

**ORDINANCE #67105
Board Bill No. 5**

An Ordinance recommended and approved by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the Lambert-St. Louis International Airport® (the "Airport") Equipment Operating Lease Agreement AL-388 (the "Agreement") between the City and American Airlines, Inc. whose term expires June 30, 2011.; the Agreement, which was recommended and approved by the Airport Commission, is attached hereto as **ATTACHMENT "1"** and is made a part hereof; containing a severability clause; and an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the Lambert-St. Louis International Airport® (the "Airport") Equipment Operating Lease Agreement AL-388 (the "Agreement") between the City and American Airlines, Inc. whose term expires June 30, 2011; the Agreement is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The sections, conditions, and provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof contained herein is held invalid by the court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions of this Ordinance.

SECTION THREE. This being an Ordinance for the preservation of public peace, health, or safety, it is hereby declared to be an emergency measure as defined in Article IV, Section 20 of the City Charter and shall become effective immediately upon its approval by the Mayor of the City.

**ATTACHMENT "1"
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®**



**AMERICAN AIRLINES, INC.
EQUIPMENT OPERATING LEASE AGREEMENT
NO. AL-388**

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AIRPORT NUMBER AL-388

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
EQUIPMENT OPERATING LEASE AGREEMENT

THIS EQUIPMENT OPERATING LEASE AGREEMENT, made and entered into as of the _____ day of _____, 2006, by and between The City of St. Louis, a municipal corporation of the State of Missouri, as "Lessor", and American Airlines Inc., a corporation organized and existing under the laws of the State of Delaware as "Lessee".

RECITALS

The City owns and operates the Lambert-St. Louis International Airport®, located in the County of St. Louis, State of Missouri.

Lessee desires to lease from the City certain passenger loading bridges owned by the City, as more fully described herein.

The City is willing to lease said passenger loading bridges to Lessee.

The parties, therefore, agree as follows:

ARTICLE I
MEANINGS AND CONSTRUCTION

Section 101. Meanings and Construction. Except as otherwise clearly indicated by the context, the words and phrases defined in this Section shall have the following meanings when used elsewhere in this Agreement.

"Agreement" means this Equipment Operating Lease Agreement.

"Aircraft Operations Area" or "AOA" means those areas of the Airport used for the landing, taking-off, movement, and parking of aircraft, as the same now exist or as the same hereafter may be added to, modified, changed, or developed.

"Airport" means the Lambert-St. Louis International Airport, together with any additions, improvements, or enlargements made from time to time.

"Airport Director" means the Airport Director of the City or the person performing the functions of that office, as authorized by the City's Mayor, or that person authorized by the Airport Director to act for or on behalf of the Airport Director with respect to any particular matter under this Agreement.

"City" or "Lessor" means The City of St. Louis, Missouri.

"Environmental Laws" means all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, permit conditions, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Clean Air Act, 42 U.S.C. §7401 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. §1401 et seq.; the Noise Control Act, 42 U.S.C. §4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §651 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended by the Hazardous and Solid Waste, Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right to Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act, 49 U.S.C. §9601 et seq.; the Toxic Substance Control Act, 15 U.S.C. §2601 et seq.; the Atomic Energy Act, 42 U.S.C. §2011 et seq.; and the Nuclear Waste Policy Act of 1982, U.S.C. §1010 et seq.

"Environmental Permits" means any and all permits, licenses, approvals, authorizations, consents, or registrations required by Environmental Laws, whether federal, state or local, which pertain to the production, use, treatment, generation, transportation, processing, handling, disposal, or storage of Hazardous Materials.

"Event of Default" means an Event of Default as defined in Section 901.

"Federal Aviation Administration" or "FAA" means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

"Hazardous Materials" means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under Environmental Laws, pesticides regulated under Environmental Laws, and any hazardous waste, toxic, or dangerous substance or related material, including any material defined or treated as a hazardous substance, hazardous waste, toxic substance, or contaminant (or comparable term) under any of the Environmental Laws.

“Leased Equipment” means as defined and described on **EXHIBIT “A”**, attached hereto and made part hereof.

“Lessee” means American Airlines Inc., as designated in the signature page hereof.

“Notice” means a communication between the parties to this Agreement performed in accordance with the requirements of Subsection 1113(B).

“Remediation Costs” means any reasonable losses, expenses, or costs incurred by the City in connection with environmental remediation: (i) required by the appropriate governmental agency responsible for enforcing Environmental Laws or Environmental Permits, and (ii) attributable to Hazardous Materials left on City property in violation of Environmental Laws or Environmental Permits, and caused by, or arising out of, Lessee’s operations at the Airport or Lessee’s use or lease of the City’s property. Remediation Costs include investigation and evaluation costs, costs to implement institutional controls or restrictive covenants, sampling and analysis costs, reporting costs, planning and design costs, consultant and contractor costs, labor costs, equipment costs, construction costs, access costs, disposal costs, transportation costs, reasonable administrative costs, reasonable attorneys’ fees and other legal fees and litigation expenses, permit fees and costs, monitoring costs, oversight and inspection costs, claims, demands, causes of action, suits, judgments, damages, compensation, debts, costs, expenses, losses, penalties, fines, stipulated penalties, punitive damages, and other similar liabilities arising out of Lessee’s violation of Environmental Laws or Environmental Permits.

“Rents” means for any Fiscal Year, the rents payable by Lessee pursuant to Article V.

“Rules and Regulations” means those lawful, reasonable, and not unjustly discriminatory rules and regulations, including ordinances and operating directives, promulgated by the Airport Director, the Airport Commission, or the City from time to time for the orderly operation of the Airport.

“Transportation Security Administration” or “TSA” means the Transportation Security Administration created under the Aviation and Transportation Security Act of 2001, as amended, or any successor agency thereto.

Section 102. Interpretation. References in the text of this Agreement to articles, sections, paragraphs, or exhibits pertain to articles, sections, paragraphs, or exhibits of this Agreement, unless otherwise specified.

The terms “hereby,” “herein,” “hereof,” “hereto,” “hereunder,” and any similar terms used in this Agreement refer to this Agreement.

Words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

Words importing the singular shall include the plural and vice versa. Words of any gender shall be deemed to include correlative words of the other gender.

The term “including” shall be construed to mean “including without limitation,” unless otherwise expressly indicated.

All references to number of days shall mean calendar consecutive days.

Words used in the present tense include the future.

ARTICLE II LEASED EQUIPMENT

Section 201. Leased Equipment. The City hereby leases to Lessee, and Lessee hereby takes possession from the City, the Leased Equipment for Lessee’s use and occupancy, subject to and in accordance with the terms, covenants, warranties, representations, and conditions of this Agreement.

