

ORDINANCE #67527
Board Bill No. 122
Committee Substitute

AN ORDINANCE AFFIRMING ADOPTION OF A DEVELOPMENT PLAN, DEVELOPMENT AREA, AND DEVELOPMENT PROJECT; AUTHORIZING THE EXECUTION OF A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF ST. LOUIS AND PARKPACIFIC TIF, INC.; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; DESIGNATING PARKPACIFIC TIF, INC. AS DEVELOPER OF A PORTION OF THE DEVELOPMENT AREA; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF CERTAIN PROPERTY WITHIN THE DEVELOPMENT AREA; AND CONTAINING 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, pursuant to Ordinance No. 67097, the Board of Aldermen of the City created the Downtown Economic Stimulus Authority of the City of St. Louis, Missouri (the “DESA Authority”); and

WHEREAS, on October 5, 2006, after all proper notice was given, the DESA Authority held a public hearing in conformance with the MODESA Act (hereinafter defined) and received comments from all interested persons and taxing districts affected by the Development Plan and the development project described therein; and

WHEREAS, pursuant to the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 through 99.1060 of the Revised Statutes of Missouri (2006), as amended (the “Act” or “DESA Act”), and after due consideration of the DESA Authority’s recommendations, the Board of Aldermen of the City of St. Louis, Missouri adopted Ordinance No. 67320 [Board Bill No. 273] on November 17, 2006, which Ordinance: (i) adopted and approved a development plan entitled the “Development Plan: Downtown St. Louis Core Development Streetscape Enhancements Development Area” dated October 20, 2006, (the “Development Plan”), (ii) designated a portion of the City (as described in the Development Plan) as a “development area” as that term is defined in the MODESA Act (the “Development Area”), (iii) adopted and approved the Development Project described in the Development Plan, (iv) adopted development financing within the Development Area, (v) established the City of St. Louis, Missouri Special Allocation Fund for the Downtown St. Louis Core Development and Streetscape Enhancements Development Area 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 Development Plan proposes to redevelop the Development Area through the Development Project described therein (the “Development Project”) which Development Project includes the redevelopment of the property bounded on the North by Olive Street, on the east by Tucker Boulevard, on the south by Pine Street, and on the west by 14th Street (the “Park Pacific Component”) as well as the improvement of the parks located to the south of the Park Pacific Component (the “Parks Subcomponent”) ; and

WHEREAS, the Development Area qualifies for the use of development financing to alleviate the conditions that qualify it as a “blighted area” as provided in the MODESA Act and as set forth herein; and

WHEREAS, it is necessary and desirable and in the best interest of the City to enter into the Development Agreement with ParkPacific TIF, Inc. (the “Developer”), in order that Developer may complete the Park Pacific Component and Parks Subcomponent which will provide for the promotion of the general welfare through redevelopment of the Park Pacific Component and Parks Subcomponent in accordance with the Development Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, preservation of historic structures, encouragement of a sense of community identity, safety and civic pride and the elimination of impediments to land disposition and development in the City of St. Louis; and

WHEREAS, pursuant to the provisions of the MODESA Act, the City is authorized to enter into a development agreement with ParkPacific TIF, Inc., as Developer, setting forth the respective rights and obligations of the City and Developer with regard to the redevelopment of the Park Pacific Component and Parks Subcomponent (the “Development Agreement”); and

WHEREAS, the Board of Aldermen hereby determines that the terms of the Development Agreement attached as **Exhibit A** hereto and incorporated herein by reference are acceptable and that the execution, delivery and performance by the City and the

Developer of their respective obligations under the Development Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the MODESA Act and the Development Plan.

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 Development Plan, Development Area, and Development Project. The Board of Aldermen further finds and determines that it is necessary and desirable to enter into the Development Agreement with ParkPacific TIF, Inc., as Developer as developer of the Park Pacific Component and Parks Subcomponent, in order to implement such portion of the Development Project and to enable the Developer to carry out its proposal for development such portion of of the Development 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 Development Project and to enable ParkPacific TIF, Inc., as Developer of the Park Pacific Component and Parks Subcomponent, to carry out its proposal for development of the Development Project.

SECTION THREE. The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, the Development Agreement by and between the City and the Developer attached hereto as **Exhibit A**, and the City Register is hereby authorized and directed to attest to the Development Agreement and to affix the seal of the City thereto. The Development 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.

EXHIBIT A

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

DEVELOPMENT AGREEMENT
Between the
CITY OF ST. LOUIS, MISSOURI
And
PARKPACIFIC TIF, INC.
Dated as of
_____, **2007**

**DOWNTOWN ST. LOUIS CORE DEVELOPMENT AND STREETSCAPE
ENHANCEMENTS DEVELOPMENT PROJECT**

**PARK PACIFIC COMPONENT
PARKS SUBCOMPONENT**

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 EXHIBIT H Form of MBE/WBE Utilization Statement
 EXHIBIT I Form of Note

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “*Agreement*”) is made and entered into as of this ____ day of _____, 2007, 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 **PARKPACIFIC TIF, INC.**, (the “*Developer*”), a corporation duly incorporated 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. 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.

B. Parkside Tower, LLC, an Illinois limited liability company and an affiliate of Developer (“Parkside”), submitted is development proposal dated March 17, 2006, (the “Redevelopment Proposal”) to the TIF Commission for redevelopment of the Redevelopment Area.

C. On June 14, 2006, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the Redevelopment Plan titled "Park Pacific Redevelopment Plan" dated April 21, 2006, as amended June 23, 2006 (as so amended and as may be further amended from time to time amended, the "Redevelopment Plan"), that certain Redevelopment Project (the "Redevelopment Project") described in the Redevelopment Plan (the "Park Pacific Redevelopment Project") for certain property described therein (the "Redevelopment Area"), 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 TIF Act; and (2) adopt an ordinance in the form required by the TIF Act.

D. After due consideration of the recommendations of the TIF Commission, the Board of Aldermen adopted Ordinance No. 67235 [Board Bill No. 163] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Projects described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

E. Pursuant to Ordinance No. 67097, adopted and approved on _____, 2006, the Board of Aldermen duly formed the Downtown Economic Stimulus Authority of the City of St. Louis (the "Authority"), in accordance with the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 through 99.1060 of the Revised Statutes of Missouri, as amended (the "MODESA Act"), and empowered the Authority to transact business and exercise its powers as authorized by the MODESA Act.

F. On August 28, 2006, Parkside submitted to the Authority a proposal for the redevelopment of the Development Area (as hereinafter defined).

G. On October 5, 2006, following a public hearing in accordance with the MODESA Act, the Authority adopted a resolution approving a Development Plan titled "Development Plan: Downtown St. Louis Core Development & Streetscape Enhancements Development Area" dated October 20, 2006 (the "Development Plan"), the Development Project described in the Development Plan (the "Development Project") and the Development Area, and recommending that the Board of Aldermen: (1) adopt an ordinance in the form required by the Act (a) approving the Development Plan, (b) approving and designating the Development Area as a "Development Area" as provided in the Act, (c) approving the Development Project, and (d) creating the "City of St. Louis, Missouri, Special Allocation Fund for the Downtown St. Louis Core Development and Streetscape Enhancements Development Area"; and (2) adopt development financing with respect to the Development Area by passage of an ordinance complying with the terms of Section 99.957 of the Act.

H. On November 17, 2006, after due consideration of the Authority's recommendations, the Board of Aldermen adopted Ordinance No. 67320 [Board Bill No. 273] designating the Development Area as a "Development Area" as provided in the MODESA Act, approving the Development Plan, and approving the Development Project described in the Development Plan.

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 Developer or its Related Entity to a third party to acquire fee simple interest in the property within the Park Pacific Component.

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

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

"Approving Ordinance" means Ordinance No. 67235 [Board Bill No. 163] effective September 2, 2006, designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Projects, adopting tax increment allocation

financing within the Redevelopment Area, and establishing the Special Allocation Fund.

“*Arcade Component*” means that certain portion of the Development Project consisting of the redevelopment of the Arcade Property, as set forth in the Development Plan.

“*Arcade Property*” certain real property which comprises a portion of the Development Area, as so identified and legally described on Exhibit A attached hereto.

“*Arcade Revenues*” means, as generated within the Arcade Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“*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 Development Plan, Development Project, and designation of the Development Area, designating Developer as the developer of a portion of the Development Area, and authorizing the City to enter into this Development Agreement with Developer.

“*Available Revenues*” means monies on deposit from time to time (including investment earnings thereon) in (a) the PILOTS Account, (b) subject to annual appropriation, the EATS Account, and (c) the Miscellaneous 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 _____, 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 Bonds before payment of Issuance Costs, together with any interest earned thereon.

“*Bonds*” means any revenue bonds issued by the City or its designee subject to this Agreement to reimburse Developer for Reimbursable Local Development Project Costs or to refund Notes issued for such purpose.

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

“*Certificate of Reimbursable Development Project Costs*” means a document substantially in the form of **Exhibit D**, attached hereto and incorporated herein by reference, provided by the Developer to the City in accordance with this Agreement and evidencing either Reimbursable Local Development Project Costs with respect to the Park Pacific Component, or Reimbursable State Development Project Costs with respect to the Parks Subcomponent incurred by the Developer.

“*Certificate of Substantial Completion*” means a document substantially in the form of **Exhibit E**, attached hereto and incorporated herein by reference, issued by the Developer to the City in accordance with this Agreement and evidencing the Developer’s satisfaction of all obligations and covenants to construct the Park Pacific Component in accordance with the Development Plan and this Agreement.

“*CID*” or “*Community Improvement District*” shall mean a community improvement district to be formed within part or all of the Redevelopment Area pursuant to Sections 67.1401 to 67.1571 RSMo. (2006) to be known as the Park Pacific Community

Improvement District

“*CID Costs*” shall have the meaning set forth in **Section 4.1** of this Agreement, which costs shall also be Development Project Costs.

“*CID Project*” shall mean the “Project” as defined in the petition to create the CID.

“*CID Revenues*” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the CID Sales Tax which are not captured as EATs but are instead pledged by the CID to the City for deposit in the Park Pacific CID Revenues Account of the Miscellaneous Account of the Special Allocation Fund for the repayment of TIF Obligations.

“*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.

“*Component*” means any component of the Development Project, as set forth in the Development Plan.

