges and consents to the pledge by Developer to Lender of the Development Documents including TIF Note as security for the Developer's obligations to Lender pursuant to the terms and conditions of the Pledge Agreement, the Loan Agreement and each of the other Loan Documents (as such term is defined in the Loan Agreement).

2. Attornment. The City acknowledges that it will make full and complete attornment with respect to the TIF Notes and the Development Agreement (without the necessity of any other or further attornment or instrument) to, (a) Lender or an affiliate of Lender organized to hold the TIF Notes (Lender's "Affiliate"), or (b) any receiver which Lender requests be appointed for the TIF Notes.

3. Lender's Right to Cure Developer Default. Developer hereby requests that the City add the Lender to the Notice Section of the Redevelopment Agreement for all official notices and demands under the Redevelopment Agreement at the address set forth in Section 8.2 hereof. If any breach or default on the part of the Developer occurs under the Development Documents and the Developer fails to cure the same within any applicable cure or grace period (any such uncured breach or default being referred to herein as a "Developer Default"), Lender shall have the right, but not the obligation, to cure or cause the cure of such Developer Default on the same terms and under the same conditions as Developer under the Redevelopment Agreement.

4. Representations.

(a) The City represents to and for the benefit of Lender that:

(i) There are no side letters or oral or other agreements which affect any terms of the Development Documents or the relationship between City and Developer.

(ii) The Development Documents are in full force and effect on the date hereof and represent the valid, binding and enforceable obligations of City. To the best knowledge of the Mayor in consultation with the St. Louis Development Corporation ("SLDC") and the Comptroller, the City is not in default under the Development Documents and has not breached any of the terms of the Development Documents.

(iii) The City has received no notice of prior sale, transfer or assignment, hypothecation or pledge of Developer's interest in the Development Documents, except as otherwise set forth herein.

(iv) None of the following events have occurred: (i) the filing of a petition in bankruptcy, insolvency or reorganization, or for the appointment of a receiver or trustee, affecting City, or (ii) the making of an assignment by City for the benefit of its creditors.

(b) In the event that Lender becomes the holder of the TIF Notes, Lender hereby represents to and for the benefit of the City that:

(i) Lender has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of limited revenue obligations and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the TIF Notes. Lender understands that the TIF Notes are repayable solely from funds available in the Special Allocation Fund and, with respect to a portion of the funds therein, subject to annual appropriation by the Board of Aldermen of the City.

(ii) Lender understands that the TIF Notes do not constitute an indebtedness of the City or a loan or credit thereof within the meaning of any constitutional or statutory debt limitation or restriction.

(iii) Lender 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. Lender hereby covenants and agrees that the undersigned will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph (d) below.

(iv) Lender acknowledges that the right to sell, assign, negotiate or otherwise transfer the TIF Notes shall be limited to the sale, assignment, negotiation or transfer to an Approved Investor.

Notwithstanding the foregoing, the parties hereto agree that Lender shall not be (i) liable for any act or omission of Developer under the Development Documents; or (ii) subject to any offsets or defenses which the City might have against Borrower; or (iii) bound by any amendment or modification of the Development Documents made without Lender's prior written consent.

5. Acknowledgment of Lender's Rights and Interests in TIF Notes.

The City has agreed to issue TIF Notes, in accordance with the Note Ordinance, to evidence City's obligations to Developer under the Redevelopment Agreement, which TIF Notes shall be endorsed from time to time on the Schedule A thereto to evidence the amount of City's indebtedness to Developer.

Developer hereby directs the City to deliver the TIF Notes (as and when issued in accordance with the Redevelopment Agreement and Note Ordinance), together with endorsement(s) thereof to the order of the Lender or Lender's designee, as Lender may from time to time direct the City in writing, to enable Lender to constructively hold (through possession in trust by the Finance Officer) such TIF Notes in accordance with the Loan Agreement and the Pledge Agreement.

6. Delivery of Notes. Upon receipt of any written notice from Lender directing that the TIF Notes be delivered to Lender, the City shall promptly deliver any and all TIF Notes held pursuant to the terms of the Note Ordinance and this Consent and not previously delivered to Lender under the terms hereof to or at the order of the Lender as set forth in such notice.

7. Termination. This Consent shall terminate upon the earliest of (i) the mutual written consent of the Lender, the Developer and the City; (ii) the payment in full, satisfaction and discharge of all of the principal and accrued interest on the Loan; or (iii) the payment in full, satisfaction and discharge of all of the principal of and accrued interest on all TIF Notes.