Lessee accepts and receives the Leased Equipment “**AS IS**”, with no warranties or representations of any kind, expressed or implied, either oral or written, made by the City or any of its agents or representatives with respect to the physical, environmental or structural conditions of the Leased Equipment or any portion thereof or otherwise including but not limited to, structural conditions of any Airport buildings, supporting structures, equipment, or facilities or the presence or absence of any Hazardous Materials, water or utilities serving the Leased Equipment or the Airport, or any other matter or thing affecting or relating to the Leased Equipment, except as expressly set forth in this Agreement. The City without limitation expressly disclaims any expressed or implied warranty with respect to the condition merchantability, or fitness for a particular purpose of the Leased Equipment, its compliance with any zoning or other laws, statutes, rules, ordinances or regulations applicable to the Leased Equipment including but not limited to the Americans with Disabilities Act, the uses permitted on and in the Leased Equipment, or any other matter or thing relating to the Leased Equipment or any portion thereof.

Section 202. Reservations. The grant of lease hereunder is subject to the following reservations and conditions:

- A. The City reserves the right (but shall not be obligated pursuant to this Agreement) to develop, maintain, and keep in repair the Airport, including the Aircraft Operating Area and all publicly-owned facilities.
- B. Lessee shall not exercise the rights granted by this Agreement to Lessee in such a way as to interfere with or adversely affect the use, operation, maintenance, expansion or development of the Airport, or with the operations of other tenants or users of the Airport.
- C. The City reserves the right to, from time to time, temporarily or permanently close or restrict specific roadways, taxiways, taxi lanes, runways, apron areas, doorways, and any other area at the Airport. The City also reserves the right at any time or times to relocate, reconstruct, change, alter, or modify any such means of access provided for pursuant to this Agreement or otherwise, either temporarily or permanently; provided that a reasonably convenient and adequate means of access, ingress, and egress shall exist or be provided in lieu thereof. The City shall reasonably notify Lessee of any such action affecting Lessee.
- D. The City reserves for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Leased Equipment, together with the right to cause or allow in said airspace such noise, vibration, fumes, dust, fuel particles, illuminations, interference with television, radio or any other type of transmission and other effects as may be caused in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the Airport.
- E. The City reserves the right to grant utility and maintenance rights-of-way to itself and others over and/or under the Leased Equipment provided that such use will not substantially or materially interfere with Lessee's use of the Leased Equipment, and provided further that such reservation or grant of rights shall not directly result in additional cost or expense to Lessee.

Section 203. Access. Subject to all of the terms, covenants, warranties, representations, and conditions of this Agreement, Lessee has the right of free access, ingress to and egress from the Leased Equipment, for Lessee's employees, contractors, subcontractors, agents, passengers, and invitees.

Section 204. Security. Lessee hereby acknowledges that Transportation Security Administration regulations require the City to adopt and put into use facilities and procedures designed to prevent and deter persons and vehicles from unauthorized access to the Aircraft Operating Area. Lessee understands that the City has met said requirements by developing an Airport Security Program ("ASP") for the Airport, and Lessee warrants, covenants and agrees to be fully bound by, and immediately responsive to, the requirements of the ASP, as it may be amended from time to time. Lessee further warrants, covenants and agrees, throughout the term of this Agreement, at its own cost, to prepare facilities and procedures, satisfactory to the City, designed to prevent and deter persons and vehicles from unauthorized access to the AOA from and through any Leased Equipment controlled or used by Lessee in accordance with the provisions of the applicable Transportation Security Administration regulations and the ASP.

Lessee's security procedures and facilities on the Leased Equipment shall meet the requirements of the applicable Transportation Security Administration regulations and the ASP, including the following:

- A. Airport-approved badging, badge display, escort and challenge procedures applicable to persons authorized to enter the AOA;
- B. an electronic entry control system or a manned guard system where gates or doorways cannot reasonably be controlled by locks; and
- C. other facilities and procedures as may be required to establish positive control for preventing the entrance of unauthorized persons and vehicles onto the AOA.

ARTICLE III AGREEMENT TERM

Section 301. Term. The term of this Agreement shall commence on January 1, 2006 and shall end on June 30, 2011, unless sooner terminated in accordance with other provisions of this Agreement.

ARTICLE IV USE OF LEASED EQUIPMENT

Section 401. Use. The City hereby grants to Lessee, subject to all the terms, covenants, warranties, representations, and conditions of this Agreement, the preferential use of the Leased Equipment, subject to the preferential use terms and conditions of Lessee's Airport Use and Lease Agreement AL-604, for receiving, delivering, dispatching, processing, and handling passengers, flight crews, other of the Lessee's employees and invitees, and carry-on luggage and for no other purpose, unless expressly authorized by the City.

Section 402. Repairs and Maintenance.

- A. The City shall maintain and keep in good repair the structures associated with the terminal.
- B. Lessee shall, throughout the term of this Agreement or earlier termination thereof, at its own cost and without any expense

to the City, maintain and keep in good repair the interior and exterior, structural and non-structural portions of the Leased Equipment, including all tenant improvements, utility systems (up to the common distribution points for each utility system), mechanical systems and equipment, electrical systems and equipment, hydraulic equipment and systems, all doors and windows, and any other modifications or improvements constructed within or on the Leased Equipment. Lessee shall, at its sole cost and expense, take such measures as may be necessary to keep the Leased Equipment secure; the City shall have no obligation or responsibility to keep the Leased Equipment secure.

- C. Lessee warrants, covenants and agrees, without cost or expense to the City during the term hereof, to perform the following:
1. Housekeeping of Leased Equipment. Remove from the Leased Equipment all trash and refuse, and dispose of it in a manner approved by the City.
 2. Maintenance Standards. Maintenance and repairs shall be in quality and class equal to or better than normal industry standards and practices to preserve the Leased Equipment in good order and condition, normal wear and tear excepted. Lessee shall repair all damage to the Leased Equipment caused by Lessee or its employees, contractors, subcontractors, agents, and invitees; this requirement includes, but is not necessarily limited to, immediate replacement of broken mechanical/electrical systems or equipment, hydraulic equipment and systems, tires, windows, doors and locks with like materials.
 3. Maintenance Reports. On or about July 1 of each year, Lessee shall submit to the City for City's approval, which shall not be unreasonably withheld or denied, a 12-month maintenance schedule for the Leased Equipment. Lessee shall report at the close of each fiscal year any repair and maintenance completed on each such Leased Equipment, and the cost expended for all such repairs and maintenance. Lessee shall pay all costs of operating, repairing and maintaining the Leased Equipment.

Section 403. Utilities. Lessee shall provide for and pay for all utilities used on the Leased Equipment.

Section 404. Interference to Air Navigation. Lessee warrants, represents and agrees that no obstruction to air navigation, as such are defined from time to time by application of the criteria of FAR Part 77 or subsequent and additional regulations of the Federal Aviation Administration ("FAA"), will be constructed or permitted to remain on the Leased Equipment. Lessee warrants, represents and agrees that, upon notification by the City, it will immediately remove any obstructions at its expense. Lessee warrants, represents and agrees not to increase the height of any structure or objects of any kind or nature whatsoever that may interfere with the line of sight of the control tower and its operations. Lessee further warrants, represents and agrees not to install any structures, objects, machinery or equipment that would interfere with the operation of navigation aides or that would interfere with the safe and efficient operations of the Airport.

