

**ORDINANCE #67898**  
**Board Bill No. 489**

AN ORDINANCE AFFIRMING ADOPTION OF A REDEVELOPMENT PLAN, REDEVELOPMENT AREA, AND REDEVELOPMENT PROJECT; AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF ST. LOUIS AND LAUREL TIF, INC.; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; DESIGNATING LAUREL TIF, INC. AS DEVELOPER OF REDEVELOPMENT PROJECT AREA 2 OF THE REDEVELOPMENT AREA; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF CERTAIN PROPERTY WITHIN THE REDEVELOPMENT 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**, on December 20, 1991, pursuant to Ordinance No. 62477, the Board of Aldermen of the City created the Tax Increment Financing Commission of the City of St. Louis, Missouri (the "TIF Commission"); and

**WHEREAS**, on May 10, 2006, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act (hereinafter defined) and received comments from all interested persons and taxing districts affected by the Redevelopment Plan and the redevelopment projects described therein; and

**WHEREAS**, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri (2000), as amended (the "Act" or "TIF Act"), and after due consideration of the TIF Commission's recommendations, the Board of Aldermen of the City of St. Louis, Missouri adopted and the Mayor of the City approved on August 3, 2006, Ordinance No. 67237 [Board Bill No. 165] which Ordinance: (i) adopted and approved a redevelopment plan entitled the "600 Washington TIF Redevelopment Plan" dated March 17, 2006 (as amended, the "Redevelopment Plan"), (ii) designated the 600 Washington TIF Redevelopment Area (as described in the Redevelopment Plan) as a "redevelopment area" as that term is defined in the TIF Act (the "Redevelopment Area") which Redevelopment Area consists of two redevelopment project areas, Redevelopment Project Area 1 ("RPA 1") and Redevelopment Project Area 2 ("RPA 2"), (iii) adopted and approved the redevelopment projects with respect to RPA 1 and RPA 2 (respectively, "Redevelopment Project 1" and "Redevelopment Project 2") described in the Redevelopment Plan, (iv) adopted tax increment allocation financing within the Redevelopment Area, (v) established the City of St. Louis, Missouri "600 Washington Special Allocation Fund," and (vi) made certain findings with respect thereto, all as set forth in such Ordinance and in accordance with the requirements of the Act; and

**WHEREAS**, the Redevelopment Plan proposes to redevelop RPA 2 through Redevelopment Project 2, consisting of the acquisition of the property within RPA 2, and the redevelopment of such property into commercial and residential space, as set forth in the Redevelopment Plan; and

**WHEREAS**, pursuant to Ordinance No. 67237 [Board Bill No. 165], the Board of Aldermen has determined that completion of Redevelopment Project 2 is of economic significance to the City, will serve to benefit the general welfare, qualifies for the use of tax increment allocation financing to alleviate the conditions that qualify the Redevelopment Area as a "blighted area" as provided in the TIF Act, and further, that redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the adoption of tax increment allocation financing and would not otherwise be completed; and

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

**WHEREAS**, it is necessary and desirable and in the best interest of the City to enter into the Redevelopment Agreement with Laurel TIF, Inc. (the "Developer"), in order that Developer may complete Redevelopment Project 2, which will provide for the promotion of the general welfare through redevelopment RPA 2 in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride, preservation of a building of historic and architectural significance, and the elimination of impediments to land disposition and development in the City of St. Louis; and

**WHEREAS**, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with Laurel TIF, Inc. as Developer, setting forth the respective rights and obligations of the City and Developer with regard to the redevelopment of RPA 2 (the "Redevelopment Agreement"); and

**WHEREAS**, the Board of Aldermen hereby determines that the terms of the Redevelopment 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 Redevelopment Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the TIF Act and the Redevelopment Plan.

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

**SECTION ONE.** The Board of Aldermen hereby ratifies and confirms its approval of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project 2. The Board of Aldermen further finds and determines that it is necessary and desirable to enter into the Redevelopment Agreement with Laurel TIF, Inc., as Developer of RPA 2, in order to implement Redevelopment Project 2 and to enable the Developer to carry out its proposal for completion of Redevelopment Project 2.

**SECTION TWO.** The Board of Aldermen finds and determines that the assistance of tax increment financing is necessary and desirable in order to implement Redevelopment Project 2 and to enable Laurel TIF, Inc., as Developer of RPA 2, to carry out its proposal for completion of Redevelopment Project 2.

**SECTION THREE.** The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement 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 Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment 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, with no such further action of the Board of Aldermen necessary to authorize such changes by the Mayor and the Comptroller.

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

**SECTION SIX.** After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; provided that if, within ninety (90) days after the effective date of this Ordinance, the Developer has not (i) executed a redevelopment agreement pertaining to Redevelopment Project 2 and (ii) paid all fees due to the City in accordance with the terms of the redevelopment agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developer, shall terminate, provided further, however, that prior to any such termination the Developer may seek an extension of time in which to execute the Redevelopment Agreement, which extension may be granted in the sole discretion of the Board of Estimate and Apportionment of the City of St. Louis.

**Exhibit A**  
**600 WASHINGTON REDEVELOPMENT PROJECT 2 REDEVELOPMENT AGREEMENT**  
**REDEVELOPMENT AGREEMENT**

Between the  
CITY OF ST. LOUIS, MISSOURI  
And  
LAUREL TIF, INC.

Dated as of  
\_\_\_\_\_, 2008

600 WASHINGTON RPA 2 REDEVELOPMENT PROJECT

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**REDEVELOPMENT AGREEMENT**

**THIS REDEVELOPMENT AGREEMENT** (this "*Agreement*") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2008, 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 **LAUREL 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. The City published a notice on April 12, 2006 and May 1, 2006 in the St. Louis Post-Dispatch, a newspaper of general circulation within the City, soliciting proposals for the redevelopment of the Redevelopment Area (as hereinafter defined), and made such requests for proposals available for potential developers of the Redevelopment Area.

C. An affiliate of Developer submitted its development proposal dated May 25, 2006, as revised August 22, 2006 (the "Redevelopment Proposal") to the TIF Commission for redevelopment of RPA 2 (as hereinafter defined) of the Redevelopment Area.

D. On May 10, 2006, following a public hearing held on that date, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the Redevelopment Plan titled "600 Washington TIF Redevelopment Plan" dated March 17, 2006, (as amended, and as may be further amended from time to time, the "Redevelopment Plan"), the Redevelopment Project 1 and Redevelopment Project 2 described in the Redevelopment Plan (collectively, the "Redevelopment Projects") and the Redevelopment Area, and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (c) approving the Redevelopment Project, and (d) creating the 600 Washington Special Allocation Fund.