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

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

“*Dedicated Available Revenues*” means certain Available Revenues consisting of the following:

First, Park Pacific Revenues;

Second, CID Revenues, to the extent pledged to the repayment of Notes; and

Third, equally and ratably, Pyramid Revenues, but only upon issuance and payment in full of any and all obligations issued with respect to any of the Pyramid Components, the Streetscape Subcomponent and the Parks Subcomponent.

“*Developer*” means ParkPacific TIF, Inc., a corporation duly incorporated and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

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

“*Development Plan*” means that certain “Development Plan: Downtown St. Louis Core Development & Streetscape Enhancements Development Area” dated October 20, 2006 and as approved by the DESA Ordinance, as may be amended from time to time.

“*Development Project*” means that certain Development Project for the Development Area as identified in the Development Plan, and as approved by the DESA Ordinance.

“*Development Project Costs*” shall have the meaning set forth in Section 99.918(11) of the MODESA Act, with respect to the Development Project.

“*DESA Ordinance*” means Ordinance No. 67320 [Board Bill No. 273] designating the Development Area, approving the Development Plan, approving the Development Project and adopting development financing.

“*Dillard’s Component*” means that certain portion of the Development Project consisting of the redevelopment of the Dillard’s Property, as set forth in the Development Plan.

“*Dillard’s Property*” certain real property which comprises a portion of the Development Area, as so identified and legally described on Exhibit A attached hereto.

“*Dillard’s Revenues*” means, as generated within the Dillard’s Property: (1) payments in lieu of taxes, as that term is

defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Economic Activity Taxes” or “EATs” shall have the meaning ascribed to such term in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA 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 Development Project related to the Development Area and consistent with the Development Plan and this Agreement.

“Issuance Costs” means with respect to either the Parks Sub-Component or the Park Pacific Component, the amount set forth in **Section 2.2(v)** of this Agreement incurred by the City in furtherance of the issuance of Notes for such Component or subcomponent plus all costs reasonably incurred by the City in furtherance of the issuance of Obligations for such Component or subcomponent, including without limitation the fees and expenses of financial advisors and consultants, the City’s attorneys (including issuer’s counsel, disclosure counsel and Bond Counsel), the City’s administrative fees and expenses (including fees and costs of its planning consultants and the SLDC), underwriters’ discounts and fees, the costs of printing any 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 Obligations.

“JA Component” means that certain portion of the Development Project consisting of the redevelopment of the JA Property, as set forth in the Development Plan.

“JA Property” certain real property which comprises a portion of the Development Area, as so identified and legally described on Exhibit A attached hereto.

“JA Revenues” means, as generated within the JA Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Local Development Project Cost” shall mean any reasonable or necessary cost incurred or estimated to be incurred in furtherance of the Development Plan or the Development Project, or a Component, which costs are to be funded with MODESA Local Revenues.

“Mall Component” means that portion of the Development Project consisting of the mixed-use rehabilitation of the Mall Property into a mix of residential and commercial uses, all as further set forth in the Development Plan, and as approved by the DESA Ordinance.

“Mall 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) within the Development Area containing the Mall Component, such property being identified as the “Mall Property” on **Exhibit A**, attached hereto and incorporated herein by reference.

“Mall Revenues” means, as generated within the Mall Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Maturity Date” means the date that is twenty-five (25) years after the effective date of the DESA Ordinance.

“*MBE/WBE Compliance Officer*” means the City’s Assistant Airport Director, Department of MBE/WBE Certification and Compliance.

“*MBE/WBE Subcontractor’s List*” means the form of City of St. Louis MBE/WBE Subcontractor’s List published by the Board of Public Service of the City, such form being attached hereto as **Exhibit G** and incorporated herein by this reference.

“*MBE/WBE Utilization Statement*” means the form of City of St. Louis MBE/WBE Utilization Statement prepared by the Board of Public Service of the City published by the Board of Public Service of the City, such form being attached hereto as **Exhibit H** and incorporated herein by this reference.

“*Mercantile Component*” means that certain portion of the Development Project consisting of the redevelopment of the Mercantile Property, as set forth in the Development Plan.

“*Mercantile Property*” certain real property which comprises a portion of the Development Area, as so identified and legally described on Exhibit A attached hereto.

“*Mercantile Revenues*” means, as generated within the Mercantile Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“*MODESA Local Revenues*” means: (1) Payments in Lieu of Taxes, as paid to the City Treasurer by the City Collector of Revenue during the term of the Development Plan and the Development Project, as defined in Section 99.957 RSMo, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total Economic Activity Taxes.

“*MODESA Act*” means the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 through 99.1060 of the Revised Statutes of Missouri, as amended.

“*New State Revenues*” means all Park Pacific New State Revenues and all Streetscape New State Revenues.

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

“*Notes*” means, as the case may be, the Park Pacific Notes or the Parks Notes.

“*Obligations*” means any Notes or Bonds.

“*Original Purchaser*” the Developer, a Related Entity, the Project Lender or a Qualified Institutional Buyer; provided, however, that any such Related Entity or Project Lender shall also qualify as an Approved Investor and shall be designated in writing by the developer as the Original Purchaser.

“*Park Pacific Component*” that certain portion of the Development Project consisting of the redevelopment of the Park Pacific Property, as set forth in the Development Plan.

“*Park Pacific New State Revenues*” mean all “other net new revenues,” as such term is defined in Section 99.918(19) of the MODESA Act, generated within the Park Pacific Property; provided that, in the event that the combined amount of New State Revenues in any year would otherwise exceed \$ _____, then the Park Pacific New State Revenues shall be \$ _____.

“*Park Pacific Notes*” means any revenue notes issued by the City or its designee subject to this Agreement to reimburse Developer for Reimbursable Local Development Project Costs, such Notes to be in substantially similar form of that attached hereto as **Exhibit I**.

“*Park Pacific Property*” certain real property which comprises a portion of the Development Area, as so identified and legally described on Exhibit A attached hereto.

“Park Pacific Revenues” means, as generated within the Park Pacific Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Parks Notes” means any revenue notes issued by the City or its designee subject to this Agreement to reimburse Developer for Development Project Costs with respect to the Parks Subcomponent, such Notes to be in substantially similar form of that attached hereto as **Exhibit J**.

“Parks Subcomponent” means that portion of the Streetscape and Public Parks Improvements Component consisting of the improvement of those parks located generally between Tucker Boulevard and 14th Street, bordered on the north by Olive and on the south by the southern boundary of the Development Area.

“Payments in Lieu of Taxes” or *“PILOTs”* shall have the meaning ascribed to such term in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act.

“Project Fund” means the Project Fund of the Special Allocation Fund.

“Project Lender” means a commercial bank, savings bank, savings and loan association, credit union or other financial institution that has loaned funds to the Developer to be used for construction of the Park Pacific Component or the Parks Subcomponent and (only with respect to the Park Pacific Component) has secured such loan with a mortgage or security interest in the Park Pacific Component.

“Pyramid Components” means the Mall Component, JA Component, Mercantile Component, Dillard’s Component and Arcade Component.

“Pyramid Revenues” means the sum of all Mall Revenues, JA Revenues, Mercantile Revenues, Dillard’s Revenues and Arcade Revenues.

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

“Redevelopment Plan” means the plan titled “Park Pacific TIF Redevelopment Plan” dated April 21, 2006, as amended June 23, 2006, 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, as approved by the Approving Ordinance, which Redevelopment Project includes the Park Pacific Component and the Parks Subcomponent.

“Reimbursable Local Development Project Costs” means those Local Development Project Costs with respect to the Park Pacific Component as described in **Exhibit B**, attached hereto and incorporated herein by reference, for which the Developer is eligible for reimbursement in accordance with this Agreement and which constitute “development project costs” as such term is defined in Section 99.918(11) of the MODESA Act.

“Reimbursable State Development Project Costs” means those State Development Project Costs with respect to the Parks Subcomponent for which the Developer is eligible for reimbursement in accordance with this Agreement and which constitute “development project costs” as such term is defined in Section 99.918(ii) of the MODESA Act.

“Related Entity” means any party or entity related to the 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.

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

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

of the State of Missouri.

“*Special Allocation Fund*” means the “City of St. Louis, Missouri, Special Allocation Fund for the Downtown St. Louis Core Development and Streetscape Enhancements Development Area” as established pursuant to Ordinance No. _____, and containing a PILOTs Account, EATs Account, Net New Revenues Account, and a Miscellaneous Revenues Account, and into which all Available Revenues shall be deposited.

“*State Development Project Costs*” shall include such costs related to the Development Plan, as applicable, which are expended on public property, buildings, or rights-of-ways for public purposes to provide infrastructure to support for a development project, but such costs shall only be allowed as an initial expense which is included in the costs of a development plan or development project, except in circumstances of plan amendments approved by the Missouri Development Finance Board and the Department of Economic Development. Such infrastructure costs include, but are not limited to, the following:

- (a) Costs of studies, appraisals, surveys, plans, and specifications;
- (b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning, or special services;
- (c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
- (d) Costs of rehabilitation, reconstruction, repair, or remodeling of existing public buildings and fixtures;
- (e) Costs of construction of public works or improvements;
- (f) Financing costs, including, but not limited to, all necessary expenses related to the issuance of obligations issued to finance all or any portion of the infrastructure costs of one or more development projects, and which may include capitalized interest on any such obligations and reasonable reserves related to any such obligations;
- (g) All or a portion of a taxing district’s capital costs resulting from any development project necessarily incurred or to be incurred in furtherance of the objectives of the development plan, to the extent the municipality by written agreement accepts and approves such infrastructure costs;
- (h) Payments to taxing districts on a pro rata basis to partially reimburse taxes diverted by approval of a development project;
- (i) State government costs, including, but not limited to, the reasonable costs incurred by the department of economic development, the department of revenue and the office of administration in evaluating an application for and administering state supplemental downtown development financing for a development project; and
- (j) Endowment of positions at an institution of higher education which has a designation as a Carnegie Research I University including any campus of such university system, subject to the provisions of section 99.958.

“*Streetscape and Public Improvements Component*” means that portion of the Development Project consisting of functional and decorative improvements to rights-of-way and parks throughout the Development Area as identified in the Development Plan.

“*Streetscape New State Revenues*” means all “other net new revenues,” as such term is defined in Section 99.918(19) of the MODESA Act generated within the Development Area, excluding any Park Pacific New State Revenues; provided that, in the event that the combined amount of New State Revenues in any year would otherwise exceed \$ _____, then the Streetscape New State Revenues shall be \$ _____.

“*Streetscape Subcomponent*” means that portion of the Streetscape and Public Parks Improvements Component consisting of improvements to the streets within the Development Area.