Section 405. Observance and Compliance with Laws.

- A. Lessee, its officers, directors, employees, agents, and its contractors and suppliers, while such contractors and suppliers are providing services to Lessee, shall comply with:
1. all applicable federal, state and local laws and ordinances, including directives of the FAA applicable to the Lessee's operation at the Airport;
 2. the Rules and Regulations governing the Airport; and
 3. the provisions of the Airport certification manual, as it may be amended from time to time.

Lessee shall make reasonable efforts to cause its guests and invitees to comply as well.

- B. Notwithstanding anything to the contrary, references herein to a statute or law shall be deemed to be a reference to (i) such statute or law as it may be amended from time to time, (ii) all ordinances, regulations, rules, executive orders, policies and instructions pertaining to or lawfully promulgated pursuant to such statute or law as they now exist or may be amended from time to time, and (iii) all future statutes, laws, ordinances, regulations, rules, executive orders, policies, and instructions pertaining to the same or similar subject matter as they now exist or may be amended from time to time.

Section 406. Compliance with Environmental Laws. Lessee warrants and covenants that in conducting any activities or business at the Airport, including any activities directly related or incidental to its use and occupancy of the Leased Equipment, Lessee shall comply with any and all applicable Environmental Laws. Lessee further covenants and warrants as follows:

- A. Environmental Permits.
1. Lessee shall obtain and maintain any and all Environmental Permits required by applicable Environmental Laws to conduct the activities in which Lessee engages on or in the Leased Equipment.
 2. Lessee shall comply with any requirement imposed by an Environmental Permit obtained by the City that is applicable to Lessee or Lessee's activities on or in the Leased Equipment; provided, however that the City shall adequately notify Lessee of such Environmental Permit and associated requirements, including all applicable

deadlines for compliance.

3. The City and Lessee shall cooperate to ensure compliance with the terms and conditions of any Environmental Permit to insure safety and to minimize cost of compliance.
- B. Duty to Notify City. In the event of any release or threatened release of Hazardous Materials caused by Lessee, its employees, agents, contractors, suppliers, guests, or invitees, and which is required by applicable Environmental Laws or Rules and Regulations to be reported by Lessee, whether as a result of negligent conduct or otherwise pertaining to, or resulting from the operation of, the Leased Equipment, or in the event any written claim, demand, complaint or action is made or taken against Lessee that pertains to Lessee's failure or alleged failure to comply with any Environmental Laws or Environmental Permits pertaining to, or resulting from the operation of, the Leased Equipment, Lessee shall notify the City as soon as reasonably practical of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide the City with copies of any and all such claims, demands, complaints, notices, or actions so made. If Lessee is required, by any Environmental Laws, Environmental Permits, or governmental agency, to file any written notice or report of a release or threatened release of Hazardous Materials pertaining to, or resulting from the operation of, the Leased Equipment, Lessee shall simultaneously provide a copy of such notice or report to the City.
- C. Environmental Remediation. Lessee shall undertake all necessary steps required under applicable Environmental Laws and Environmental Permits to remedy and remove at its cost any Hazardous Material, or environmental condition or damage to the extent caused by, or resulting from, the activities, conduct or presence of Lessee or its agents, employees, contractors, or suppliers pertaining to, or resulting from the operation of, the Leased Equipment, whether resulting from negligent conduct or otherwise ("Remediation Work"). Such Remediation Work shall be performed at Lessee's expense. Except in the event of an emergency, such Remediation Work shall be performed after Lessee submits to the City a written plan for completing such Remediation Work and receives the prior approval of the City through Notice; provided, however, that the City's approval shall not be unreasonably withheld or delayed. The City expressly reserves the right to review and approve any proposed: remedial investigations, remedial work plans, interim and final remedies, institutional controls or other associated documents prior to submittal to the relevant governmental agencies responsible for enforcing Environmental Laws or Environmental Permits. Specific cleanup levels for any Remediation Work by Lessee shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits, as determined by the governmental agency responsible for enforcing Environmental Laws or Environmental Permits. Neither an ongoing remediation, including any testing or monitoring, nor the use of institutional controls, shall either unreasonably or materially impair or interfere with the City's use and enjoyment of its property or that of current and future tenants. The City shall have the right to conduct a reasonable review and inspect all such Remediation Work at any time using consultants and representatives of its choice.
- D. Access for Environmental Inspection. Upon reasonable notification to Lessee, the City shall have reasonable access to the Leased Equipment to inspect the same in order to confirm that Lessee is using the Leased Equipment in accordance with all applicable Environmental Laws and Environmental Permits. Lessee shall cooperate fully with any such inspections provided that such inspections shall not unreasonably interfere with Lessee's operations. If the City's inspection results in any type of written report, the City shall provide Lessee a reasonable opportunity to timely review and comment on a draft of the report. Lessee shall provide to City for its review and comment copies of: any and all notices of alleged non-compliance issued by governmental agencies responsible for enforcing Environmental Laws or Environmental Permits; draft official submittals (proposed final drafts) prepared by, or on behalf of, Lessee responding to such alleged non-compliance; and any and all consent orders or administrative determinations, whether preliminary or final, issued by such governmental agencies. The City agrees to maintain the confidentiality of the documents produced in accordance with this Subsection to the extent consistent with the City's legal obligations.
- E. Corrective Action by City. If Lessee fails to comply with any applicable Environmental Laws or Environmental Permits governing its activities pertaining to the Leased Equipment, or if Lessee fails to conduct necessary Remediation Work in a timely manner as required under this Section, the City, as required by applicable Environmental Laws and Environmental Permits, in addition to the rights and remedies described elsewhere herein and any other rights and remedies otherwise available to the City, may enter the Leased Equipment and take all reasonable and necessary actions to conduct Remediation Work to remove Hazardous Materials or other contaminants and insure such compliance with such Environmental Laws and Environmental Permits. All Remediation Costs incurred by the City shall be paid or reimbursed by Lessee. Remediation Work, if necessary, shall be performed in accordance with the provisions of Subsection 406(C), but only after first having provided Notice to Lessee of such failure to comply, and 30 days within which Lessee may demonstrate why no such alleged failure is present, or to timely remedy such alleged failure that may be present. If Lessee's compliance reasonably requires more than 30 days to complete, the City may enter the Leased Equipment and take such reasonable and necessary measures to achieve compliance only upon Lessee's failing to timely begin curing such noncompliance within such 30 day period and to continue diligently working to achieve compliance thereafter.
- F. Review of Environmental Documents. At the reasonable request of the City, Lessee shall make available for inspection and copying, at reasonable times, any and all non-privileged documents and materials Lessee has prepared pursuant to any applicable Environmental Laws or Environmental Permits, or submitted to any governmental agency, which documents and materials relate to environmental issues, Environmental Laws or Environmental Permits and which pertain to the Leased Equipment, and which would be discoverable in litigation.