E. On August 3, 2006, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. 67237 [Board Bill No. 165] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

F. On \_\_\_\_\_, 2008, the Mayor signed Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_\_] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating the Developer as developer of the Redevelopment Area, and authorizing the City to enter into this Agreement with Developer.

G. On \_\_\_\_\_, 2008, the Mayor signed Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_\_] authorizing the issuance of the Project Notes as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and Redevelopment Project 2 and pledging certain to the payment of the Project Notes.

H. The Board of Aldermen hereby determines that the acceptance of the Redevelopment Proposal with respect to Redevelopment Project 2 and the fulfillment generally of this Agreement are in the best interests of the City, and the health, safety and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

I. Pursuant to provisions of the TIF Act and Ordinance Nos. \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_ [Board Bill Nos. \_\_\_\_, \_\_ and \_\_], the City is authorized to enter into this Agreement, to issue Project Notes as evidence of the City's obligation to pay certain Redevelopment Project Costs incurred in furtherance of the Redevelopment Plan and Redevelopment Project 2, and to pledge TIF Revenues to the payment of the Project Notes.

## AGREEMENT

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

### ARTICLE I. DEFINITIONS

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

"*Acquisition Costs*" means the consideration paid by Developer or its Related Entity to a third party to acquire fee simple interest in the Property.

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

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

"*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 company or enterprise with total assets in excess of \$50,000,000.

"*Approving Ordinance*" means Ordinance No. 67236 [Board Bill No. 165] 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.

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

"*Authorizing Ordinance*" means Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_] affirming approval and adoption of the Redevelopment Plan, Redevelopment Projects, and designation of the Redevelopment Area, designating Developer as the developer of RPA 2, and authorizing the City to enter into this Agreement with Developer.

"*Available Revenues*" means all monies on deposit from time to time (including investment earnings thereon) in (a) the RPA 2 Sub-PILOTS Account of the PILOTS Account, (b) subject to annual appropriation, the RPA 2 Sub-EATS Account of the EATS Account that have been appropriated to the repayment of the Project Notes, (c) the RPA 2 CID Revenue Fund of the Revenue Fund, (d) the RPA 2 TDD Revenue Fund of the Revenue Fund, and (e) the RPA 2 Hotel Revenue Fund of the Revenue Fund, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

"*Board of Aldermen*" means the Board of Aldermen of the City.

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

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

"*Certificate of Commencement of Construction*" means a document substantially in the form of **Exhibit C**, attached hereto and incorporated by reference herein, delivered by Developer to the City in accordance with this Agreement and evidencing commencement of construction of Redevelopment Project 2.

"*Certificate of Reimbursable Redevelopment Project Costs*" means a document substantially in the form of **Exhibit D**, attached hereto and incorporated herein by reference, provided by the Developer to the City in accordance with this Agreement and evidencing Reimbursable Redevelopment Project Costs incurred by the Developer with respect to Redevelopment Project 2.

"*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 Redevelopment Project 2 in accordance with the Redevelopment Plan and this Agreement.

"*CID*" or "*Community Improvement District*" means the Laurel Community Improvement District, a community improvement district and political subdivision of the State of Missouri formed or to be formed by the City pursuant to Sections 67.1401 to 67.1571 RSMo. (2000) (the "CID Act"), the boundaries of which include all or substantially all of the property within RPA 2.

"*CID Project Costs*" means the costs incurred by or on behalf of Developer with respect to the "Project" identified in that certain Petition to Establish the CID filed with the City (as amended and as may be further amended from time to time).

"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 for a period of twenty (20) years from the date of such pledge to the City for deposit in the RPA 2 CID Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of Project Obligations.

"CID Sales Tax" means a sales and use tax imposed by the CID of up to one percent (1%) upon all taxable retail sales within the CID pursuant to the CID Act.

"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.

"City Clerk" means the Register of the City.

"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.

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

"Disclosure Counsel" means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys acceptable to the City of nationally recognized standing in matters pertaining to offerings of municipal securities 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.

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

"Governmental Approvals" means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, variances, building permits, or other subdivision, zoning, or similar approvals required for the implementation of Redevelopment Project 2 related to RPA 2 and consistent with the Redevelopment Plan and this Agreement.

"Hotel Revenues" means all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels within RPA 2, which taxes do not constitute EATs and which shall be deposited in the RPA 2 Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount 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:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
- (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
- (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
- (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto; and
- (e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto.

"Issuance Costs" means the amount set forth in **Section 2.2(v)** of this Agreement incurred by the City in furtherance of the issuance of Project Notes plus all costs reasonably incurred by the City in furtherance of the issuance of Project Obligations, 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 Project 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 Project Obligations.

"*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.

"*Maturity Date*" means the date that is twenty three (23) years after the effective date of the Approving Ordinance.

"*Note Ordinance*" means Ordinance No. \_\_\_\_ [Board Bill No. \_\_] adopted by the Board of Aldermen and signed by the Mayor authorizing the Project Note(s) and Project Obligations, any trust indenture relating thereto, and all related proceedings.

"*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.

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

"*Project Bonds*" means revenue bonds, if any, authorized and issued by the Authority in accordance with this Agreement.

"*Project Fund*" means the Project Fund created in the Note Ordinance.

"*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 Redevelopment Project and has secured such loan with a mortgage or security interest in the Redevelopment Project.

"*Project Notes*" means one or more series of revenue notes issued by the City with respect to Redevelopment Project 2 pursuant to and subject to this Agreement and the Note Ordinance to evidence the City's limited obligation to repay costs incurred by the Developer on behalf of the City in accordance with this Agreement.

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

"*Project Revenues*" means collectively, TIF Revenues, CID Revenues, TDD Revenues and Hotel Revenues.

"*Property*" means the real property (including without limitation all options held by third parties, fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) and existing improvements in RPA 2 as set forth in the Redevelopment Plan.

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

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

"*Redevelopment Plan*" means the plan titled "600 Washington TIF Redevelopment Plan" dated March 17, 2006, and as may be amended from time to time, approved by the City pursuant to the Approving Ordinance; as such plan may from time to time be amended in accordance with the TIF Act.