“*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.

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

“*Trust Indenture*” means an indenture entered into between the City and the Trustee, in substantially the form provided in the Note Ordinance.

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

“*Verified Total Project Costs*” means, with respect to the Park Pacific Component the sum total of all reasonable or necessary costs incurred, and any such costs incidental to such component or the Work with respect thereto, including, but not limited to, all Acquisition Costs, Issuance Costs, Local Development Project Costs and Reimbursable Local Development Project Costs, as limited by other paragraphs in this **Section 1.1**.

“*Work*” means (with respect to either the Park Pacific Component or the Parks Subcomponent, as the case may be) all work necessary to prepare the Park Pacific Property and to construct or cause the construction and completion of the Park Pacific Component or the Parks Subcomponent as described in the this Agreement, including but not limited to: (1) property acquisition; (2) site preparation and environmental remediation; (3) construction, reconstruction, renovation and/or rehabilitation of residential units and commercial space within the Park Pacific Property; (4) construction, reconstruction, renovation and/or rehabilitation of the building’s exterior, (5) construction, reconstruction, renovation and/or rehabilitation of related infrastructure and/or public improvements, including without limitation surrounding roads, sidewalks, sewer, water, electrical, parking and other utilities; (6) professional services, including, but not limited to, architecture, engineering, surveying, financing, legal, planning and consulting; (7) and all other work described in the Development Plan and this Agreement, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II. ACCEPTANCE OF PROPOSAL

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

2.2 Developer to Advance Costs. The Developer agrees to advance all Local Development Project Costs as necessary to acquire the Park Pacific Property and to complete the Work, all subject to the Developer’s right to abandon the Park Pacific Component or the Parks Subcomponent and to terminate this Agreement as set forth in **Section 7.1** of this Agreement. Additionally, and not by way of limitation:

(i) the City acknowledges that, prior to the execution of this Agreement, the Developer (together with its Affiliate), has paid for the Development Project the combined sum totaling One Hundred Thousand Dollars (\$100,000.00) 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 Development Proposal, Redevelopment Proposal, Redevelopment Plan and Development Plan;

(ii) the Developer shall pay to the Comptroller an additional amount to reimburse the Comptroller for that portion of its actual legal expenses attributable to the Park Pacific Component and Parks Subcomponent incurred in connection with the review of the Development Proposal, Redevelopment Proposal, the review and adoption of the Redevelopment Plan and Development Plan, and the negotiation, execution and this Development Agreement, which amount shall be paid as follows: (i) all such costs incurred through the date of execution of this Development Agreement shall be paid within ten (10) days after the execution of the Development Agreement, and (ii) all such costs incurred after the date of execution of the Development Agreement and prior to the date upon which the City receives from Developer a Certificate of Reimbursable Development Project Costs shall be paid concurrently with the initial issuance of the Notes; and

(iii) the Developer shall, concurrently with the issuance of any Notes, pay to the City a flat fee to be reasonably determined by the City in its sole discretion at the time of issuance to pay for the City’s Issuance Costs of such Notes; and

(iv) any amounts advanced to the City shall represent Reimbursable Local Development Project Costs or

to be reimbursed exclusively from the proceeds of Obligations as provided in and subject to **Articles IV and V** of this Agreement.

**ARTICLE III.
CONSTRUCTION OF DEVELOPMENT PROJECT**

3.1 Acquisition of Property. Developer represents that, as of the date of this Agreement, Developer, an affiliate of Developer, or a Related Entity, is the fee owner of the Park Pacific Property. Any additional properties acquired by the Developer for completion of the Work with respect to the Park Pacific Property shall be held in the name of the Developer, an affiliate of Developer, or a Related Entity and shall be subject to the terms, conditions and covenants contained herein and in the Development Plan immediately upon acquisition.

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

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

3.4 Developer to Construct the Work. The Developer shall commence or cause the commencement of the construction of the Work with respect to the Park Pacific Component within three hundred sixty (360) days of the date of this Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Development Plan. The Developer shall substantially complete or cause the Work with respect to the Park Pacific Component and the Work with respect to the Parks Subcomponent to be substantially complete not later than December 31, 2011 absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Developer shall be granted additional time to complete the Work, but under no circumstance shall such time to complete the Work extend beyond December 31, 2012.

The Developer may enter into or cause to be entered into one or more construction contracts to complete the Work. Prior to the commencement of construction of any portion of the Work, the Developer shall obtain or shall require that any of its contractors obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The Developer shall require that such insurance be maintained by any of its contractors for the duration of the construction of such portion of the Work. To the extent that laws pertaining to prevailing wage and hour apply to any portion of the Work the 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 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 shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work, the Developer may make such reasonable changes, including without limitation modification of the construction schedule, 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 is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Developer, to enhance the economic viability or eligibility for State and/or Federal historic tax credits of the Park Pacific Component and as may be in furtherance of the general objectives of the Development Plan; provided that (a) the Developer shall comply with all laws, regulations and ordinances of the City and (b) prior to any material changes, the Developer shall obtain the advance written consent of the 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 Park Pacific Component and to comply with the Federal and State Historic tax credit programs. 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 Park Pacific Revenues generated within the Park Pacific Property to an amount

less than 90% of the aggregate amount of Park Pacific Revenues within the Park Pacific Component as projected in that certain Cost Benefit Analysis for the Downtown Core Development and Streetscape Enhancements Plan and Project dated October 20, 2006; or (ii) any change that would reduce the final total square footage of commercial space of the Park Pacific Component by more than ten percent (10%) of the estimated square footage of residential or commercial uses as set forth in this Agreement, the Development Plan and the Construction Plans.

3.7 Certificate of Commencement of Construction. The 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 Park Pacific Component in accordance with the schedule set forth in **Section 3.4** of this Agreement and in the form of **Exhibit C** attached hereto and incorporated herein by reference. The Certificate of Commencement of Construction shall be deemed accepted by the SLDC upon receipt of the same.

3.8 Certificate of Substantial Completion. Promptly after substantial completion of the Work with respect to the Park Pacific Component or the Parks Subcomponent, the Developer shall furnish to the City and the SLDC a Certificate of Substantial Completion for such Component or subcomponent. The Mayor or his designee and the SLDC shall, within thirty (30) days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City and the SLDC unless, within thirty (30) days following delivery of the Certificate of Substantial Completion, the Mayor or his designee or SLDC furnishes the Developer with specific written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. 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 Developer with specific written objections to the status of the Work, the 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 and the thirty (30) day period shall begin anew. Upon acceptance of the Certificate of Substantial Completion by the Mayor or his designee and the SLDC for either the Park Pacific Component or the Parks Subcomponent, as the case may be, 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 Developer may record the Certificate of Substantial Completion with the City's Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to perform all the Work. 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 DEVELOPER COSTS

4.1 City's Obligation to Reimburse Developer. The City agrees to issue Park Pacific Notes to reimburse Developer for the verified Reimbursable Local Development Project Costs with respect to the Park Pacific Component in the total amount not to exceed Twenty Million Five Hundred Sixty-Five Thousand Three Hundred Seventy and no/100 (\$20,565,370) plus Issuance Costs as provided in Section 5.2 of this Agreement, subject to the limitations of Article IV of this Agreement. The City further agrees to issue TIF Notes to evidence the City's obligation to reimburse Developer on behalf of the CID for additional costs incurred (the "CID Costs") in the additional amount of Nine Hundred Fifty Thousand and no/100 Dollars (\$950,000) plus Issuance Costs upon the satisfaction of the following conditions: (i) the CID shall have been formed and shall have imposed the CID Sales Tax in the amount of one percent (1.0%), and (ii) the CID shall have issued obligations in the amount of Nine Hundred Fifty Thousand and no/100 Dollars (\$950,000) to (or otherwise contracted with) the City as evidence of the CID's obligation to apply the proceeds of the CID Sales Tax to the repayment of TIF Notes or other TIF Obligations. The City agrees that, upon the satisfaction of such conditions, it shall be obligated issue TIF Notes to reimburse Developer in the amount of up to **Twenty One Million Five Hundred Fifteen Thousand and no/100 Dollars (\$21,515,000) plus Issuance Costs.**

Subject to the terms of this Agreement, the City agrees to issue Parks Notes to reimburse Developer for the verified Reimbursable State Development Project Costs with respect to the Parks Subcomponent in the total amount not to exceed **Two Million Dollars and no/100 (\$2,000,000) plus Issuance Costs** 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 Local Development Project Costs; Developer's Right to Substitute. Nothing in this Agreement shall obligate the City to issue Notes or to reimburse the Developer for any cost that is not incurred pursuant to the MODESA Act or that does not qualify as a "development project cost" under Section 99.918(11) of the MODESA Act. The Developer shall provide to the City (a) itemized invoices, receipts or other information evidencing such costs;

and (b) a Certificate of Reimbursable Development Project Costs constituting certification by the Developer that such cost is eligible for reimbursement under the MODESA Act. Within thirty (30) days of the City's receipt from the Developer of a Certificate of Reimbursable Development Project Costs, the City shall review and act upon such Certificate of Reimbursable Development 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 Local Development Project Costs which are eligible for reimbursement in accordance with the MODESA Act and this Agreement with respect to the Park Pacific Component. The Developer shall be entitled to reimbursement for Reimbursable Local Development 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 Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i)-(v)**, of this Agreement. The Developer shall be entitled to reimbursement for Reimbursable State Development Project Costs up to the maximum amount established in Section 4.1 of this Agreement. If the City determines that any cost identified as a Reimbursable Local Development Project Cost or a Reimbursable State Development Project Cost is not a "development project cost" under Section 99.918(11) of the MODESA Act, the City shall so notify the Developer in writing within the thirty (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 Developer shall have the right to identify and substitute other costs as Reimbursable Local Development Project Costs or Reimbursable State Development Project Costs (as the case may be) with a supplemental application for payment and the thirty (30) day period shall begin anew. If the City fails to approve or disapprove any Certificate of Reimbursable Development Project Costs within thirty (30) days after receipt thereof, the Certificate of Reimbursable Development 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 for the Park Pacific Component by Developer in accordance with **Section 3.8** of this Agreement, 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 Park Pacific Component, which shall include sources actually received by the Park Pacific Component (not including the Parks Notes) as of the date of the statement and the net present value of any future Park Pacific Component source, including (i) documentation from accountants, tax credit authorities and tax credit purchasers evidencing the total amount of tax credits approved for the Park Pacific Component and the net present value of proceeds available to the Developer from the sale of such tax credits; (ii) Zero Dollars (\$0.00) (the amount of Developer equity in the Park Pacific Component as identified in the Development Plan); (iii) statements from each and every Project Lender as to the amount of amortizing debt financing secured by the Park Pacific Component that will be available to the Park Pacific Component upon commencement of operations; and (iv) a statement of all net sales proceeds derived from the sale of any portion of the Park Pacific Component, which net sales proceeds shall be documented by copies of the seller's closing statements for such sales.