- G. Cumulative Remedies. All remedies of the City as provided herein with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Laws or Environmental Permits are deemed to be cumulative in nature. The City's right to indemnification as provided under this Section shall survive the expiration or early termination of this Agreement.

Section 407. Passengers with Disabilities. Lessee shall be responsible for providing boarding assistance to individuals with disabilities as required by 14 C.F.R. Part 382 and 49 C.F.R. Part 27; provided however, that Lessee may use the mechanical lift devices owned and made available by the City in accordance with the provisions of a separate mobile lift device permit that may be granted to Lessee by the City

Section 408. Nondiscrimination.

- A. Lessee for itself, its personal representatives, successors in interest, and assigns, agrees that no person on the grounds of race, creed, color, national origin, sex, age, or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in (i) the use of the Leased Equipment; or (ii) the construction of any improvements to the Leased Equipment, and the furnishing of services thereon.
- B. Lessee shall comply with all applicable nondiscriminatory requirements that may be imposed pursuant to the Federal Aviation Act of 1958, as amended; the Civil Rights Act of 1964, as amended; 49 C.F.R. Parts 21, 23, and 26, as said regulations may be amended; and state and local laws.

Section 409. Prevailing Wage. Lessee shall include in all service contracts pertaining to the Leased Equipment language specifying the minimum prevailing wages to be paid and fringe benefits to be provided by the service contractor to employees of said service contractor in accordance with the provisions of the Revised Code of The City of St. Louis, Chapter 6.20.

Section 410. City Right to Enter, Inspect, and Require Corrective Action.

- A. The City shall have the right at reasonable times to enter upon the Leased Equipment for any of the purposes listed below:
1. to inspect the Leased Equipment for any purpose necessary for or incidental to or connected with the City's obligations hereunder, or in the exercise of the City's capacity as Airport owner, and as the owner of the Leased Equipment;
 2. to identify those actions required of the Lessee or the City, pursuant to this Agreement;
 3. for fire protection, safety, or security purposes;
 4. to make structural additions and alterations to the Airport;
 5. as provided in Section 411; and
 6. upon the expiration or early termination of this Agreement.
- B. The City shall provide reasonable notification and such right of entry shall not unreasonably interfere with Lessee's use or occupancy of its Leased Equipment, except if the situation endangers the health or safety of persons or the safety of operations on the Leased Equipment. The right of inspection reserved to the City shall impose no obligation on the City to make inspections to ascertain the condition of the Leased Equipment and shall impart no liability upon the City for failure to make such inspections. The failure of the City to inspect or monitor or notify Lessee of a default or of a hazardous or unsafe condition with respect to Lessee operations hereunder shall not release Lessee from its liability to perform its obligations hereunder or impose any liability on the City, and in any other event where the City determines that it is necessary or desirable to do so to preserve the Airport or any portion thereof or to correct any conditions likely to cause injury or damage.
- C. Unless otherwise provided herein, Lessee shall perform all corrective work required of it that is identified in such inspection(s) within 30 days of receipt of a notification from the City. If correction cannot reasonably be completed within such 30 day period, this period may be extended at the sole discretion of the City. Matters affecting public health, safety, and welfare, including trash and debris problems, shall be corrected promptly after the City notifies the Lessee's manager or the manager's designee either orally or in writing via hand-delivery.

Section 411. Failure to Maintain by Lessee. If City determines that Lessee has failed to properly clean, remove trash and refuse, maintain, or repair the Leased Equipment as required in Section 402, the City shall provide to Lessee a list of deficiencies, reflecting the amount of time to be reasonably allowed for Lessee to correct same. If Lessee fails to correct such deficiencies within the time allowed and has not registered an objection as to its obligation to do so, the City, following 5 days further notification by the City to Lessee, may enter upon the Leased Equipment and correct the listed deficiencies. The City shall add the cost of such work, plus actual administrative costs, to the Rents due hereunder on the first day of the month following the date of such work, and such cost shall be and constitute a part of the Rents. Subsequent to receipt of the further notification of intent to perform repairs, maintenance, or cleaning from the City, Lessee shall not undertake performance of such repairs, maintenance, or cleaning without specific prior authorization from the City.

Section 412. City Obligations. Except as specifically provided for herein, the City shall not be under any duty or obligation to Lessee to repair, maintain, or clean the Leased Equipment or any portion thereof, or any facilities or equipment constructed thereon. The City shall not be responsible or liable to Lessee for any claims for compensation for any losses, damages, or injury, including lost profits, sustained by Lessee resulting from failure of the Airport structures or utility systems, or caused by the natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, act of God, state of war, terrorism, civilian commotion or riot, or any other cause or peril beyond the control of the City, except to the extent covered by the City's insurance or as may be caused by the City's negligence, willful misconduct, or bad faith.

ARTICLE V
RENT AND FEES

Section 501. General. Lessee, for and in consideration of the rights and privileges granted herein, agrees to promptly and timely pay the Rents set forth in this Agreement, without demand during the term of this Agreement.

Section 502. Rent Payment. Lessee shall pay in advance to City the following monthly rental rates:

\$1,000.00/per month for each of the passenger loading bridges that are Leased Equipment.

Total monthly rental for seven (7) passenger loading bridges that are Leased Equipment multiplied by \$1,000 each per month = \$7,000.00 per month. All payments shall be paid on or before the first day of each month of the term of this Agreement.

Section 503. Interest Charges and Late Charges on Overdue Payment. If Lessee fails to make payment of any sums due hereunder by the due dates set forth herein, Lessee shall pay to the City, in addition to all other remedies available to the City and all other payments to be made by Lessee to the City, an interest charge equal to 1.5% for each month of the overdue amount, and costs and attorney's fees reasonably incurred by the City in attempting to obtain payment, if any. Payments received later than 30 days from their respective due date shall be assessed an additional one-time late charge of 5% of the amount due, in addition to applicable interest charges.

Section 504. Form of Payment. Lessee shall pay all sums due hereunder in lawful money of the United States of America, without notice or demand, without deduction or setoff, by wire transfer or check made payable to the "Treasurer, City of St. Louis," which check shall be delivered postage or other charges prepaid to:

By U.S. Mail: Airport Assistant Director of Finance
Lambert-St. Louis International Airport
P.O. Box 10036, Lambert Station
St. Louis, Missouri 63145

By Express Mail: Airport Assistant Director of Finance
Lambert-St. Louis International Airport
10701 Lambert International Boulevard
St. Louis, Missouri 63145

By Wire Transfer: Routing Number: 081000210-1001018702
Bank Name: USBank (Checking)
Account Name: Airport Revenue Fund
(include a description of the transfer (e.g. "Name of Lessee, Agreement No. AL- 388"))

or as hereafter the City may designate by Notice to Lessee.