"*Redevelopment Project 2*" means that certain Redevelopment Project 2 identified by the Redevelopment Plan, consisting of the renovation of the structure in RPA 2 and construction of new commercial and residential spaces therein, as further set forth in the Redevelopment Plan; unless otherwise noted, any reference to the "Redevelopment Project" for the purposes of this Agreement shall mean Redevelopment Project 2.

"*Redevelopment Project Area 2*" or "*RPA 2*" means RPA 2, as identified in the Redevelopment Plan and legally described and identified on **Exhibit A** attached hereto and incorporated herein by this reference.

"*Redevelopment Project Costs*" shall have the meaning ascribed to such term in Section 99.805(14) of the TIF Act as it pertains to Redevelopment Project 2.

"*Redevelopment Proposal*" means the document on file with the City and incorporated herein by reference, titled "600 Washington TIF Application," dated February 2006, submitted by an affiliate of the Developer to the City.

"*Reimbursable Redevelopment Project Costs*" means those Redevelopment Project Costs with respect to Redevelopment Project 2 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, which costs include all TDD Project Costs and CID Project Costs.

"*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 Redevelopment Area as contained in the Redevelopment Plan, which relocation plan was adopted on December 20, 1991, pursuant to Ordinance No. 62481.

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

"*Special Allocation Fund*" means the 600 Washington Special Allocation Fund, created by the Approving Ordinance in accordance with the TIF Act, and including the accounts and sub-accounts for Redevelopment Project 2 into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this Agreement.

"*TDD*" or "*Transportation Development District*" means the Laurel Transportation Development District, a transportation development district and political subdivision of the State of Missouri formed or to be formed pursuant to Sections 238.200 to 238.275 RSMo. (2000) (the "TDD Act"), the boundaries of which include (but may not necessarily be limited to) all or substantially all of the property within RPA 2.

"*TDD Project Costs*" means the costs incurred by or on behalf of Developer with respect to that certain "Transportation Project" as defined in that certain Petition to Establish a Transportation Development District filed with the Circuit Court of the City of St. Louis with respect to the TDD.

"*TDD Revenues*" shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the TDD Sales Tax which are not captured as EATs but are instead pledged by the TDD to the City for deposit in the RPA 2 TDD Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of Project Obligations.

"*TDD Sales Tax*" means a sales and use tax imposed by the TDD of up to one percent (1%) upon all taxable retail sales within the TDD pursuant to the TDD Act.

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

"*TIF Revenues*" means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within RPA 2 over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and Redevelopment Project 2, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the RPA 2 over the amount of such taxes generated by economic activities within RPA 2 in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 94.500 of the Revised Statutes of Missouri, as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, and licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, all as provided in Section 99.845 of the TIF Act.

Notwithstanding the foregoing, TIF Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

*"Trustee"* means the trustee or fiscal agent for any issue of Project Obligations.

*"Verified Total Project Costs"* means the sum total of all reasonable or necessary costs incurred, and any such costs incidental to Redevelopment Project 2 or the Work, including, but not limited to, all Acquisition Costs, Issuance Costs, Redevelopment Project Costs and Reimbursable Redevelopment Project Costs, as limited by other paragraphs in this Section 1.1.

*"Work"* means all work necessary to prepare RPA 2 and to construct or cause the construction and completion of Redevelopment Project 2 described in the Redevelopment Proposal, Redevelopment Plan and this Agreement, including but not limited to: (1) property acquisition; (2) site preparation and environmental remediation; (3) rehabilitation of the existing building and construction of any new improvements within RPA 2; (4) 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; (5) professional services, including, but not limited to, architecture, engineering, surveying, financing, legal, planning and consulting; (6) and all other work described with respect to Redevelopment Project 2 in the Redevelopment Proposal, Redevelopment 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 in accordance with the Redevelopment Plan and this Agreement and all Governmental Approvals. To the extent of any inconsistency among the foregoing, the parties agree that the Redevelopment Plan shall govern.

**2.2 Developer to Advance Costs.** The Developer agrees to advance all Redevelopment Project Costs as necessary to acquire the Property and to complete the Work, all subject to the Developer's right to abandon Redevelopment Project 2 and to terminate this Agreement as set forth in **Section 7.1** of this Agreement. Additionally, and not by way of limitation:

(i) the City acknowledges payment by the Developer (or its affiliate) of a Five Thousand Dollar and no/100 (\$5,000.00) TIF Application Fee in connection with the Redevelopment Proposal;

(ii) the City acknowledges that, prior to the execution of this Agreement, the Developer paid the sum of Thirty Five Thousand Four Hundred Sixty Dollars and no/100 (\$35,460.00) (which sum represents 0.3% of the maximum amount of Project Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement), which monies have been paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iii) the Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Thirty Five Thousand Four Hundred Sixty Dollars and no/100 (\$35,460.00) (which sum represents 0.3% of the maximum amount of Project Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement), which monies shall be paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

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

(v) the Developer shall, concurrently with the issuance of any Project 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 Project Notes; and

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

### ARTICLE III. CONSTRUCTION OF REDEVELOPMENT PROJECT

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

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

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

**3.4 Developer to Construct the Work.** The Developer shall commence or cause the commencement of the construction of the Work within one hundred eighty (180) 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 Redevelopment Plan. The Developer shall substantially complete or cause the Work 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 of Redevelopment Project 2 and as may be in furtherance of the general objectives of the Redevelopment 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. For purposes of this **Section 3.6**, "material changes" shall mean any change that could reasonably be expected to result in a decrease in the aggregate amount of TIF Revenues generated within RPA 2 to an amount less than 90% of the aggregate amount of TIF Revenues for RPA 2 as projected in that certain Cost-Benefit Analysis for the 600 Washington TIF Redevelopment Plan dated as of March 17, 2006 (as may be amended from time to time), and placed on file with SLDC.

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 Redevelopment Project 2 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, the Developer shall furnish to the City and the SLDC a Certificate of Substantial Completion. 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 Redevelopment Project 2, 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.** Subject to the terms of the Note Ordinance and this Agreement, the City agrees to issue Project Notes to reimburse Developer for Reimbursable Redevelopment Project Costs in the total amount not to exceed **Sixteen Million One Hundred Thousand Dollars and No/100 (\$16,100,000) plus Issuance Costs** with interest thereon, all as provided in **Section 5.2** of this Agreement, subject to the limitations of **Article IV** of this Agreement.