Provided, however, if the Park Pacific Component includes a for-sale condominium component, the statements required by this **Section 4.3** shall not be submitted until a minimum of 95% of the condominium units included in the Park Pacific Component have been sold, and such statements shall be submitted within sixty (60) days following such sale of 95% of such condominium units. If less than 100% of the condominiums have been sold at the time the statements required by this **Section 4.3** are submitted, the condominium units not sold shall be valued for purposes of the statements at the listing prices for such units, less the amount of the average sales commission on the units which have been sold.

Further provided, however, if the Park Pacific Component includes a rental component, the statements required by this **Section 4.3** shall not be submitted until any construction debt on such component has been converted to permanent or semi-permanent mortgage debt.

The Developer shall document the anticipated date of receipt of any post completion funding source which has not been received by the Park Pacific Component as of the date of the statements required by this **Section 4.3** and the present value of such source shall be determined using a 7% present value rate for the period of time between the date of the submission of the statements and the date of anticipated receipt of such source; but anticipated sales proceeds of condominiums not sold as of the date of such statements shall not be subject to a present value calculation and shall be included in the calculation below as a post completion funding source at the listing price as of the date of the statements less the sales commission described above.

Developer shall not include developer fees or consultant fees for any service typically performed by the developer in the Verified Total Project Costs. With respect to any other costs for any services provided by the Developer or any entity related to Developer, the amount of such costs shall not exceed the amount set forth in the Development Plan for such services. Moreover, if any of the owners, officers, principals or members of the construction contractor for the Park Pacific Component are the same as any

owner, officer, principal or member of Developer or general partner in the owner of the development, amounts allowed for aggregate contractor fees 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, and 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 Developer, in addition to summary pay applications submitted to Developer by the construction contractor.

To the extent that the sum of post completion funding sources exceeds the sum of (x) Verified Total Project Costs, (y) four percent (4%) of the Acquisition Costs; and (z) fifteen percent (15%) of all Verified Total Project Costs other than Acquisition Costs, Developer hereby agrees that the maximum amount of Reimbursable Local Development Project Costs for which the Developer shall be reimbursed by the City as provided for in **Section 4.1** of this Agreement and the maximum amount of any Park Pacific Notes which shall be issued by the City in accordance with **Section 5.2** of this Agreement shall be reduced by an amount in the aggregate equal to seventy-five percent (75%) of the total amount of such excess, as calculated by the City in accordance herewith. Developer agrees that the City may discharge any Park Pacific Note already issued at the time of such calculation in an amount equal to seventy-five percent (75%) of the total excess.

4.4 City's Obligations Limited to Special Allocation Fund and Bond Proceeds. Notwithstanding any other term or provision of this Agreement, Notes issued by the City to the Developer 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 Obligations or to pay any Reimbursable Local Development Project Costs or Reimbursable State Development Project Costs. The 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. OBLIGATIONS

5.1 Conditions Precedent to the Issuance of Notes.

(a) With respect to the Park Pacific Component, no Park Pacific Notes shall be issued until such time as the City has (i) accepted a Certificate of Substantial Completion in accordance with the procedures set forth in **Section 3.8** of this Agreement; (ii) approved a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference, in accordance with the procedures set forth in **Section 4.2** of this Agreement (provided that no such certificate shall be required with respect to any TIF Notes issued on behalf of the CID as reimbursement for CID Costs incurred); (iii) obtained an opinion of Bond Counsel regarding the taxable nature of the TIF 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 Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**

(b) With respect to the Parks Subcomponent, no Parks Notes shall be issued until such time as the City has (i) approved a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference, in accordance with the procedures set forth in **Section 4.2** of this Agreement; (ii) obtained an opinion of Bond Counsel regarding the taxable nature of the TIF Notes; (iii) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (iv) received such other documentation as the City shall reasonably require of Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**

5.2 Issuance of Notes. The City agrees to issue one or more Park Pacific Notes (or to increase the principal amount of existing Park Pacific Notes) with respect to the Park Pacific Component and one or more Parks Notes (or to increase the principal amount of existing Parks Notes) with respect to the Parks Subcomponent as provided in this Agreement to reimburse the Developer for Reimbursable Local Development Project Costs (or CID Costs, behalf of the CID) or Reimbursable State Development Project Costs, respectively, up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of **Article IV** of this Agreement. The Park Pacific Notes shall be in the form of that attached hereto as **Exhibit I**. The Parks Notes shall be in the form of that attached hereto as **Exhibit J**. Notwithstanding the foregoing, the City may, with the written consent of the Developer (such consent to be granted in the Developer's sole and unfettered discretion), combine the Park Pacific Notes and the Parks Notes into a combined form of Notes.

5.2.1 Terms. Each 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

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 Thompson Financial, an operating unit of The Thompson 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 Notes, (i) plus four percent (4%) if the interest on the Notes (in the opinion of Bond Counsel) is not exempt from federal income taxation (the “Taxable Rate”), or (ii) plus two percent (2.0%) if the interest on the 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 Notes exceed ten percent (10%) per annum. All Notes shall have a stated maturity of the Maturity Date.

5.2.2 Procedures for Issuance or Increase of Notes. Within a reasonable period of time but not to exceed ninety (90) days of Developer’s satisfaction of the conditions of **Section 5.1** of this Agreement, the City shall issue a Park Pacific Note to an Original Purchaser evidencing reimbursement of Reimbursable Local Development Project Costs (or CID Costs, as applicable) or a Parks Note to an Original Purchaser evidencing reimbursement of Reimbursable State Development Project Costs, as the case may be. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Development Project Costs (or satisfaction of the conditions to issuance of a Note as reimbursement for CID Costs) and the issuance by the City of a Note (or the increase in the principal amount of existing Notes) as provided in this **Section 5.2.2**, the Developer shall be deemed to have advanced funds necessary to purchase such Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.2.3 Special Mandatory Redemption of Notes. All 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 Certificate of Substantial Completion at a redemption price equal to 100% of the principal amount being redeemed, together with the accrued interest thereon to the date fixed for redemption.

5.3 Issuance of Bonds.

5.3.1 The City may, in its sole and absolute discretion, issue, or cause to be issued, Bonds at any time in an amount sufficient to refund all or a portion of the outstanding Notes. The City may, in its sole and absolute discretion issue Bonds in lieu of issuing Notes as set forth in Sections 5.1 and 5.2, provided that the net proceeds from the sale of such Bonds shall not be less than the Reimbursable Local Development Project Costs (and CID Costs, as the case may be) or Reimbursable State Development Project Costs for which they are issued to provide reimbursement; provided, that if the criteria set forth in Subsection 5.3.2.1 below regarding the issuance of Bonds have not been satisfied, the City shall be obligated to issue Notes.

5.3.2 Upon receipt of a written request by Developer and upon the City’s underwriter’s recommendation in favor of issuing 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 Bonds as described in this Section. The aggregate gross cash proceeds from the sale of the Bonds before payment of Issuance Costs, together with any interest accrued thereon (“Bond Proceeds”) of such 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 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. Developer shall not have any liability for any costs associated with the issuance of Bonds but shall bear its own costs and expenses, including any attorneys’ fees and expenses, that Developer may incur in complying with this Section. Notwithstanding anything in this Section to the contrary, Developer shall be liable for all costs incurred by the City or the Authority in the event the 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 Bonds with respect to the Park Pacific Component 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 Park Pacific Component;
- (ii) Review of projections of Available Revenues available for debt service as proposed by an

independent qualified consultant. Such projections must show that (A) if all Available Revenues were to be applied to the immediate repayment of the Bonds, the Bonds would reasonably be anticipated to be retired within twenty-five (25) years from the effective date of the DESA Ordinance, and (B) based on a maturity date twenty-five (25) years from the effective date of the DESA Ordinance, the Bonds are reasonably likely to achieve debt service coverage ratio reasonably acceptable to the City's underwriter;

- (iii) Developer's documentation of stabilization of the Redevelopment Project for a minimum of two (2) years 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 (and CID, if applicable) revenue projections for the Redevelopment Project in connection with the issuance of the TIF Bonds;
- (iv) The aggregate net projected debt service on the Bonds (taking into account the principal portion of the 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 Park Pacific Notes (if any), unless the Developer voluntarily elects to defer or forgive principal of and/or interest on the Park Pacific Notes in an amount necessary to make the aggregate net projected debt service on the Bonds lower than the net average annual debt service on the outstanding Park Pacific Notes; and
- (v) The Bonds can be sold at an aggregate net interest cost which is less than the aggregate net interest cost of the Park Pacific Notes to be redeemed (if any).

5.3.2.2 Criteria for Issuance. The underwriter's recommendation for issuance of Bonds with respect to the Parks Subcomponent and the principal amount thereof shall be based on the following criteria:

- (i) Review of projections of Park Pacific New State Revenues available for debt service as proposed by an independent qualified consultant. Such projections must show that (A) if all Park Pacific New State Revenues were to be applied to the immediate repayment of the Bonds, the Bonds would reasonably be anticipated to be retired within twenty-five (25) years from the effective date of the DESA Ordinance, and (B) based on a maturity date twenty-five (25) years from the effective date of the DESA Ordinance, the Bonds are reasonably likely to achieve debt service coverage ratio reasonably acceptable to the City's underwriter;
- (ii) The aggregate net projected debt service on the Bonds (taking into account the principal portion of the 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 Parks Notes (if any), unless the Developer voluntarily elects to defer or forgive principal of and/or interest on the Parks Notes in an amount necessary to make the aggregate net projected debt service on the Bonds lower than the net average annual debt service on the outstanding Parks Notes; and
- (iii) The Bonds can be sold at an aggregate net interest cost which is less than the aggregate net interest cost of the Parks Notes to be redeemed (if any).