8. Miscellaneous.

(a) Waiver. No waiver of any breach or default hereunder shall constitute or be construed as a waiver by Lender of any subsequent breach or default or of any breach or default of any other provisions of this Consent. Any waiver by Lender must be in writing and will not be construed as a continuing waiver. No waiver will be implied from any delay or failure to take action on account of any default of Developer.

(b) Notices. Any notices required or permitted to be given under this Consent shall be in writing and shall be deemed to have been given if and when received if personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, and addressed to a party at its address set forth below or to such other address the party to receive such notice may have designated to all other parties by notice in accordance herewith:

If to Lender:

With a copy to:

- If to City: City of St. Louis
 Office of the Mayor
 City Hall
 1200 Market Street, Room 200
 St. Louis, Missouri 63103
 Attention: Barbara Geisman, Executive Director for Development
- And: City of St. Louis
 Office of the Comptroller
 City Hall
 1200 Market Street, Room 212
 St. Louis, Missouri 63103
 Attention: Ivy Neyland-Pinkston, Deputy Comptroller
- With a copy to: SLDC
 1015 Locust Street
 Suite 1200
 St. Louis, Missouri 63101
 Attention: Dale Ruthsatz
 Facsimile: 314-231-2341
- And Armstrong Teasdale LLP
 One Metropolitan Square, Suite 2600
 St. Louis, Missouri 63102
 Attention: James E. Mello
 Facsimile: 314-621-5065
- If to Developer: Syndicate Retail, LLC
 c/o Sherman Associates, Inc.
 233 Park Avenue South, Suite 201
 Minneapolis, MN 55414
 Attention: George Sherman
 Facsimile: 612-332-8119
- And Syndicate Retail, LLC
 c/o Loftworks, L.L.C.
 1006 Olive Street
 St. Louis, Missouri 63101
 Attention: Craig Heller
 Facsimile: 314-241-6702
- With a copy to: Husch & Eppenberger, LLC
 190 Carondelet Plaza, Suite 600
 St. Louis, Missouri 63105
 Attention: David G. Richardson
 Facsimile: 314-480-1505

or to such other address the party to receive such notice may have theretofore furnished to all other parties by notice in accordance herewith. Except as otherwise specifically required herein, no notice of the exercise of any right or option granted to Lender herein is required to be given.

9. Fees. Developer acknowledges its obligation to satisfy the requirements of Section 2.2(iv) of the Redevelopment Agreement within the time period set forth therein and further acknowledges and agrees that that it shall pay to the Comptroller an additional amount to reimburse the Comptroller for its actual legal expenses incurred in connection with the negotiation and execution of this Consent and the Acknowledgement and Consent Agreement by and among the City, the Developer and the Lender dated of even date herewith.

10. Counterparts. This Consent may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Consent,

11. Governing Law. This Consent and the terms, provisions and conditions herewith shall be governed by and construed and enforced in accordance with the internal laws of the State of Missouri (without giving effect to the conflicts of law provisions thereof).

12. General. This Consent may not be modified or amended except by written agreement of each of the parties hereto. The headings contained herein have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms and provisions hereof. If any term, covenant or condition of this Consent, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Consent, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby and each term, covenant and condition of this Consent shall be valid and enforceable to the fullest extent permitted by law. This Consent represents the entire agreement between the parties and all prior negotiations and communications between the parties concerning the subject loan are superseded hereby.

[The remainder of this page is intentionally left blank.]

[Signature Pages to Follow]

COUNTERPART SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Consent to be duly executed as of the year and date first set forth above.

CITY:

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Comptroller

(SEAL)

Attest:

City Register

Approved as to form:

City Counselor

COUNTERPART SIGNATURE PAGE

DEVELOPER:

SYNDICATE RETAIL, LLC

By: _____

COUNTERPART SIGNATURE PAGE

LENDER:

By: _____

EXHIBIT A

REDEVELOPMENT AGREEMENT (SEE ATTACHED)

EXHIBIT B

DEVELOPMENT DOCUMENTS

1. Redevelopment Agreement dated _____ (attached hereto as **Exhibit A**)
2. St. Louis City Ordinance Nos. _____ and _____ (the "Ordinances")
3. St. Louis City Ordinance No. _____ (the "Note Ordinance")
4. All amendments, modifications, restatements, and renewals of the foregoing items.

EXHIBIT H

Retail TIF Revenues

(To be attached upon execution of Agreement.)

Approved: March 22, 2006