Section 505. Security Deposit.

- A. Amount and Form of Security Deposit. Upon execution of this Agreement, Lessee shall provide the City with an irrevocable letter of credit, contract bond, or other security or instrument acceptable to the City ("Security Deposit") in an amount equal to 3 (three) months of estimated Rents. The Security Deposit shall guarantee the faithful performance by Lessee of all of its obligations hereunder and the payment of all Rents due to the City. The Security Deposit shall be in such form and with such company licensed to do business in the State of Missouri as shall be acceptable to the City, within its reasonable discretion. The Security Deposit is not the sole or exclusive remedy of the City and shall not be construed, in and of itself, as adequate assurance of Lessee's future performance.
- B. Term of Security Deposit. Lessee shall maintain the Security Deposit until the termination of this Agreement. Lessee shall provide at least 60 days prior Notice of the date on which any Security Deposit expires or is subject to cancellation.
- C. City's Right to Use Security Deposit; Replenishment. If Lessee commits or is under an Event of Default pursuant to Section 901, the City shall have the right to use the amounts of such Security Deposit to pay Lessee's Rents or any other amounts owed to the City by Lessee then due and payable, or to apply the proceeds to any cost or expense or material damages incurred by the City as a result of Lessee's default, or Event of Default under Section 901. If any such Security

Deposit, or portion thereof, is used as stated in this Subsection, Lessee shall replenish or provide a renewal or replacement Security Deposit up to the full amount set forth in Subsection 505(A) within 10 days of being notified to do so by the City. The City's rights under this Section shall be in addition to all other rights and remedies provided to the City hereunder.

D. Waiver of Security Deposit Requirement. Notwithstanding the provisions of Subsections 505(A)-(C), the City will waive the Security Deposit obligation if it determines that Lessee qualifies for relief from such obligation. To qualify for such relief, Lessee must:

- 1) not be under an Event of Default pursuant to, and not have received Notice in accordance with, Section 901;
- 2) have made timely payments of all applicable Rents, Fees, and Charges during the term of this Agreement.

If, after having waived the Security Deposit obligation in accordance with this Subsection, the City determines that Lessee has not continued to satisfy the requirements for relief, or if Lessee commits or is under an Event of Default pursuant to Section 901, Lessee shall immediately provide a Security Deposit in accordance with the provisions of Subsection 505(A).

ARTICLE VI TENANT IMPROVEMENTS

Section 601. Alterations and Improvements by Lessee. Lessee may construct and install, at Lessee's sole expense, such improvements to the Leased Equipment as Lessee deems to be necessary for its use of the Leased Equipment. The plans and specifications, location, and construction schedule for such improvements, including any substantial alteration or addition thereto, must be submitted to and approved by the City prior to the commencement of any and all such construction or installation. Lessee shall comply with the requirements of all applicable laws and building codes and the City's Rules and Regulations governing tenant construction, alterations, and improvements. No reduction or abatement of Rents shall be allowed for any interference with Lessee's operations by such construction. All such alterations and improvements by Lessee shall be subject to the following:

- A. The City shall have the right to refuse approval of such plans and specifications. The City may, at its own cost, inspect any such alterations or improvements.
- B. All improvements made to the Leased Equipment and permanent additions or alterations thereto made by Lessee, except those financed by the City, shall be and remain the property of Lessee until expiration of the term of this Agreement. Upon expiration or early termination of this Agreement, said additions and alterations shall become the property of the City; provided, however, that any trade fixtures, signs, and other removable personal property of Lessee shall remain the property of Lessee, subject to the terms of Article X.
- C. Lessee shall promptly pay all lawful claims made against the City and discharge all liens filed or which exist against the Leased Equipment, or Lessee's trade fixtures or trade equipment arising out of or in connection with the failure to make payment for work done or materials provided by Lessee, its contractors, subcontractors, or materialmen. Lessee shall have the right to contest the amount or validity of any such claim or lien without being in default hereunder; provided, however, that while contesting the amount and validity of any such claims or liens Lessee shall provide the City, at the City's request, with a performance bond in an amount equal to the amount of the claim or lien. Lessee shall give timely Notice to the City of all such claims and liens.
- D. Lessee shall use, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to use, the highest degree of care when entering upon any property owned by the City in connection with the work. Lessee shall comply, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to comply, with any and all instructions and requirements for the use of City-owned property.
- E. In any contract relating to the construction or installation of improvements to the Leased Equipment, Lessee shall require each of its contractors and suppliers to:
 1. carry a policy of Builders Risk Insurance in accordance with Section 701(B)(4); and
 2. furnish performance and payment bonds in the full amount of any contract in a form acceptable to the City. Payment bonds shall comply with the coverage requirements and conditions of Section 107.170 of the Missouri Revised Statutes, as amended. Copies of the bonds shall be given to the City for approval before work begins. Any sum or sums derived from said performance and payment bonds shall be used for the completion of said construction and the payment of laborers and material suppliers, as the case may be.
- F. Upon the completion of the improvements hereunder, Lessee shall submit to the City a copy of its acceptance letter certifying completion, a certified copy of any certificate or permit which may be required by any federal, state or local government or agency in connection with the completion or occupancy thereof by Lessee, and a certified set of "as built" drawings.

Section 602. Nondisturbance of Airport Tenants and Operations. Any work by Lessee and its contractors shall be conducted in an orderly and proper manner, and shall not otherwise disturb, create a hazard, or interfere with other projects on, or the operations of, the Airport. Lessee shall promptly comply, and shall cause its contractors to comply, with any reasonable request from the City to

correct its conduct or that of its contractors. If Lessee or its contractors fails to comply with the provisions of this Section, the City shall have the right to stop any or all work being performed, until such compliance is achieved, without terminating this Agreement.

ARTICLE VII
INSURANCE, DAMAGE, AND INDEMNIFICATION

Section 701. Insurance.