Except as otherwise set forth herein, the Project Notes and interest thereon shall be secured by and Notwithstanding the foregoing, the parties acknowledge and agree that TIF Revenues shall only be used to pay principal and interest on Eleven Million Eight Hundred Twenty Thousand Dollars and No/100 (\$11,820,000) of Project Notes, and that, to the extent that the City determines that TIF Revenues have been used to pay principal and interest on such amount of Project Notes, the remaining Project Notes shall only be repaid from Available Revenues other than TIF Revenues. Furthermore, the parties acknowledge and agree that TDD Revenues shall only be used to pay principal and interest on that principal amount of Project Notes equal to the amount of TDD Project Costs, and that CID Revenues shall only be used to pay principal and interest on that principal amount of Project Notes equal to the amount of CID Project Costs, as such TDD Project Costs and CID Project Costs, respectively, are reflected on the Certificates of Reimbursable Project Costs submitted by Developer to the City.

**4.2 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Developer's Right to Substitute.** Nothing in this Agreement shall obligate the City to issue Project Notes or to reimburse the Developer for any cost that is not incurred pursuant to Section 99.820.1 of the TIF Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF Act; provided, however, that the City may issue Project Notes for costs that are not incurred pursuant to Section 99.820.1 of the TIF Act or that do not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF Act if the City determines in its reasonable discretion that: (i) such costs would legally be reimbursable by the CID, the TDD or the City from Hotel Revenues and (ii) that the principal amount of Project Notes issued to reimburse Developer for such costs, as well as the interest on such amount of Project Notes, can be repaid solely from CID Revenues, TDD Revenues and/or Hotel Revenues, as the case may be. The Developer shall provide to the City (a) itemized invoices, receipts or other information evidencing such costs; and (b) a Certificate of Reimbursable Redevelopment Project Costs constituting certification by the Developer that such cost is eligible for reimbursement under the TIF Act. Within thirty (30) days of the City's receipt from the Developer of a Certificate of Reimbursable Redevelopment Project Costs, the City shall review and act upon such Certificate of Reimbursable Redevelopment Project Costs. The parties agree that each of the categories of costs set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, shall constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement.

The Developer shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth in **Exhibit B** up to the maximum aggregate amount established in **Section 4.1** of this Agreement; provided, that the Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i)-(v)**, of this Agreement. If the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is not a "redevelopment project cost" under Section 99.805(14) of the TIF Act, the City shall so notify the 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 Redevelopment Project Costs as Reimbursable Redevelopment Project Costs 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 Redevelopment Project Costs within thirty (30) days after receipt thereof, the Certificate of Reimbursable Redevelopment Project Costs shall be deemed approved.

**4.3 Cost Savings and Excess Profits.** Within one hundred eighty (180) days after the submission of the Certificate of Substantial Completion by 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 Redevelopment Project 2, which shall include Redevelopment Project 2 sources actually received by Redevelopment Project 2 as of the date of the statement and the net present value of any future Redevelopment Project 2 source, including (i) documentation from accountants, tax credit authorities and purchasers of Missouri state tax credits evidencing the total amount of tax credits approved for the Redevelopment Project and the net present value of proceeds available to the Developer from the sale of such tax credits; (ii) Zero Dollars (\$0.00) (iii) statements from each and every Project Lender as to the amount of amortizing debt financing secured by the Property that will be available to Redevelopment Project 2 upon commencement of operations; and (iv) a statement of all net sales proceeds derived from the sale of any portion of Redevelopment Project 2, which net sales proceeds shall be documented by copies of the seller's closing statements for such sales.

Provided, however, unless otherwise agreed by SLDC, if Redevelopment Project 2 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 Redevelopment Project 2 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 based upon the average sales price for similarly situated units which have been sold, less the amount of the average sales commission on the units which have been sold, unless otherwise agreed by SLDC.

The Developer shall document the anticipated date of receipt of any post completion funding source which has not been received by Redevelopment Project 2 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 7.0% 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 Redevelopment Plan for such services. Moreover, if any of the owners, officers, principals or members of the construction contractor for Redevelopment Project 2 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 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 Project 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 Project

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, Project Notes issued by the City to the Developer for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from Bond Proceeds, if any, and from no other source. The City has not pledged its full faith and credit relative to the City's obligation to issue the Project Obligations or to pay any Reimbursable Redevelopment Project Costs. The Project 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. PROJECT OBLIGATIONS

**5.1 Conditions Precedent to the Issuance of Project Notes.** No Project 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; (iii) obtained an opinion of Bond Counsel regarding the taxable nature of the Project 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**.

**5.2 Issuance of Project Notes.** The City agrees to issue one or more Project Notes as provided in this Agreement and the Note Ordinance to reimburse the Developer for Reimbursable Redevelopment Project Costs up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of Article IV of this Agreement. The Project Notes shall be in the form attached hereto as **Exhibit I**.

**5.2.1 Terms.** Each Project Note shall bear interest at a fixed rate per annum determined on the date that is not less than ten (10) and not more than sixty (60) business days prior to the scheduled closing date for issuance of the Project Notes (the "Pricing Date") based on the municipal yield curve for general obligation bonds (the "MMD") compiled by Municipal Market Data Line® (or its successors) and published by Thomson Financial, an operating unit of The Thomson Corporation (or its successors) using the MMD yield published as of the Issuance Date for general obligation bonds rated "AAA" that mature in the same year as the Project Notes, (i) plus four percent (4%) if the interest on such Project Note, in the opinion of Bond Counsel, is not exempt from Federal income taxation (the "Taxable Rate"), or (ii) plus two percent (2%) if the interest on such Project Note, 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 Project Notes exceed ten percent (10%) per annum. All Project Notes shall have a stated maturity of the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Project 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.

**5.2.2 Procedures for Issuance of Project Notes.** Within a reasonable period of time 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 Project Note to an Original Purchaser evidencing reimbursement of Reimbursable Redevelopment Project Costs. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a Project Note as provided in this **Section 5.2.2**, the Developer shall be deemed to have advanced funds necessary to purchase such Project 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 Project Notes.** All Project Notes are subject to special mandatory redemption by the City, in whole at any time or in part on each March 1 and September 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 Project Bonds.**

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

**5.3.2.** Upon receipt of a written request by Developer and upon the City's underwriter's recommendation in favor of issuing Project 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 Project Bonds as described in this Section. The aggregate gross cash proceeds from the sale of the Project Bonds before payment of Issuance Costs, together with any interest accrued thereon of such Project 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 Project 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 Project 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 Project Bonds and the principal amount thereof shall be based on the following criteria:

- (i) Acceptance by the City of the Certificate of Substantial Completion;
- (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 Project Bonds, the Project Bonds would reasonably be anticipated to be retired within twenty-three (23) years from the effective date of the Approving Ordinance, and (B) based on a maturity date twenty-three (23) years from the effective date of the Approving Ordinance, the Project Bonds are reasonably likely to achieve debt service coverage ratio reasonably acceptable to the City's underwriter;
- (iii) Developer's documentation of stabilization of Redevelopment Project 2 for a minimum period of two (2) years after substantial completion as evidenced in a report to the City prepared by a qualified independent consultant to be paid for by the City, which report also sets forth revenue projections for Redevelopment Project 2 in connection with the issuance of the Project Bonds;
- (iv) The aggregate net projected debt service on the Project Bonds (taking into account the principal portion of the Project 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 Project Notes, unless the Developer voluntarily elects to defer or forgive principal of and/or interest on the Project Notes in an amount necessary to make the aggregate net projected debt service on the Project Bonds lower than the net average annual debt service on the outstanding Project Notes; and
- (v) The Project Bonds can be sold at an aggregate net interest cost which is less than the aggregate net interest cost of the Project Notes to be redeemed.

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

- 5.4.1.** To the payment of costs relating to the issuance of the Project Bonds;
- 5.4.2.** To the payment of outstanding principal of and interest on the Project Notes to be refunded;
- 5.4.3.** To the payment of capitalized interest on the Project Bonds; and
- 5.4.4.** To the establishment of a debt service reserve fund for the Project Bonds in a reasonable amount of the principal amount of Project Bonds to be issued, as to be determined by the City's underwriter.

**5.5 Cooperation in the Issuance of Project 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 Project Obligations, including disclosure of tenants RPA 2 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, provided, that Developer shall satisfy this and any other obligation under this Agreement to make any provision a covenant running with the land by recording this Agreement in the Office of the Recorder of Deeds of the City of St. Louis.

#### **5.6 Subordinate Notes.**

(a) Project Notes may be issued in two series, with one series subordinate to Project Notes of the other series issued hereunder (the "Subordinate Notes"), such that no payment of principal of or interest on any such Subordinate Notes may be made while any Project Notes are outstanding. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.2 and 6.3** of this Agreement.

If the amount of Project Bonds issued pursuant to this Agreement is insufficient to refund all of the outstanding Project Notes, the Project Notes remaining outstanding shall be redeemed by the issuance of Subordinate Notes to the Project Bonds. Each Subordinate Note shall have the same maturity and have the same outstanding principal amount and the same interest rate as the Project Note it redeems. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.2 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 Project Bonds) and underwriter's counsel. The final maturity of the Project Bonds shall not exceed the maximum term permissible under the TIF Act. The Project 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 TIF REVENUES**

**6.1 Creation of Special Allocation Fund.** The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a "PILOTs Account," and within it an "RPA 2 Sub-PILOTs Account," an "EATs Account," and within it an "RPA 2 Sub-EATs Account," a "Revenue Fund" and within it an "RPA 2 TDD Revenue Fund," an "RPA 2 CID Revenue Fund," and an "RPA 2 Hotel Revenue Fund," 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 TIF Act and, with respect to Economic Activity Taxes and Hotel Revenues, subject to annual appropriation by the Board of Aldermen, the City will promptly upon receipt thereof deposit:

- (i) all Payments in Lieu of Taxes into the RPA 2 Sub-PILOTs Account of the PILOTs Account;
- (ii) all Economic Activity Taxes into the RPA 2 Sub-EATs Account of the EATs Account;
- (iii) all TDD Revenues into the RPA 2 TDD Revenue Fund of the Revenue Fund;
- (iv) all CID Revenues into the RPA 2 CID Revenue Fund of the Revenue Fund; and
- (v) all Hotel Revenues into the RPA 2 Hotel Revenue Fund of the Revenue Fund.

#### **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 RPA 2; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of RPA 2 in the calendar year ending December 31, 2005.

**6.2.2.** Within ninety (90) days after execution of the Redevelopment 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 RPA 2 based upon the most recently ascertained equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within RPA 2; 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 RPA 2 for the calendar year ending December 31, 2006, but excluding those personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, taxes levied for the purpose of public transportation, or licenses, fees or special assessments identified as excluded in Section 99.845.3 of the TIF Act.

### **6.3 Application of Available Revenues.**

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

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

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 Project 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 Project Obligations.

**6.4 Cooperation in Determining Revenues.** The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the TIF Revenues, CID Revenues, TDD Revenues and Hotel 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.

**6.5 Obligation to Report Revenues.** The Developer shall cause any purchaser or transferee of real property located within the Property to fulfill, and any lessee or other user of real property located within the Property required to pay TIF Revenues, Hotel Revenues, CID Revenues or TDD Revenues shall use all reasonable efforts to timely fulfill such obligations as are required by **Section 6.4** of this Agreement. So long as any of the Project 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 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 Property or any interest therein and shall identify the 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 except as may be required by **Section 4.3**.

## **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 Redevelopment Project 2 and terminate this Agreement and the Developer's obligations hereunder if the Developer determines, in its sole discretion, that Redevelopment Project 2 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 one hundred eighty (180) 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 Project 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 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 Redevelopment Project 2, whereupon the party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such 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 Redevelopment Project 2, the fee title to the 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 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 Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of Developer to transfer the 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; provided that in each such event (i) the Developer named herein shall remain liable hereunder for the substantial completion of Redevelopment Project 2, 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 Redevelopment Project 2 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 except as may be required by **Section 4.3**.

**7.3.3 Assignment or Sale to Exempt Organization.** Prior to any sale, transfer or other disposition of all or any portion of the Property or any interest therein to an organization exempt from payment of ad valorem property taxes, such organization shall be required to agree not to apply for an exemption from payment of such property taxes for a period ending on the earlier of the date that all Project Obligations are paid in full or twenty-three (23) years from the effective date that the Approving 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 Redevelopment Plan, Redevelopment Project 2 or the Project 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:

Laurel TIF, Inc.  
c/o The Pyramid Companies  
906 Olive Street, Suite 600  
St. Louis, Missouri 63101  
Facsimile: (314) 773-6369  
Attn: John Steffen

With a copy to:

Husch & Eppenberger, LLC  
190 Carondelet Plaza, Suite 600  
St. Louis, Missouri 63105  
Attention: David 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: Peter Mosanyi, Associate 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, or any branch of the City's government who has any power of review or approval of any of the Developer's undertakings, or of the City's contracting for goods or services for the Redevelopment Area, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Board of Aldermen the nature of such interest and seek a determination by the Board of Aldermen with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

**7.8 Damage or Destruction of Redevelopment Project.** In the event of total destruction or damage to Redevelopment Project 2 by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Project Notes are outstanding and the Developer or a Related Entity owns the 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 Redevelopment Project will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal of or interest on the Project Notes shall immediately terminate and the Developer shall promptly surrender the Project Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any Project Bonds are issued or the issuance of a Project 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 Redevelopment Project 2, from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the Project Bonds or Project 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 Redevelopment Plan.** In the event a third party brings an action against the City or the City's officials, agents, attorneys, employees or representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Plan, the Project 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 Redevelopment Project Costs and reimbursable from any amounts in the Special Allocation Fund, subject to Article IV of this Agreement.