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

5.4.1 To the payment of costs relating to the issuance of the Bonds;

5.4.2 To the payment of outstanding principal of and interest on the Notes to be refunded (if any);

5.4.3 To the payment of capitalized interest on the Bonds; and

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

5.5 Cooperation in the Issuance of Obligations. 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 Obligations, including disclosure of tenants of the Park Pacific Property and the non-financial terms of the leases between Developer and such tenants. Developer will not be required to disclose to the general public or any investor any proprietary or confidential information, including financial information, pertaining to Developer, but upon the execution of a confidentiality agreement acceptable to Developer, 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. 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 Bonds issued pursuant to this Agreement is insufficient to refund all of the outstanding Notes or for a Component or subcomponent to reimburse the Developer for its reimbursable costs for such Component or subcomponent, the Notes remaining outstanding shall be redeemed by the issuance of notes subordinate to the Bonds issued for such Component or subcomponent (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 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 and 6.3** of this Agreement.

5.7 City to Select Underwriter and Financial Advisor; Term and Interest Rate. The City shall have the right to select the designated underwriter (and such financial advisors and consultants as the underwriter and the City deem necessary for the issuance of the Bonds) and underwriter's counsel. The final maturity of the Bonds shall not exceed the maximum term permissible under the MODESA Act. The 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.

**ARTICLE VI.
SPECIAL ALLOCATION FUND;
COLLECTION AND USE OF 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," a "Net New Revenues Account" and such further accounts or sub-accounts as are required by this Agreement 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 MODESA 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:

- (i) all Park Pacific Revenues consisting of Payments in Lieu of Taxes into the Park Pacific Sub-PILOTs Account of the PILOTs Account;
- (ii) all Park Pacific Revenues consisting of Economic Activity Taxes into the Park Pacific Sub-EATs Account of the EATs Account;
- (iii) all Park Pacific New State Revenues into the Parks Account of the Net New Revenues Account;
- (iv) all Streetscape New State Revenues into the Streetscape Account of the Net New Revenues Account;
- (v) all CID Revenues pledged to the City into the Park Pacific CID Revenues Account of the Miscellaneous Account;
- (vi) all Pyramid Revenues consisting of Economic Activity Taxes into the EATs Account (as may be further specified in any one or more agreements relating to any Pyramid Component between the City and the developer thereunder); and
- (vii) all Pyramid Revenues consisting of Payments in Lieu of Taxes into the PILOTs Account (as may be further specified in any one or more agreements relating to any Pyramid Component between the City and the developer thereunder).

6.2 Certification of Base for PILOTS and EATS.

6.2.1 Upon the reasonable written request of the City, 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 Development Area; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of the Development Area in the calendar year ending December 31, 2005.

6.2.2 Within ninety (90) days after execution of the Development Agreement, the City shall provide to the Developer (i) a certificate of the City Assessor's calculation of the total initial equalized assessed valuation of the taxable real property within the Development Area and (in order to determine the amount of PILOTS and EATS attributable to the Park Pacific Component) the Park Pacific Property based upon the most recently ascertained equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within the Development 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 Development Area (in order to determine the amount of PILOTS and EATS attributable to the Park Pacific Component) and the Park Pacific Property 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 99.957 of the MODESA 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 MODESA Act or this Agreement and to apply Dedicated Available Revenues and New State Revenues to the repayment of Notes as provided in this Agreement.

Upon the payment in full of the principal of and interest on all Notes, payment in full of the fees and expenses of the Comptroller and the SLDC, and payment in full of any other amounts required to be paid under any Trust Indenture, all amounts remaining on deposit in the Revenue Fund shall be declared as surplus and distributed in the manner provided in the Act.

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

The City agrees that it will comply with the Charter of The City of St. Louis, Article XVI, Section 3 for each fiscal year that Obligations are outstanding and the City will request an appropriation of all Available Revenues on deposit in the Special Allocation Fund for application to the payment of the principal of (including, but not limited to, payment of a premium, if any) and interest on the Obligations.

6.4 Cooperation in Determining Revenues. The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the Park Pacific Revenues, the JA Revenues, the Mercantile Revenues, the Dillard's Revenues, the Arcade Revenues, the Park Pacific Revenues and all New State 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 Developer (or its successor(s) in interest as an owner or owner(s) of the affected portion(s) of the Property) shall use all reasonable efforts to require each "seller" (as that term is defined in Section 144.010(11) of the Missouri Revised Statutes, as amended) located in, or owner of any portion of, the Property to provide to the Comptroller of the City the following information:

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

6.4.2 Within thirty (30) days of the end of each calendar quarter, copies of a completed Tax Increment Financing District Quarterly Information Form, in the form attached hereto as Exhibit K, for each "seller's" business located within the Development Area along with:

(i) 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 Development 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 Development Area.

(ii) 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 Development 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 Development Area.

(iii) 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 Development 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 Development Area.

(iv) copies of all parking tax returns and restaurant tax returns filed with the City.

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

6.6 Notice to City of Transfer. The Developer agrees to notify the City in writing of any sale, transfer or other disposition of the Park Pacific Property 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 Park Pacific Property or any interest therein and shall identify the Park Pacific Property to be sold, transferred or otherwise disposed, whether by voluntary transfer or otherwise. Notwithstanding the foregoing, Developer shall not be required to notify the City of the lease or transfer of a residential unit, commercial unit or parking space in the ordinary course of business.

ARTICLE VII. GENERAL PROVISIONS

7.1 Developer’s Right of Termination. At any time prior to the delivery of a Certificate of Substantial Completion, the Developer may, by giving written notice to the City, abandon the Park Pacific Component or the Parks Subcomponent and terminate this Agreement and the Developer’s obligations hereunder if the Developer determines, in its sole discretion, that the Park Pacific Component or the Parks Subcomponent is no longer economically feasible. Upon such termination, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

7.2 City’s Right of Termination. The City may terminate this Agreement if (i) the Developer fails to submit to the MBE/WBE Compliance Officer a copy of Developer’s MBE/WBE Subcontractor’s List and its MBE/WBE Utilization Statement within three hundred sixty (360) days of the date of this Agreement; provided, however, that termination under this Section 7.2(i) may be waived in the sole discretion of the MBE/WBE Compliance Officer; or (ii) the 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 such termination, the City shall have no obligation to issue a Note or to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

7.3 Successors and Assigns.

7.3.1 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 Assignment or Sale. Without limiting the generality of the foregoing, all or any part of the Park Pacific Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of the Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after redevelopment of the Park Pacific Component, whereupon the party disposing of its interest in the Park Pacific Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such Park Pacific Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement), provided, however, that until substantial completion of the Park Pacific Component, the fee title to the Park Pacific Property shall not be sold, transferred or otherwise disposed of and the rights, duties and obligations of the Developer under this Agreement shall not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed upon a reasonable demonstration by the Developer of the proposed transferee's or assignee's experience and financial capability to undertake and complete such portions of the Work and perform the Developer's obligations under this Agreement, all in accordance with this Agreement. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with: (a) the right of the Developer to encumber or collaterally assign its interest in the Park Pacific Property or any portion thereof or 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 cost of the Development Project with respect to the Park Pacific Component, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; (b) the right of Developer to transfer the Park Pacific Property or to assign the Developer's rights, duties and obligations under this Agreement to any Related Entity; (c) the right of the Developer to sell, lease or transfer a residential unit, commercial unit or parking space in the ordinary course of business; and (d) the right of Developer to convey the right to receive the Parks Notes; provided that in each such event (i) the Developer named herein shall remain liable hereunder for the substantial completion of the Park Pacific Component, subject, however, to 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 Park Pacific Component and (ii) the Developer provides to the City fifteen (15) days' advance written notice of the proposed assignment or transfer other than of the sale or lease of a residential unit, commercial unit or parking space in the ordinary course of business, which shall require no notice.

7.3.3 Assignment or Sale to Exempt Organization. Prior to any sale, transfer or other disposition of all or any portion of the Park Pacific Property or any interest therein to an organization exempt from payment of ad valorem property taxes, such organization shall be required to agree not to apply for an exemption from payment of such property taxes for a period ending on the earlier of the date that all Obligations are paid in full or twenty-five (25) years from the effective date of the DESA Ordinance. The Developer shall make this requirement a covenant running with the land, enforceable for such period as if such purchaser or other transferee or possessor thereof were originally a party to and bound by this Agreement.

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

7.5 Force Majeure. Neither the City nor the Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended 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 Developer to proceed with construction of the Work

or any portion thereof; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other like causes beyond the parties' reasonable control, including without limitation any litigation, court order or judgment resulting from any litigation affecting the validity of the Development Plan, Development Project, the 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 Developer in bad faith, and (ii) the 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 Developer, to:

ParkPacific TIF, Inc.
c/o The Lawrence Group
319 N. Fourth Street, Suite 1000
St. Louis, Missouri 63102
Attn: Steve Smith
Facsimile: (314) 231-0816

With a copy to:

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

City of St. Louis
City Counselor

City Hall
 1200 Market Street, Room 314
 St. Louis, Missouri 63102
 Attention: Patricia Hageman, City Counselor
 Facsimile: 314-622-4956

and

Armstrong Teasdale LLP
 One Metropolitan Square, Suite 2600
 St. Louis, Missouri 63102
 Attention: Thomas J. Ray
 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, the DESA Authority or any branch of the City's government who has any power of review or approval of any of the Developer's undertakings, or of the City's contracting for goods or services for the Development 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 Park Pacific Component. In the event of total destruction or damage to the Park Pacific Component by fire or other, during construction or thereafter during the term of this Agreement so long as any Notes are outstanding and the Developer or a Related Entity owns the Park Pacific Property, the Developer shall determine and advise the City in writing within one year of such destruction or damage whether to restore, reconstruct and repair any such destruction or damage so that the Park Pacific Component will be completed or rebuilt in accordance with the Development Plan and this Agreement. Should the Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal of or interest on the Notes shall immediately terminate and the Developer shall promptly surrender the Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any Bonds are issued or the issuance of a Note to a purchaser other than the Developer or a Related Entity, the Developer shall, at the City's option after consultation with the Developer, tender to the City that portion of the insurance proceeds, if any, to which Developer is entitled, after satisfaction of any terms or obligations of any deed of trust, promissory note or financing agreement entered into by the Developer for the financing of all or any part of the Park Pacific Component or the Parks Subcomponent, from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the Bonds or 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 as may be generally provided in the building code of the City. In addition, the Developer shall allow other authorized representatives of the City reasonable access to the Work site from time to time upon advance notice prior to the completion of the Work for inspection thereof. The Developer shall not unreasonably deny the City and its officers, employees, agents and independent contractors the right to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as the City determines is reasonable and necessary to verify the Developer's compliance with the terms of this Agreement.