- A. General. Lessee at all times during the term hereof, shall cause St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their officers, agents and employees and Lessee to be insured on an occurrence basis against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities or omissions of Lessee, its officers, agents, and employees pursuant to this Agreement both on the Leased Equipment and the Airport.
- B. Risks and Minimum Limits of Coverage. Lessee shall procure and maintain the following policies of insurance:
1. Commercial General Liability Insurance in an amount not less than \$2 million. Such coverage shall be single limit liability with no annual aggregate.
 2. Workers' Compensation and Employer's Liability Insurance in accordance with Missouri laws and regulations. With respect to Workers' Compensation Insurance, if Lessee elects to be self-insured, Lessee shall comply with the applicable requirements of law. Lessee shall require that all its subcontractors or licensees similarly provide such coverage (or qualify as a self-insured) for their respective employees. City, its officers, employees, or agents shall not be liable or responsible for any claims or actions occasioned by Lessee's failure to comply with the provisions of this Subparagraph and that the indemnification provisions hereof shall apply to this Section. It is expressly agreed that the employees of Lessee are not employees of the City for any purpose, and that employees of the City are not employees of Lessee.
 3. Contents Insurance. Lessee shall be solely responsible for obtaining insurance policies that provide coverage for losses of Lessee owned property. The City shall not be required to provide such insurance coverage or be responsible for payment of Lessee's cost for such insurance.
 4. Builders Risk Insurance. During any period of construction or reconstruction for which Lessee contracts, Lessee shall carry, or shall require its contractor or contractors to carry, a policy of Builders Risk Insurance in an amount sufficient to insure the value of the work. The City shall be named Loss Payee on Builders Risk coverage to the extent of the City's interest therein (except to the extent coverage relates to Lessee's equipment and personal property). Lessee may elect to self-insure for individual projects with a total cost of \$50,000 or less.
 5. Other Property Coverage. Lessee shall provide an "All Risk" or a specific property insurance policy for the full replacement value (including installation costs) of the Leased Equipment, providing protection from direct loss arising out of any fortuitous cause other than those perils or causes specifically excluded by norm and which covers Lessee's Leased Equipment, windows and doors, trade fixtures, and mechanical/electrical equipment and systems. The City shall be named Loss Payee on such coverage to the extent of the City's interest therein (except to the extent coverage relates to Lessee's equipment and personal property).
- C. Issuers of Policies. The issuer of each policy required herein shall be a financially sound insurance company authorized to issue insurance policies in the State of Missouri. Acceptable insurers include insurance companies with an "A.M. Best Company" rating of at least an "A," or other insurers or insurance syndicates of similar recognized responsibility.
1. Form of Policies. The insurance may be in one or more policies of insurance.
 2. Non-waiver. Nothing the City does or fails to do shall relieve Lessee from its duties to provide the required coverage hereunder, and the City's actions or inactions shall not be construed as waiving the City's rights hereunder.
 3. Insured Parties. Each policy by endorsement, except those for Workers' Compensation, Employer's Liability, shall name the City, its officers, agents, and employees as "additional insured" on the certificate of insurance, including all renewal certificates, to the extent of Lessee's indemnification obligations hereunder. Inclusion as an "additional insured" is not intended to, and shall not, make the City a partner or joint venturer with Lessee in its operations.
 4. Deductibles. Lessee shall assume and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for the same against the City, its officers, agents, or employees; provided, however, that nothing herein stated shall diminish Lessee's rights or increase Lessee's obligations in respect to its undertakings or hold harmless defense and indemnification set forth in Section 704 hereof.
 5. Cancellation. Each policy shall expressly state that it may not be cancelled, materially modified or nonrenewed unless 30 days advance Notice is given in writing to the City by the insurance company, or authorized

representative of Lessee.

6. Subrogation. Each policy shall contain an endorsement by which the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.
 7. Endorsement of Primary Insurance. Each policy hereunder except Workers' Compensation shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.
 8. Liability for Premium. Lessee shall be solely responsible for payment of all insurance premiums required pursuant to this Agreement, and the City shall not be obligated to pay any premiums; provided, however, that if Lessee fails to obtain the insurance as required herein or make premium payments, the City may, without further notification, effect such insurance or make such payments on Lessee's behalf and, after Notice to Lessee, the City may recover the cost of those payments with the installment of Rents next due, plus 15% administrative charge, from Lessee.
 9. Proof of Insurance. Within 30 days of the Effective Date of this Agreement and at any time during the term hereof, Lessee shall furnish the City with certificates of insurance. At least 5 days prior to the expiration of any such policy, Lessee shall submit to the City a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Lessee shall, within 15 days after the date of such notice from the insurer of such cancellation or reduction in coverage, file with the City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon reasonable notification by the City to Lessee, the City shall have the right to examine Lessee's insurance policies.
- D. Maintenance of Coverage. Notwithstanding the proof of insurance requirements set forth above, it is the intention of the parties hereto that Lessee, continuously and without interruption, maintain in force the required insurance coverages set forth above.
- E. City Right to Review and Adjust Coverage Limits. The City reserves the right at reasonable intervals during the term of this Agreement to cause the insurance requirements of this Article to be reviewed, at its sole cost, by an independent insurance consultant experienced in insurance for public airports, taking into consideration changes in statutory law, court decisions, or the claims history of the airline industry as well as that of Lessee, and, based on the written recommendations of such consultant, and in consultation with Lessee, to reasonably adjust the insurance coverages and limits required herein but not more often than every 24 months.

Section 702. Lessee Actions Affecting Insurance. Lessee shall not knowingly do or permit to be done anything, either by act or failure to act, that may cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that may cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such Lessee's act, or failure to act, causes cancellation of any policy, then Lessee shall immediately, upon notification by the City, do whatever is necessary to cause reinstatement of said insurance. Furthermore, if Lessee does or permits to be done any act or fails to do any act which causes an increase in the City's insurance premiums, Lessee shall immediately remedy such actions and/or pay the increase in premiums, upon Notice from the City to do so; but in any event, Lessee will hold the City harmless for any expenses and/or damage resulting from any such action.

Section 703. Indemnification.

- A. Lessee shall defend, indemnify, and hold harmless St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their respective officers, agents and employees (the "Indemnified Parties") from and against any and all loss, liability, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards, settlements, costs, and expenses, including payments of claims of liability resulting from any injury or death of any person or damage to or destruction of any property including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs and expert fees) of any nature, arising out of and in connection with this Agreement, or Lessee's use or occupancy of the Leased Equipment or other areas or facilities at the Airport by Lessee, its agents, employees, contractors, or subcontractors, including, but not limited to:
1. the acts or omissions of Lessee, its agents, employees, contractors, or suppliers;
 2. Lessee's use or occupancy of the Airport or the Leased Equipment; and
 3. any violation by Lessee under this Agreement its use of its Leased Equipment or any provision, warranty, covenant, or condition of this Agreement.