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

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

**7.17.2.** 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 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 Project 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 Project Obligations or the enforcement or validity of any other agreement or obligation made in connection therewith and their approvals (excluding opinions of counsel and of the City's financial advisors whenever such claim is based on such party's own negligence); (ii) the negligence or willful misconduct of the Developer or its officers, agents, employees or independent contractors in connection with the design, management, development, redevelopment and construction of the Work, or (iii) the compliance by the Developer with all applicable state, federal and local environmental laws, regulations and ordinances as applicable to the Property, to the extent such condition existed prior to the acquisition thereof by the Developer. The foregoing release and indemnification shall not apply in the case of such liability arising directly out of the negligence or malicious acts or omissions of the City or its governing body members, officers, agents, attorneys, employees and independent contractors in connection with its or their activities conducted pursuant to this Agreement or which arises out of matters undertaken by the City following termination of this Agreement as to Redevelopment Project 2 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 Property during the construction of Redevelopment Project 2 or any portion thereof. Upon substantial completion of Redevelopment Project 2 and so long as any Project Obligations are outstanding, the Developer or its successor(s) in interest, as owner or owners of the affected portion(s) of the Property, shall, during the remainder of the term of this Agreement (but subject to any delay caused by an event of force majeure as provided in **Section 7.5** of this Agreement), maintain or cause to be maintained the buildings and improvements within RPA 2 which it owns in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations. If there are separately-owned or ground leased parcels of real estate on the Property during the term of this Agreement, each owner or lessee as a successor in interest to the Developer shall maintain or cause to be maintained the buildings and improvements on its parcel in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations.

**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 RPA 2 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 Redevelopment Project 2 and any of the facilities under its control in RPA 2. 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 RPA 2.

**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 as of the date of this Agreement, during the design and construction of Redevelopment Project 2 and with respect to ongoing services provided by third parties to the Developer in connection with Redevelopment Project 2.

**7.23 Further Co-operation of Parties.** Developer shall, within ten (10) days following execution of this Agreement, make application to the City's St. Louis Development Corporation ("SLDC") and TIF Commission for approval of a new Tax Increment Financing in the amount of \$16,100,000 (or such greater amount approved by the City), including 100% of any proceeds of any Transportation Development District ("TDD") and/or Community Improvement District ("CID") tax and excluding any Hotel Revenues, that replaces the Tax Increment Financing made available to Developer pursuant to this Agreement (the "Replacement TIF"). Developer shall take all steps necessary and all steps requested by SLDC to ensure that both the TIF Commission and the St. Louis Board of Aldermen approve the Replacement TIF, and the City shall cooperate with Developer towards such approvals. Developer further agrees to take all steps necessary to cause the creation of both a Transportation Development District and a Community Improvement District for the Redevelopment Project Area, and to cause such Districts to each impose a sales tax in the amount of 1% for the maximum possible time period permitted by law. In the event that the City: (i) repeals or amends Redevelopment Project 2 and approves a new or amended redevelopment project for the Property (such new or amended project being the "Amended Project") and (ii) authorizes the reimbursement of redevelopment project costs and issuance of tax increment financing obligations to Developer or its designee in a principal amount greater than \$16,100,000, including 100% of the proceeds of the TDD and CID (on such other terms as are at least substantially similar to those set forth herein), then Developer agrees that it shall, at such time as the City has duly authorized and taken such actions, execute an amendment to this Redevelopment Agreement that terminates this Redevelopment Agreement and shall also execute a new redevelopment agreement superseding this Redevelopment Agreement which provides for such revised TIF amount. Should Developer fail to take any of the actions required by this subparagraph, the City shall be entitled to pursue any remedies at law or in equity.

**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 Project Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the Project 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

**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"**

**LAUREL TIF, INC.**, a Missouri corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 2008, 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 \_\_\_\_\_, 2008, 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.



(i)	TDD Project Costs
(j)	CID Project Costs

<sup>1</sup> Subject to the limitations set forth in **Section 4.2** of this Agreement, provided that such costs shall not exceed the aggregate amount of \$16,100,000 plus Issuance Costs as provided in the Agreement.

**EXHIBIT C**

**Form of Certificate of Commencement of Construction**

To:	City of St. Louis Office of Comptroller 1200 Market St., Room 212 St. Louis, MO 63103 Attention: Ivy Neyland-Pinkston, Deputy Comptroller	City of St. Louis St. Louis Development Corp 1015 Locust St., Ste. 1200 St. Louis, MO 63103 Attention: Dale Ruthsatz
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DELIVERED BY

LAUREL TIF, INC.

The undersigned, Laurel TIF, Inc. (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of \_\_\_\_\_, 2008, between the City of St. Louis, Missouri (the "City") and Developer (the "Agreement") hereby certifies to the City as follows:

1. All property within RPA 2 necessary for the Redevelopment Project (as legally described on Appendix A attached hereto and by this reference incorporated herein and made a part hereof), has been acquired by Developer or a Related Entity in accordance with the Agreement.
2. Developer has entered into an agreement with a contractor or contractors to construct Redevelopment Project 2.
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 Redevelopment Project 2.
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 Redevelopment Project 2.

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\_\_.

**LAUREL TIF, INC.**

By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

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

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

**Re: City of St. Louis, Missouri, 600 Washington Redevelopment Project 2**

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of \_\_\_\_\_, 2008 (the "Agreement"), between the City and Laurel 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 Redevelopment Project Cost and was incurred in connection with the construction of Redevelopment Project w.

2. These Reimbursable Redevelopment Project Costs have been have been paid by the Developer and are reimbursable under the Note Ordinance and the Agreement.