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

7.11 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the

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

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

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

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

7.15 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's fees, in addition to any other damages to which it is entitled.

7.16 Actions Contesting the Validity and Enforceability of the Development 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 Development Area, the Development Plan, the Obligations, or the ordinance approving this Agreement, Developer may, at its option, join the City in defense of such claim or action. The parties expressly agree that, so long as no conflicts of interest exist between them with regard to the handling of such litigation, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding. The Developer shall be responsible for all reasonable and necessary costs and expenses incurred by the City and by the Developer in connection with the defense of such claim or action, provided that if the City does not approve a settlement or compromise to which the Developer would agree, the Developer shall not be responsible for any costs or expenses incurred thereafter in the defense of such claim or action. All cost of any such defense, whether incurred by the City or the Developer, shall be deemed to be Reimbursable Local Development Project Costs and Reimbursable State Development 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 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable to the Developer for damages or otherwise in the event that all or any part of the MODESA Act, or any ordinance adopted in connection with either the MODESA Act, this Agreement or the Development Plan, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Developer is prevented from enjoying the rights and privileges hereof.

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

7.17.3 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Park Pacific 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 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 No governing body members, officers, agents, attorneys, employees or independent contractors of the City shall be personally liable to the Developer (i) in the event of a default or breach by any party under this Agreement or (ii) for any amount or any Notes which may become due to any party under the terms of this Agreement.

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

7.19 Maintenance of the Property. The Developer shall remain in compliance with all provisions of the City's ordinances relating to maintenance and appearance of the Park Pacific Property during the construction of the Park Pacific Component or any portion thereof. Upon substantial completion of the Park Pacific Component and so long as any Obligations are outstanding, the Developer or its successor(s) in interest, as owner or owners of the affected portion(s) of the Park Pacific Property, shall, during the remainder of the term of this Agreement (but subject to any delay caused by an event of force majeure as provided in **Section 7.5** of this Agreement), maintain or cause to be maintained the buildings and improvements within the Park Pacific Property 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 Park Pacific Property during the term of this Agreement, each owner or lessee as a successor in interest to the Developer shall maintain or cause to be maintained the buildings and improvements on its parcel in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations.

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

7.21 Fair Employment. Without limiting any of the foregoing, the Developer voluntarily agrees to observe the Equal Opportunity and Nondiscrimination Guidelines set forth as **Exhibit F**, attached hereto and incorporated herein by reference. By execution of this Agreement, the Developer certifies and agrees that it is under no contractual or other disability that would materially impair its ability to observe the Guidelines set forth as **Exhibit F**, attached hereto and incorporated herein by reference.

7.22 MBE/WBE Compliance

The Developer shall comply with the Mayor’s Executive Order #28, as amended, during the design and construction of the Park Pacific Component or the Parks Subcomponent and with respect to ongoing services provided by third parties to the Developer in connection with the Park Pacific Component or the Parks Subcomponent.

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 Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the 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 Developer. The Developer hereby represents and warrants it has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

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

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

“CITY”

CITY OF ST. LOUIS, MISSOURI

By: Francis G. Slay, Mayor

By: Darlene Green, Comptroller

(SEAL)

Attest:

Parrie May, City Register

Approved as to Form:

Patricia Hageman, City Counselor

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

On this ___ day of ___, 2007, 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 _____, 2007, 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:

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

“DEVELOPER”

PARKPACIFIC TIF, INC., a Missouri corporation

By: _____
Name: _____
Title: _____

STATE OF MISSOURI)
) SS.
_____ OF _____)

On this _____ day of _____, 2007, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of PARKPACIFIC TIF, INC., a Missouri corporation, and that he is authorized to sign the instrument on behalf of said corporation by authority of its board of directors, and acknowledged to me that he executed the within instrument as said corporation’s free act and deed.

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

Notary Public

My Commission Expires:

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

Development Area:

Park Pacific Property

**EXHIBIT B
Reimbursable Local Development Project Costs**

CATEGORY	
(a)	Acquisition Costs
(b)	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
(c)	Site Preparation and Public Improvements Costs (includes, but is not limited to, street and sidewalk improvements, parking facilities, utility work and resetting of curbs and landscaping and lighting in the common right of way areas).
(d)	Rehabilitation, Renovation or Reconstruction of existing structures.
(e)	Financing Costs (includes, but is not limited to, loan fees, disbursing fees, lender’s legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Park Pacific Component).
(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, legal, marketing, financial, planning, or special services).
(h)	Issuance Costs incurred by the Developer pursuant to this Agreement.

¹ Subject to the limitations set forth in **Section 4.2** of this Agreement, provided that such costs shall not exceed the aggregate amount of \$20,565,370 plus Issuance Costs as provided in the Agreement (and such costs being exclusive of CID Costs as set forth in **Section 4.1** of the Agreement).

**EXHIBIT C
Form of Certificate of Commencement of Construction**

DELIVERED BY
PARKPACIFIC TIF, INC.

The undersigned, **PARKPACIFIC TIF, INC.** (the “Developer”), pursuant to that certain Development Agreement dated as of _____, 2007, between the City of St. Louis, Missouri (the “City”) and Developer (the “Agreement”) hereby certifies to the City as follows:

1. All Park Pacific Property within the Development Area necessary for the Park Pacific Component (as legally described on Appendix A attached hereto and by this reference incorporated herein and made a part hereof), has been acquired by Developer in accordance with the Agreement.
2. Developer has entered into an agreement with a contractor or contractors to construct the Park Pacific Component.

- 3. Developer has submitted to the MBE/WBE Compliance Officer a copy of Developer’s MBE/WBE Subcontractor’s List and MBE/WBE Utilization Statement, which are attached hereto as Appendix B.
- 4. Developer has obtained all necessary financing to complete the Park Pacific Component.
- 5. This Certificate of Commencement of Construction is being issued by Developer to the City in accordance with the Agreement to evidence Developer’s satisfaction of all obligations and covenants with respect to commencement of construction of the Park Pacific 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__.

PARKPACIFIC TIF, INC.

By: _____
 Name: _____
 Title: _____

EXHIBIT D
Form of Certificate of
Reimbursable Local Development 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, Downtown Core Development and Streetscape Enhancements Development Project – Park Pacific Component

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Development Agreement dated as of _____, 2007 (the “Agreement”), between the City and PARKPACIFIC TIF, INC. a Missouri corporation (the “Developer”). In connection with said Agreement, the undersigned hereby states and certifies that:

- 1. Each item listed on **Schedule 1** hereto is a Reimbursable [Local/State] Development Project Cost and was incurred in connection with the construction of the [Park Pacific Component/Parks Subcomponent] of the Development Project.
- 2. These Reimbursable [Local/State] Development Project Costs have been have been paid by the Developer 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 Trust Indenture, and no part thereof has been included in any other certificate previously filed with the City.
- 4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
- 5. All necessary permits and approvals required for the portion of the Work for which this certificate relates have been issued and are in full force and effect.
- 6. All Work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Development Plan and the Agreement.

7. If any cost item to be reimbursed under this Certificate is deemed not to constitute a "development project cost" within the meaning of the MODESA Act and the Agreement, the Developer shall have the right to substitute other eligible Reimbursable [Local/State] Development Project Costs for payment hereunder.

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

Yes: _____ No: _____

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

Dated this ____ day of _____, _____.

PARKPACIFIC TIF, INC.

By: _____
Name: _____
Title: _____

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

SLDC

By: _____
Name: _____
Title: _____

Schedule 1

The Developer has incurred the following Reimbursable [Local/State] Development Project Costs:

Payee: Amount: Description of Reimbursable [Local/State] Development Project Costs:

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

The undersigned, PARKPACIFIC TIF, INC., a Missouri corporation (the "Developer"), pursuant to that certain Development Agreement dated as of _____, 2007, between the City of St. Louis, Missouri (the "City"), and the Developer (the "Agreement"), hereby certifies to the City as follows:

1. That as of _____, _____, the construction of the Park Pacific Component (as that term is defined in the Agreement) has been substantially completed in accordance with the Agreement.
2. That the Work has been substantially completed or funded pursuant to Exhibit B to the Agreement.
3. The Work has been performed in a workmanlike manner and substantially in accordance with the Construction Plans (as those terms are defined in the Agreement).
4. This Certificate of Substantial Completion is accompanied by the project architect's or owner representative's certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and incorporated herein by reference, certifying that the Park Pacific Component has been substantially completed in accordance with the Agreement.
5. Lien waivers for applicable portions of the Work in excess of Five Thousand Dollars (\$5,000) have been obtained.
6. This Certificate of Substantial Completion is being issued by the Developer to the SLDC and the City in

accordance with the Agreement to evidence the Developer’s satisfaction of all material obligations and covenants with respect to the Park Pacific 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 Developer prior to the end of such thirty (30) days) shall evidence the satisfaction of the Developer’s agreements and covenants to perform the Work.

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

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

PARKPACIFIC TIF, INC.

By: _____
Name: _____
Title: _____

ACCEPTED:

SLDC

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

(Insert Notary Form(s) and Legal Description)

**EXHIBIT F
Equal Opportunity and Nondiscrimination Guidelines**

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

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

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

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

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

**EXHIBIT G
MBE/WBE Subcontractors List**

On the spaces provided below please list all subcontractors and suppliers, including M/WBEs, proposed for utilization on this project. Work to be self-performed by the bidder is to be included.

FIRM NAME	MBE or WBE	BID ITEM(S) OF WORK TO BE PERFORMED	SUBCONTRACT OR SUPPLY CONTRACT AMOUNT

**EXHIBIT H
MBE/WBE Utilization Statement**

Policy: It is the policy of the City of St. Louis that minority and women-owned businesses, as defined in the Mayor’s Executive Order of July 24, 1997, as amended, shall have an opportunity to participate in the performance of contracts utilizing City funds, in whole or in part. Consequently, the requirements of the aforementioned Executive Order apply to this contract.