Lessee shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

- B. Lessee shall defend, indemnify, pay, and hold harmless the Indemnified Parties from and against all applicable taxes and assessments for which the City may become liable and which by law may be levied or assessed on the Leased Equipment, or which arise out of the operations of Lessee or by reason of Lessee's occupancy or use of the Leased Equipment except for any taxes or assessments based on the gross or net income or gross or net receipts of the City that are not allocable to

Lessee-related receipts. However, Lessee may, at its own risk, cost, and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit Lessee to contest or appeal the same. Lessee shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City, upon request by the City, copies of receipts of payment. If the City receives any tax billings falling within the scope of this paragraph, it will forward said billings to Lessee. Lessee shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

- C. Lessee shall defend, indemnify, and hold harmless the Indemnified Parties from and against any claim, suit, demand, action, liability, loss, damage, judgment, or fine, and all costs and expenses of whatever kind or nature associated therewith in any way arising from or based in whole or substantial part upon claim or allegation of a violation of any federal, state, or local laws, statutes, resolutions, regulations, ordinance, or court order affecting the Airport, by Lessee, its agents, employees, contractors, or suppliers, in conjunction with Lessee's use and/or occupancy of the Leased Equipment. Lessee will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. Lessee shall include the substance of this Subsection (C) in every sublease, contract or other agreement which Lessee may enter into related to its activities on the Leased Equipment, and any such sublease, contract or other agreement shall specifically provide that the City is a third-party beneficiary of this and related provisions. This provision does not constitute a waiver of any other condition of this Agreement prohibiting or limiting assignments, subletting or subcontracting.
- D. If a prohibited incursion into the air operations area occurs, or if the Aircraft Operations Area or sterile area security is breached, by or due to the negligence or willful act or omission of any of Lessee's employees, agents, contractors, or suppliers, and such incursion or breach results in a civil penalty action against the City, Lessee shall assume the defense of any such action and be responsible for any civil penalty or settlement amount required to be paid by the City as a result of such incursion or breach. The City shall notify Lessee of any allegation, investigation, or proposed or actual civil penalty sought for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAA or TSA regulations or security directives.
- E. Lessee's obligation to defend and indemnify past officers, employees, and agents of the City shall apply to such persons only for claims, suits, demands, actions, liability, loss, damages, judgments, or fines arising from events, occurrences, and circumstances during which said officers, employees, and agents held their office or position with the City.
- F. The City shall promptly notify Lessee of each claim, action, proceeding, or suit in respect of which indemnity may be sought by the City against Lessee hereunder, setting forth the particulars of such claim, action, proceeding or suit; shall furnish Lessee with a copy of all judicial filings and legal process and any correspondence received by the City related thereto; and shall tender the defense of same to Lessee.
- G. The duty to defend, indemnify, hold harmless, and reimburse shall apply to any claim, demands, or suits made against the City for which Lessee is responsible pursuant to this Section. Provided, however, that upon the filing by anyone of a claim with the City for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the City harmless, the City shall promptly notify Lessee of such claim and, if Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim both on behalf of Lessee and on behalf of the City, at Lessee's expense; provided, however, that Lessee shall immediately notify City if a conflict between the interests of Lessee and City arises during the course of such representation. Lessee shall use counsel reasonably acceptable to the City Counselor of the City or his or her designee, after consultation with the Airport Director, in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement. It is specifically agreed, however, that the City, at its option and at its own expense, may participate in the legal defense of any claim defended by Lessee in accordance with this Section. Any final judgment rendered against the City for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to amount upon the expiration of the time for appeal therefrom. Nothing in this Article shall be deemed a change or modification in any manner whatsoever of the method or conditions of preserving, asserting, or enforcing any claim of legal liability against the City. This Section shall not be construed as a waiver of the City's sovereign or other immunity.
- H. The City, at its own expense except as otherwise provided herein, shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings and to the extent of its interests, approve, in writing, the terms of any settlement related to any claim, action, proceeding or suit set forth in this Section.
- I. Notwithstanding the provisions of this Section, Lessee shall have no obligation to defend, indemnify, or hold harmless the City for any consequential damages or for any amounts to be paid in connection with losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, injunctive relief, judgments, awards and settlements if the City is conclusively determined to be more than 50% liable due to contributory negligence.
- J. This Section shall survive the expiration or early termination of this Agreement. Lessee understands and agrees that any insurance protection furnished by Lessee pursuant to Section 701 shall in no way limit Lessee's responsibility to indemnify and hold harmless the City under the provisions of this Agreement.

Section 704. City Not Liable. Unless otherwise expressly provided for in this Agreement, the City shall not in any event be liable

to Lessee for:

- A. any acts or omissions of Lessee, its officers, directors, employees, agents, contractors, or suppliers, or for any conditions resulting from the operations or activities of Lessee's directors, officers, employees, agents, contractors, or suppliers;
- B. Lessee's failure to perform any of the obligations hereunder or for any delay in the performance thereof;
- C. any environmental condition in existence at the Airport, or any part thereof including without limitation the Leased Equipment, which condition may interfere with Lessee's business or other operations or activities, or which might otherwise cause damages to Lessee through loss of business, destruction of property, or injury to Lessee, its officers, directors, employees, agents, contractors, suppliers, invitees, or licensees except to the extent such conditions are caused by the City, its employees or agents; or
- D. bodily injury or any loss or damage to real or personal property or business income occasioned by flood, fire, smoke, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, vandalism, malicious mischief, or acts of war or terrorism, or for any injury, loss or damage not caused by the negligence, willful misconduct, or bad faith of the City.

ARTICLE VIII MERGERS, ASSIGNMENT, AND SUBLETTING

Section 801. Mergers and Consolidations. If Lessee consolidates with or merges into another company or permits one or more other companies to consolidate with or merge into it, or transfers or conveys all or substantially all of its property, assets and licenses to another company, the business entity resulting from or surviving such merger (if other than Lessee) or consolidation or the company to which such transfer or conveyance is made shall (i) expressly assume in writing and agree to perform all of Lessee's obligations hereunder, (ii) be qualified to do business in the State of Missouri, and (iii) if such business entity is not organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, furnish to the City an irrevocable consent to service of process in, and to the jurisdiction of, the courts of the State of Missouri with respect to any action or suit, in law or at equity, brought by the City to enforce this Agreement. If Lessee is the surviving business entity in such a merger, the express assumption referred to in this Section shall not be required.

Section 802. Assignments. Lessee shall not assign, transfer, convey, sell, mortgage, pledge, or encumber (hereinafter collectively referred to as "Assignment") this Agreement other than in connection with a transaction referenced in Section 801 without the express consent of the City.

Section 803. Subleases. Lessee shall not sublease the Leased Equipment without the express written consent of the City.

ARTICLE IX DEFAULT AND TERMINATION

Section 901. Events of Default. Each of the following constitutes an "Event of Default" under this Agreement:

- A. Lessee fails to punctually pay when due any Rents or any other sum required to be paid hereunder, and such failure continues for a period of 15 days after Notice of non-payment has been given to Lessee by the City.
- B. Lessee fails to keep, perform and observe any promise, covenant or other provision of this Agreement for a period of 30 days after Notice specifying such failure by the City; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to the City's right to terminate this Agreement if corrective action is instituted by Lessee within such 30 day period and diligently pursued until the failure is corrected.
- C. Any representation or warranty of a material fact made by Lessee herein or in any certificate or statement furnished to the City pursuant to or in connection herewith proves untrue in any material respect as of the date of issuance or making thereof, and such materiality is then continuing.
- D. Lessee discontinues its use of the Leased Equipment for conduct of its business for a period of 30 consecutive days or, after exhausting or abandoning any further appeals, Lessee is prevented for a period of 30 consecutive days by action of any governmental agency other than the City from the use of the Leased Equipment for the conduct of its business.
- E. Lessee fails to maintain the minimum required insurance coverage as required by Section 701 for a period of 30 days after Notice specifying such failure by the City, provided that the City shall have the right to immediately suspend Lessee's right to operate or use the Leased Equipment at the Airport until Lessee has obtained the minimum required insurance coverage.
- F. Lessee becomes insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), or any successor statute thereto); or fails to pay its debts generally as they mature; or takes the benefit of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors.