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

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

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

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

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

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

Yes: \_\_\_\_\_ No: \_\_\_\_\_

9. Of the costs evidenced by this Certificate, the following amounts represent TDD Project Costs and/or CID Project Costs, respectively:

TDD Project Costs                   \$ \_\_\_\_\_

CID Project Costs                   \$ \_\_\_\_\_

10. 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 \_\_\_\_\_, \_\_\_\_\_.

**Laurel 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 Redevelopment Project Costs:

Payee:	Amount:	Description of Reimbursable Redevelopment Project Costs:
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**EXHIBIT E  
Form of Certificate of Substantial Completion**

**CERTIFICATE OF SUBSTANTIAL COMPLETION**

The undersigned, Laurel TIF, Inc., a Missouri corporation (the "*Developer*"), pursuant to that certain Redevelopment Agreement dated as of \_\_\_\_\_, 2008 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 Redevelopment Project 2 (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 Redevelopment Project 2 has been substantially completed in accordance with the Agreement.
5. Mechanics 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 Redevelopment Project 2.
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\_\_.

**LAUREL 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 Redevelopment Project 2 related to any of the Property in RPA 2, 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 Property or any improvements constructed or to be constructed on the Property or any part thereof. Such covenants shall run with the land and shall be enforceable by the SLDC, the City and the United States of America, as their interest may appear in Redevelopment Project 2.

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 Project Notes, Project Bonds and/or TIF Revenues. Nonetheless, the Developer voluntarily agrees to make good faith efforts to observe the provisions of the First Source Jobs Policy related to the negotiation of an employment agreement with the St. Louis Agency on Training and Employment.

**EXHIBIT G  
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 PROJECT 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 NOTE ORDINANCE, AND IN ACCORDANCE WITH THE PROVISIONS HEREOF.

**UNITED STATES OF AMERICA  
STATE OF MISSOURI**

**REGISTERED**  
No. R-\_\_

**Registered  
Not to Exceed**  
**\$16,100,000**  
plus Issuance Costs  
(See **Schedule A** attached)

**CITY OF ST. LOUIS, MISSOURI  
[TAXABLE][TAX-EXEMPT] REVENUE NOTE  
(600 WASHINGTON REDEVELOPMENT PROJECT 2)  
SERIES 200\_\_-A/B**

Rate of Interest:    Maturity Date:                      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 March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF, Inc. (the "Developer"), dated as of \_\_\_\_\_, 2008, as amended (the "Redevelopment Agreement"), until all principal and interest accruing pursuant to this Project Note is paid in full except as otherwise provided herein. The Project 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 Ordinance No. \_\_\_\_\_ signed by the Mayor on \_\_\_\_\_, 2008 (the "Note Ordinance") or the Redevelopment Agreement.

**THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS PROJECT NOTE TERMINATE \_\_\_\_\_, WHICH IS TWENTY-THREE YEARS FROM THE EFFECTIVE DATE OF THE ORDINANCE APPROVING THE REDEVELOPMENT PROJECT 2, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE NOTE ORDINANCE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.**

Subject to the preceding paragraph, the principal of and interest on this Project Note shall be paid at maturity or upon earlier redemption as provided in Article III of the Note Ordinance to the person in whose name this Project Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Project 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 Project 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 Project Note shall be payable by check or draft or by wire transfer to the person in whose name this Project Note is registered at the office of the Finance Officer to the Registered Owner on the Register on each Payment Date. Except as otherwise provided in Section 2.8 of the Note Ordinance with respect to mutilated, destroyed, lost or stolen Project Notes, no principal on the Project Notes is payable unless the Registered Owner thereof has surrendered such Project Notes at the office of the Finance Officer.

This Project Note is one of an authorized series of fully registered Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Revenue Notes (600 Redevelopment Project 2), Series 200\_\_-A/B," issued in an aggregate principal amount of not to exceed \$16,100,000 plus Issuance Costs (the "Project Notes" or "Notes"). The Project Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with Redevelopment Project 2 described in the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act") and TDD Project and CID Project Costs (as such terms are defined in the Agreement) pursuant to Sections 238.200 to 238.275 (the "TDD Act") and 67.1401 to 67.1571 (the "CID Act") RSMo., respectively, and pursuant to the Note Ordinance.

The Project 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 the Available Revenues and other moneys pledged thereto and held by the Finance Officer as provided herein. "Available Revenues" means all monies on deposit from time to time (including investment earnings thereon) in (a) RPA 2 Sub-PILOTs Account of the PILOTs Account; and (b) subject to annual appropriation, the RPA 2 Sub-EATs Account of the EATS Account that have been appropriated to the repayment of Project Notes, (c) the RPA 2 CID Revenue Fund of the Revenue Fund, (d) the RPA 2 TDD Revenue Fund of the Revenue Fund, and (e) the RPA 2 Hotel Revenue Fund of the Revenue Fund, excluding (i) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer or (ii) any sum received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum.

The monies on deposit in the RPA 2 Sub-PILOTs Account of the PILOTs Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTs"), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in RPA 2 (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section 99.855 of the Act) of such unit of property in RPA 2, 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 tax increment financing remains in effect. The monies on deposit in the RPA 2 Sub-EATs Account of 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 (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within RPA 2 over the amount of such taxes generated by economic activities within RPA 2 in the calendar year ending December 31, 2005 (subject to annual appropriation by the City as provided in the Act), while tax increment 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, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time. 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 monies on deposit in the RPA 2 CID Revenue Fund of the Revenue Fund are all 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 for a period of twenty (20) years from the date of such pledge to the City for deposit in the RPA 2 CID Revenue Fund of the Revenue

Fund of the Special Allocation Fund for the repayment of Project Obligations (the "CID Revenues").

The monies on deposit in the RPA 2 TDD Revenue Fund of the Revenue Fund are all proceeds, after deduction for costs of collection and/or administration, from the imposition of the TDD Sales Tax which are not captured as EATs but are instead pledged by the TDD to the City for deposit in the RPA 2 TDD Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of Project Obligations (the "TDD Revenues").

The monies on deposit in the RPA 2 Hotel Revenue Fund of the Revenue Fund are all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels within RPA 2, which taxes do not constitute EATs and which shall be deposited in the RPA 2 Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount 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:

- (a) the general municipal sales tax levied pursuant to Ordinance No. 62884, or any successor thereto;
- (b) the general municipal sales tax levied pursuant to Ordinance No. 55497, as amended by Ordinance Nos. 57179 and 57979, or any successor thereto;
- (c) the transportation sales tax levied pursuant to Ordinance No. 56553, or any successor thereto;
- (d) the capital improvements sales tax levied pursuant to Ordinance No. 62885, or any successor thereto; and
- (e) the parks and recreation sales tax levied pursuant to Ordinance No. 67195, or any successor thereto (the "Hotel Revenues").