Project and Bid Identification:

Contracting Agency: _____
 Project Name: _____
 Letting Number: _____ Date: _____
 Contract MBE/WBE Goal: 25% MBE and 5%WBE Participation
 Total Dollar Amount of Prime Contract: \$ _____
 Total Dollar Amount of Proposed MBE: \$ _____ Percent MBE _____
 Total Dollar Amount of Proposed WBE: \$ _____ Percent WBE _____

Obligation: The undersigned certifies that (s)he has read, understands and agrees to be bound by the bid specifications, including the accompanying exhibits and other items and conditions of the request for proposals regarding minority and women business enterprise utilization. The undersigned further certifies that (s)he is legally authorized by the respondent to make the statements and representations in the M/WBE Forms and Exhibits and that said statements and representations are true and correct to the best of his/her knowledge and belief. The undersigned will enter into formal agreements with the minority/women business enterprises listed in the Subcontractor List, which are deemed by the City to be legitimate and responsible. The undersigned understands that if any of the statements and representations are made by the respondent knowing them to be false, or if there is a failure of the successful respondent to implement any of the stated agreements, intentions, objectives, goals and commitments set forth herein without prior approval of the City, then in any such events, the contractor’s act or failure to act, as the case may be, shall constitute a material breach of the contract, entitling the City to terminate the contract for default. The right to so terminate shall be in addition to, and not in lieu of, any other rights and remedies the City may have for other defaults under the contract. Additionally, the contractor may be subject to the penalties cited in Section Twelve of the Mayor’s Executive Order #28, as amended.

Assurance: I, acting as an officer of the undersigned bidder or joint venture bidders, hereby assure the City that on this project my company will (check one):

- _____ Meet or exceed contract award goals and provide participation as shown above.
- _____ Fail to meet contract award goals but will demonstrate that good faith efforts were made to meet the goals and my company will provide participation as shown above.

Name of Prime Contractor(s): _____

Prime Contractor Authorized Signature
 Title: _____
 Date: _____

**EXHIBIT I
Form of Note**

THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO THE "DEVELOPER," A "RELATED ENTITY" A "QUALIFIED INSTITUTIONAL BUYER" OR "PROJECT LENDER," AS DEFINED IN THE AGREEMENT, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-__**

**Registered
Not to Exceed \$21,515,000
plus Issuance Costs
(See Schedule A attached)**

**CITY OF ST. LOUIS, MISSOURI
[TAXABLE][TAX-EXEMPT] REVENUE NOTE
(Downtown St. Louis Core Development and Streetscape Enhancements Development Project - Park Pacific Component)
SERIES 200__**

Rate of Interest: [__%][__%]	Maturity Date: _____, 2031	Dated Date: _____	CUSIP Number: None
---------------------------------	-------------------------------	----------------------	-----------------------

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

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each May 1 and November 1 (each, a "Payment Date"), commencing on the first May 1 or November 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Development Agreement between the City and ParkPacific TIF, Inc. (the "Developer"), dated as of _____, 2007 (the "Development Agreement"), until all principal and interest accruing pursuant to this Note are paid in full except as otherwise provided herein. The Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Development Agreement, or, if not therein, in the Trust Indenture.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS NOTE TERMINATE TWENTY-FIVE YEARS

FROM THE EFFECTIVE DATE OF THE DESA ORDINANCE APPROVING THE DEVELOPMENT PROJECT, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL.

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

This Note is one of an authorized series of fully registered Park Pacific Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Revenue Notes (Downtown St. Louis Core Development & Streetscape Enhancements Development Project), Series 200 __," issued in an aggregate principal amount of not to exceed \$21,515,000 plus Issuance Costs (the "Notes"). The Notes are being issued for the purpose of paying a portion of the Development Project Costs in connection with the Development Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 to 99.1060, of the Revised Statutes of Missouri (2006) (the "Act"), and pursuant to the Note Ordinance.

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

The monies on deposit in the PILOTS Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTS"), as defined in Sections 99.918(21) of the Act) resulting from levies made after the time of the adoption of development financing during the time the current equalized value of real property in the Development Area exceeds the total equalized value of real property in such Development Area during 2006 until development financing for the Development Area expires or is terminated pursuant to Sections 99.915 to 99.980 of the Act, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTS into the Special Allocation Fund while development financing remains in effect. The PILOTS Account shall consist of the following sub-accounts: the St. Louis Centre Sub-PILOTS Account, the Jefferson Arms Sub-PILOTS Account, the Mercantile Library Sub-PILOTS Account, the Dillard's Building Sub-PILOTS Account, the Arcade Building Sub-PILOTS Account, and the Park Pacific Sub-PILOTS Account. Those Park Pacific Revenues consisting of PILOTS shall be deposited in the Park Pacific Sub-PILOTS Account. Those Mall Revenues consisting of PILOTS shall be deposited in the St. Louis Centre Sub-PILOTS Account. Those JA Revenues consisting of PILOTS shall be deposited in the Jefferson Arms Sub-PILOTS Account. Those Mercantile Revenues consisting of PILOTS shall be deposited in the Mercantile Library Sub-PILOTS Account. Those Dillard's Revenues consisting of PILOTS shall be deposited in the Dillard's Building Sub-PILOTS Account. Those Arcade Revenues consisting of PILOTS shall be deposited in the Arcade Building Sub-PILOTS Account.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts, subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts and which are generated by economic activities within the Development Area, (and which are not related to the relocation of any out-of-state business into the Development Area) over the amount of such taxes generated by economic activities within the Development Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the Act), while development financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all in accordance with Section 99.918(12) of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis. The EATs Account shall consist of the following sub-accounts: the St. Louis Centre Sub-EATs Account, the Jefferson Arms Sub-EATs Account, the Mercantile Library Sub-EATs Account, the Dillard's Building Sub-EATs Account, the Arcade Building Sub-EATs Account, and

the Park Pacific Sub-EATs Account. Those Park Pacific Revenues consisting of EATs shall be deposited in the Park Pacific Sub-EATs Account. Those Mall Revenues consisting of EATs shall be deposited in the St. Louis Centre Sub-EATs Account. Those JA Revenues consisting of EATs shall be deposited in the Jefferson Arms Sub-EATs Account. Those Mercantile Revenues consisting of EATs shall be deposited in the Mercantile Library Sub-EATs Account. Those Dillard's Revenues consisting of EATs shall be deposited in the Dillard's Building Sub-EATs Account. Those Arcade Revenues consisting of EATs shall be deposited in the Arcade Building Sub-EATs Account.

“Park Pacific Revenues” means, as generated within the Park Pacific Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Mall Revenues” means, as generated within the Mall Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“JA Revenues” means, as generated within the JA Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Mercantile Revenues” means, as generated within the Mercantile Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Dillard's Revenues” means, as generated within the Dillard's Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Arcade Revenues” means, as generated within the Arcade Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Pyramid Components” means the Mall Component, JA Component, Mercantile Component, Dillard's Component and Arcade Component. “Pyramid Revenues” means the sum of all Mall Revenues, JA Revenues, Mercantile Revenues, Dillard's Revenues and Arcade Revenues.

All Notes shall be payable from the following certain Available Revenues (collectively, the “Dedicated Available Revenues”):

First, Park Pacific Revenues;

Second, CID Revenues, to the extent pledged to the repayment of Notes; and

Third, equally and ratably, Pyramid Revenues, but only upon issuance and payment in full of any and all obligations issued with respect to any of the Pyramid Components, the Streetscape Subcomponent and the Parks Subcomponent.

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

Any Dedicated Available Revenues dedicated to repayment of this Note shall be applied to payments on this Note as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Comptroller of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Comptroller and one half to the St. Louis Development Corporation), an amount equal to 0.2% of the Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Agreement that have not otherwise been reimbursed to the City through the issuance of Notes;

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

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

Fifth, to the Park Pacific Fund of the Debt Service Fund, an amount sufficient to pay the principal of any obligations issued with respect to the Park Pacific Component that are subject to redemption on each Payment Date;

Sixth, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any obligations issued with respect to the Parks Subcomponent on each Payment Date;

Seventh, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any obligations issued with respect to the Parks Subcomponent on each Payment Date;

Eighth, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay the principal of any obligations issued with respect to the Parks Subcomponent that are subject to redemption on each Payment Date;

Ninth, to the respective fund of the Debt Service Fund for each Pyramid Component to pay past due interest on obligations issued with respect to each such Pyramid Component, provided that such monies shall be distributed among the Pyramid Components based on the percentage of the amount of then-outstanding principal obligations of each Pyramid Component divided by the aggregate total principal then-outstanding obligations for all Pyramid Components, further provided that, such percentage shall be readjusted such that all past due interest on obligations issued for any Pyramid Component is paid prior to accrued interest or principal on any other obligations issued with respect to a Pyramid Component being paid;

Tenth, to the respective fund of the Debt Service Fund for each Pyramid Component to pay accrued interest on obligations issued with respect to each such Pyramid Component, provided that such monies shall be distributed among the Pyramid Components based on the percentage of the amount of then-outstanding principal obligations of each Pyramid

Component divided by the aggregate total principal then-outstanding obligations for all Pyramid Components, further provided that, such percentage shall be readjusted such that all accrued interest on obligations issued for any Pyramid Component is paid prior to principal on any other obligations issued with respect to a Pyramid Component being paid;

Eleventh, to the respective fund of the Debt Service Fund for each Pyramid Component to pay principal on obligations issued with respect to each such Pyramid Component, provided that such monies shall be distributed among the Pyramid Components based on the percentage of the amount of then-outstanding principal obligations of each Pyramid Component divided by the aggregate total principal then-outstanding obligations for all Pyramid Components;

Twelfth, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any obligations issued with respect to the Streetscape Subcomponent on each Payment Date;

Thirteenth, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any obligations issued with respect to the Streetscape Subcomponent on each Payment Date;

Fourteenth, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay the principal of any obligations issued with respect to the Streetscape Subcomponent that are subject to redemption on each Payment Date;

Last, all other remaining money in the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the MODESA Act.

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

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

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

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

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

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

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

denomination, subject to the limitation on the aggregate Principal Amount.

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

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER’S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO THE DEVELOPER, A RELATED ENTITY A QUALIFIED INSTITUTIONAL BUYER OR PROJECT LENDER, AS SUCH TERMS ARE DEFINED IN THE DEVELOPMENT AGREEMENT, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR (THE FORM OF SUCH LETTER TO BE SPECIFIED IN THE TRUST INDENTURE). “Approved Investor” is defined in the Development Agreement and includes, among others, (a) the Developer or a Related Entity, (b) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

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

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

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

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

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This Note is one of the Series 200_ Notes described in the within-mentioned Note Ordinance.

<u>Date⁽¹⁾</u>	<u>Additions to Principal Amount⁽²⁾</u>	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Finance Officer</u>
_____ -> ____	\$	\$	\$	
_____ -> ____				
_____ -> ____				
_____ -> ____				
_____ -> ____				
_____ -> ____				
_____ -> ____				
_____ -> ____				

_____, _____
_____, _____
_____, _____
_____, _____

- (1) Date of approval (except with respect to Notes relating to CID Costs) of each Certificate of Reimbursable Local Development Project Costs, as provided in Section 5.2 of the Development Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.
- (2) Limited to denominations of \$100,000 or any \$1,000 increment in excess thereof, except with respect to an advance pursuant to the final Certificate of Reimbursable Local Development Project Costs, which may be in any denomination, subject to the limitation on the aggregate principal amount provided for in the Development Agreement.

**EXHIBIT J
Form of Note**

THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR NEGOTIATED ONLY TO THE "DEVELOPER," A "RELATED ENTITY" A "QUALIFIED INSTITUTIONAL BUYER" OR "PROJECT LENDER," AS DEFINED IN THE DEVELOPMENT AGREEMENT, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

**Registered
No. R-__**

**Registered
Not to Exceed \$2,000,000
plus Issuance Costs
(See Schedule A attached)**

**CITY OF ST. LOUIS, MISSOURI
[TAXABLE][TAX-EXEMPT] REVENUE NOTE
(Downtown St. Louis Core Development and Streetscape
Enhancements Development Project - Parks Subcomponent)
SERIES 200__**

Rate of Interest: _____ Maturity Date: _____, 2031 Dated Date: _____ CUSIP Number: None
[__%][__%]

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

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each May 1 and November 1 (each, a "Payment Date"), commencing on the first May 1 or November 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Development Agreement between the City and ParkPacific TIF, Inc. (the "Developer"), dated as of _____, 2007 (the "Development Agreement"), until all principal and interest accruing pursuant to this Note are paid in full except as otherwise provided herein. The Notes shall bear interest from their registration date or from the most recent Payment Date

to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Trust Indenture.

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS NOTE TERMINATE TWENTY-FIVE YEARS FROM THE EFFECTIVE DATE OF THE DESA ORDINANCE APPROVING THE DEVELOPMENT PROJECT, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL.

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

This Note is one of an authorized series of fully registered Parks Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Revenue Notes (Downtown St. Louis Core Development & Streetscape Enhancements Development Project Parks Subcomponent), Series 200 __," issued in an aggregate principal amount of not to exceed \$2,000,000 plus Issuance Costs (the "Notes"). The Notes are being issued for the purpose of paying a portion of the Development Project Costs in connection with the Development Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Missouri Downtown and Rural Economic Stimulus Act, Sections 99.915 to 99.1060, of the Revised Statutes of Missouri (2006) (the "Act"), and pursuant to the Note Ordinance.

The Notes and the interest thereon are and shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest, by certain New State Revenues and certain Available Revenues consisting of Dedicated Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein.

"New State Revenues" means all Park Pacific New State Revenues plus all Streetscape New State Revenues. "Park Pacific New State Revenues" means any "other net new revenues", as such term is defined in Section 99.918(19) of the MODESA Act, generated within the Park Pacific Property. "Streetscape New State Revenues" means any "other net new revenues", as such term is defined in Section 99.918(19) of the MODESA Act, generated with the Development Area, excluding Park Pacific New State Revenues.

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

The monies on deposit in the PILOTS Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTS"), as defined in Sections 99.918(21) of the Act) resulting from levies made after the time of the adoption of development financing during the time the current equalized value of real property in the Development Area exceeds the total equalized value of real property in such Development Area during 2006 until development financing for the Development Area expires or is terminated pursuant to Sections 99.915 to 99.980 of the Act, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTS into the Special Allocation Fund while development financing remains in effect. The PILOTS Account shall consist of the following sub-accounts: the St. Louis Centre Sub-PILOTS Account, the Jefferson Arms Sub-PILOTS Account, the Mercantile Library Sub-PILOTS Account, the Dillard's Building Sub-PILOTS Account, the Arcade Building Sub-PILOTS Account, and the Park Pacific Sub-PILOTS Account. Those Park Pacific Revenues consisting of PILOTS shall be deposited in the Park Pacific Sub-PILOTS Account. Those Mall Revenues consisting of PILOTS shall be deposited in the St. Louis Centre Sub-PILOTS Account. Those JA Revenues consisting of PILOTS shall be deposited in the Jefferson Arms Sub-PILOTS Account. Those Mercantile Revenues consisting of PILOTS shall be deposited in the Mercantile Library Sub-PILOTS Account. Those Dillard's Revenues consisting of PILOTS shall be deposited in the Dillard's Building Sub-PILOTS Account. Those Arcade Revenues consisting of PILOTS shall be deposited in the Arcade Building Sub-PILOTS Account.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts, subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts and which are generated by economic activities within the Development Area, (and which are not related to the relocation of any out-of-state business into the Development Area) over the amount of such taxes generated by economic activities within the Development Area in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the Act), while development financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all in accordance with Section 99.918(12) of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis. The EATs Account shall consist of the following sub-accounts: the St. Louis Centre Sub-EATs Account, the Jefferson Arms Sub-EATs Account, the Mercantile Library Sub-EATs Account, the Dillard's Building Sub-EATs Account, the Arcade Building Sub-EATs Account, and the Park Pacific Sub-EATs Account. Those Park Pacific Revenues consisting of EATs shall be deposited in the Park Pacific Sub-EATs Account. Those Mall Revenues consisting of EATs shall be deposited in the St. Louis Centre Sub-EATs Account. Those JA Revenues consisting of EATs shall be deposited in the Jefferson Arms Sub-EATs Account. Those Mercantile Revenues consisting of EATs shall be deposited in the Mercantile Library Sub-EATs Account. Those Dillard's Revenues consisting of EATs shall be deposited in the Dillard's Building Sub-EATs Account. Those Arcade Revenues consisting of EATs shall be deposited in the Arcade Building Sub-EATs Account.

"Mall Revenues" means, as generated within the Mall Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

"JA Revenues" means, as generated within the JA Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

"Mercantile Revenues" means, as generated within the Mercantile Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

"Dillard's Revenues" means, as generated within the Dillard's Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

"Arcade Revenues" means, as generated within the Arcade Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

"Park Pacific Revenues" means, as generated within the Park Pacific Property: (1) payments in lieu of taxes, as that term is defined in Section 99.918(21) of the MODESA Act, excluding such payments in lieu of taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 of the MODESA Act, and (2) subject to annual appropriation

by the Board of Aldermen, fifty percent (50%) of the economic activity taxes, as that term is defined in Section 99.918(12) of the MODESA Act, excluding such economic activity taxes that are not legally permitted to be deposited into the Special Allocation Fund pursuant to Section 99.957 and Section 99.918(12) of the MODESA Act.

“Pyramid Components” means the Mall Component, JA Component, Mercantile Component, Dillard’s Component and Arcade Component. “Pyramid Revenues” means the sum of all Mall Revenues, JA Revenues, Mercantile Revenues, Dillard’s Revenues and Arcade Revenues.

All Notes shall be payable from the following certain New State Revenues and certain Available Revenues (collectively, the “Dedicated State Revenues”):

First, equally and ratably by Park Pacific New State Revenues;

Second, equally and ratably by Park Pacific Revenues (first from the Park Pacific Sub-EATs Account and second from the Park Pacific Sub-PILOTs Account) but only upon issuance and payment in full of all obligations issued with respect to the Park Pacific Component;

Third, equally and ratably by Streetscape New State Revenues;

Fourth, equally and ratably by Pyramid Revenues, but only upon issuance and payment of all obligations issued with respect to all such Pyramid Components.

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

Any Dedicated Available Revenues dedicated to repayment of this Note shall be applied to payments on this Note as follows:

First, to payment of arbitrage rebate, if any, owed with respect to the Notes under Section 148 of the Internal Revenue Code of 1986, as amended, including any costs of calculating arbitrage rebate;

Second, to the Comptroller of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Comptroller and one half to the St. Louis Development Corporation), an amount equal to 0.2% of the Notes outstanding on each Payment Date, plus any accumulated deficiency from previous years, plus an amount sufficient to pay all or any portion of the fees and expenses incurred by the City pursuant to Section 7.15 of the Agreement that have not otherwise been reimbursed to the City through the issuance of Notes;

Third, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any obligations issued with respect to the Parks Subcomponent on each Payment Date;

Fourth, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any obligations issued with respect to the Parks Subcomponent on each Payment Date;

Fifth, to the Parks Fund of the Debt Service Fund, an amount sufficient to pay the principal of any obligations issued with respect to the Parks Subcomponent that are subject to redemption on each Payment Date;

Sixth, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on any obligations issued with respect to the Streetscape Subcomponent on each Payment Date;

Seventh, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any obligations issued with respect to the Streetscape Subcomponent on each

Payment Date;

Eighth, to the Streetscape Fund of the Debt Service Fund, an amount sufficient to pay the principal of any obligations issued with respect to the Streetscape Subcomponent that are subject to redemption on each Payment Date;

Last, all other remaining money in the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the MODESA Act.

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

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE TRUST INDENTURE TO THE CONTRARY, THE NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN SECTION 7.8 OF THE DEVELOPMENT AGREEMENT.

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

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

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

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

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

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

THE OWNER HEREOF EXPRESSLY AGREES, BY SUCH OWNER'S ACCEPTANCE HEREOF, THAT THE RIGHT TO PURCHASE, TRANSFER, ASSIGN OR NEGOTIATE THIS NOTE SHALL BE LIMITED TO PURCHASE, TRANSFER, ASSIGNMENT OR NEGOTIATION TO THE DEVELOPER, A RELATED ENTITY A QUALIFIED INSTITUTIONAL BUYER OR PROJECT LENDER, AS SUCH TERMS ARE DEFINED IN THE DEVELOPMENT AGREEMENT, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR (THE FORM OF SUCH LETTER TO BE SPECIFIED IN THE TRUST INDENTURE). "Approved Investor" is defined in the Development Agreement, and includes,

among others, (a) the Developer or a Related Entity, (b) an “accredited investor” under Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, (c) a “qualified institutional buyer” under Rule 144A promulgated under the Securities Act of 1933 or (d) any general business company or enterprise with total assets in excess of \$50,000,000.

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

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

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

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

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

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Finance Officer

Attest:

(Seal)

City Register

Approved as to Form:

ASSIGNMENT

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

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

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

Dated: _____.

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

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

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

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

This Note is one of the Series 200_ Notes described in the within-mentioned Development Agreement.

<u>Date⁽¹⁾</u>	<u>Additions to Principal Amount⁽²⁾</u>	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Finance Officer</u>
_____ , _____	\$	\$	\$	
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				
_____ , _____				

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

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

Approved: June 11, 2007