Except as expressly set forth herein, the Project Notes shall be equally and ratably secured by Available Revenues, with the Series B Project Notes secured on a subordinate basis to the Series A Project Notes. The Project Notes shall be equally and ratably secured by Available Revenues except that: (i) TIF Revenues shall only be used to pay principal and interest on Eleven Million Eight Hundred Twenty Thousand Dollars and No/100 (\$11,820,000) of Project Notes, and that, to the extent that the City determines that TIF Revenues have been used to pay principal and interest on such amount of Project Notes, the remaining Project Notes shall only be repaid from Available Revenues other than TIF Revenues, (ii) TDD Revenues shall only be used to pay principal and interest on that principal amount of Project Notes equal to the amount of TDD Project Costs and (iii) CID Revenues shall only be used to pay principal and interest on that principal amount of Project Notes equal to the amount of CID Project Costs, as such TDD Project Costs and CID Project Costs, respectively, are reflected on the Certificates of Reimbursable Project Costs submitted by Developer to the City. The Project Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The taxing power of the City is not pledged to the payment of the Project Notes either as to principal or interest. The Project 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 PROJECT NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE PROJECT NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).

Available Revenues shall be applied, except as limited herein, first from the RPA 2 TDD Revenue Fund of the Revenue Fund, second from the RPA 2 CID Revenue Fund of the Revenue Fund, third from the RPA 2 Sub-EATs Account of the EATS Account, fourth from the RPA 2 Sub-PILOTs Account of the PILOTs Account, and fifth from the RPA 2 Hotel Revenue Fund of the Revenue Fund to payments on the Project Note as follows:

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

*Second*, to the Finance Officer of the City and the St. Louis Development Corporation (which monies shall be paid one half to the Finance Officer and one half to the St. Louis Development Corporation), 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 Project Notes;

*Third*, to Series A Account of the RPA 2 DS 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 Series A Project Notes on each Payment Date;

*Fourth*, to the Series A Account of the RPA 2 DS 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 Series A Project Notes on each Payment Date;

*Fifth*, to the Series A Account of the RPA 2 DS Fund of the Debt Service Fund, an amount sufficient to pay the interest on the Series A Project Notes on the next succeeding Payment Date;

*Sixth*, for transfer to the RPA 2 Debt Service Reserve Fund, if established, such amount as may be required to restore any deficiency in the RPA 2 Debt Service Reserve Fund if the amount on deposit in the RPA 2 Debt Service Reserve Fund is less than the Debt Service Reserve Requirement, if any established in the Note Ordinance;

*Seventh*, to the Series A Account of the RPA 2 DS Fund of the Debt Service Fund, an amount sufficient to pay the principal of any Series A Project Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date;

*Eighth*, if no Series A Project Notes are outstanding, to the Series B Account of the RPA 2 DS 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 the Series B Project Note on each Payment Date;

*Ninth*, if no Series A Notes are outstanding, to the Series B Account of the RPA 2 DS 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 Series B Project Note on each Payment Date;

*Tenth*, if no Series A Notes are outstanding, to the Series B Account of the RPA 2 DS Fund of the Debt Service Fund, an amount sufficient to pay the interest on the Series B Project Notes on the next succeeding Payment Date;

*Eleventh*, if no Series A Notes are outstanding, to the Series B Account of the RPA 2 DS Fund of the Debt Service Fund, an amount sufficient to pay the principal of any Series B Project Note that is subject to redemption pursuant to this Note Ordinance on each Payment Date; and

*Twelfth*, all other remaining money in the RPA 2 Sub-PILOTs Account of the PILOTs Account and the RPA 2 Sub-EATs Account of the EATs Account of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

Upon the payment in full of the principal of and interest on the Project Notes (or provision has been made for the payment thereof as specified in the Note Ordinance), payment in full of the fees and expenses of the Finance Officer and the St. Louis Development Corporation, and payment in full of any other amounts required to be paid under the Note Ordinance, all amounts remaining on deposit in the RPA 2 TDD Revenue Fund, the RPA 2 CID Revenue Fund, the RPA 2 Hotel Revenue Fund and the RPA 2 DS Fund of the Debt Service Fund shall be declared as surplus and distributed in the manner provided in the Act. The City covenants that it shall comply with the Charter of the City of St. Louis, Article XVI, Section 3 for each fiscal year that Project Notes are outstanding and the City official(s) shall 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 Project Notes.

**NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE NOTE ORDINANCE TO THE CONTRARY, THE PROJECT 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 REDEVELOPMENT AGREEMENT.**

The Project 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 Project Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

The Project Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, in

an amount equal to Available Revenues on deposit in the applicable accounts of the Special Allocation Fund and which are not required for the payment of accrued interest on such Payment Date.

The Project 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 Project Notes or portion of Project Notes shall cease to bear interest. Upon surrender of such Project Notes for redemption in accordance with such notice, the redemption price of such Project 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 Project Note, there shall be prepared for the Registered Owner a new Project Note or Notes of the same maturity in the amount of the unpaid principal as provided herein. All Project Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

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

This Project Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Project 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 PROJECT 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 NOTE ORDINANCE, AND UPON THE EXECUTION BY THE PROPOSED PURCHASER OR TRANSFEREE OF AN INVESTMENT LETTER IN SUBSTANTIALLY THE FORM OF EXHIBIT C TO THE NOTE ORDINANCE, SIGNED BY THE PROPOSED PURCHASER OR TRANSFEREE, SHOWING THAT THE PROPOSED PURCHASER OR TRANSFEREE IS AN APPROVED INVESTOR. "Approved Investor" is defined in the Note Ordinance, 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 Project Note for a new Project Note of the same maturity and in the same principal amount as the outstanding principal amount of the Project Note that was presented for transfer or exchange. Any Project 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 Project 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 Project 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 Project 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 Project 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:

\_\_\_\_\_  
City Counselor

**ASSIGNMENT**

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

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

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

Dated: \_\_\_\_\_.

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

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 TIF Note is one of the Series 200\_\_A/B TIF Notes described in the within-mentioned Note Ordinance.

<u>Date<sup>(1)</sup></u>	<u>Additions to Principal Amount<sup>(2)</sup></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 Redevelopment Project Costs, as provided in Section 5.2 of the Redevelopment Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.

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

**Approved: February 27, 2008**