- G. Lessee files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any state thereof, or under any law or statute of another country; or consents to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief is entered by or against Lessee under any chapter of the Bankruptcy Code.
- H. Lessee is adjudged a debtor or bankrupt and/or an order is made approving a petition filed by any of Lessee's creditors or stockholders seeking Lessee's liquidation or reorganization under the Bankruptcy Code or under any other law or statute of the United States or any state thereof, and such order or decree is not stayed or vacated within 60 days of its issuance.
- I. A petition under any chapter of the Bankruptcy Code or an action under any federal or state insolvency law or statute, or an action under any insolvency law or statute of another country is filed against Lessee and is not dismissed or stayed within 60 days after the filing thereof.
- J. By or pursuant to, or under authority of any legislative act, resolution, or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator, or other similar official takes possession or control of all or substantially all of the property of Lessee and such possession or control continues in effect for a period of 60 days.
- K. Lessee becomes a corporation in dissolution.
- L. The letting, license, or other interest of or rights of Lessee hereunder is transferred to, passed to, or devolved upon, by operation of law or otherwise, any other person, firm, corporation, or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in subparagraphs (F) through (K) of this Section.
- M. Lessee enters into an Assignment or sublease which is not approved by the City in accordance with the provisions of Article VIII, and, if a sublease, it is not terminated within 10 days after Notice from the City.

Notwithstanding any other provision of this Agreement, if, as of the Effective Date, Lessee is a debtor in a Chapter 7 or Chapter 11 case under the Bankruptcy Code, such case shall not constitute an Event of Default.

Section 902. Termination by the City for Cause.

- A. Whenever an Event of Default has occurred, the City may at its option, immediately and without further notification of such Event of Default:
 - 1. Terminate this Agreement and/or Lessee's rights granted hereby, but without discharging any of Lessee's obligations hereunder and, at the City's further option, exclude Lessee from its Leased Equipment. If Lessee uses, occupies, or fails to surrender or remove its property from its Leased Equipment, or any portion thereof, without the consent of the City after this Agreement has been terminated or expires, Lessee may be deemed a tenant at sufferance during the period of such use or failure and, in such event, Lessee shall pay Rents established by the City during such period. In such event, the City shall have, in addition to whatever other rights are available to the City, the right to all remedies provided under applicable laws, and reasonable costs, disbursements, and attorney fees including consequential damages incurred as a result of the holdover.
 - 2. Without terminating this Agreement, exclude Lessee from its Leased Equipment and use its best efforts to lease such Leased Equipment to a replacement Lessee. Lessee shall remain liable for all Rents and other payments due hereunder for the remainder of the term of this Agreement; provided, however, that any rents received from a replacement Lessee shall be credited against the amounts owed by Lessee.
- B. In the event of an Event of Default, the City may exercise any and all of the rights provided to it in this Section irrespective of any subsequent cure by Lessee, unless otherwise mutually agreed by Lessee and the City.
- C. The remedies set forth in this Article shall be in addition to all other remedies which are or may be available to the City at law or in equity to enforce the performance and observance of any obligation, agreement or covenant of Lessee hereunder, including collection of amounts due.
- D. All rights and remedies given to the City herein and all rights and remedies granted to the City by law shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Leased Equipment shall deprive the City of any of the City's remedies or actions against Lessee for Rents or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Rents or breach of covenant, the resort to any other remedy herein provided for the recovery of Rents or any delay in exercising such rights, be construed as a waiver of the right to obtain possession of the Leased Equipment.
- E. In no event shall this Agreement or any rights or privileges hereunder be an asset of Lessee under any bankruptcy, insolvency, or reorganization proceedings.

Section 903. Change of Term.

Notwithstanding the provisions of Section 301, automatically and immediately upon the occurrence of an Event of Default described in Subsections 901 (F) - (K), the term of this Agreement shall convert to month-to-month; provided, however, that the conversion of the term of this Agreement pursuant to this Section shall not discharge any of Lessee's obligations hereunder nor affect any of the City's remedies set forth herein.

Section 904. Termination by Lessee for Cause.

At any time that Lessee is neither in default nor has committed an Event of Default hereunder, Lessee may terminate this Agreement to the extent set forth below, at Lessee's option, prior to the scheduled expiration date set forth in Section 301, by giving the City 30 days' advance Notice upon or after the happening and during the continuance of any of the following events:

- A. Any action of any federal, state, county, or municipal governmental agency refusing to permit Lessee to operate into, from, or through the Leased Equipment as Lessee has previously operated regularly thereon, and the remaining in force of such refusal for a period of at least 30 days;
- B. Any failure by the City to keep, perform and observe any material promise, covenant, or other provision of this Agreement for a period of 30 days after Notice specifying such failure and requesting that it be remedied is given to the City by Lessee; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to Lessee's right to terminate this Agreement if corrective action is instituted by the City within such 30 day period and diligently pursued until the failure is corrected; or
- C. Lessee is prevented from conducting its business at the Leased Equipment for a period in excess of 90 consecutive days for any reason other than causes directly controlled by Lessee.

ARTICLE X
SURRENDER OF LEASED EQUIPMENT

Section 1001. Surrender of Leased Equipment.

- A. Surrender of Leased Equipment. On expiration of the term of this Agreement or earlier termination as hereinafter provided, Lessee shall:
 - 1. peaceably surrender possession of the Leased Equipment to the City in a clean, sanitary, and good condition, excepting only reasonable wear and tear (taking into account repair and maintenance required to be done by Lessee), acts of God, fire, and other casualties, and the City shall have the right to take possession of said Leased Equipment hereunder; and
 - 2. return the Leased Equipment to the City in a condition such that Hazardous Materials which were placed, stored, used, generated, treated, released, discharged, disposed, and/or spilled on, under, or about the Leased Equipment by Lessee, its officers, directors, employees, agents, contractors, or suppliers do not exceed allowable levels established under applicable Environmental Laws and Environmental Permits in accordance with Subsection 406(C). If the City is required under applicable Environmental Laws to undertake actions to bring the Leased Equipment into compliance with this provision, or any applicable Environmental Laws or Environmental Permits as a result of Lessee's failure to timely correct same in accordance with Subsection 406(C), Lessee shall reimburse the City for any Remediation Costs incurred by the City, as provided for in Subsection 406(E).

The City shall not be required to notify Lessee to quit possession at the expiration date of the term of this Agreement.

- B. Removal of Personal Property. Provided Lessee is not in default for non-payment of Rents or any other payment due hereunder, Lessee shall have the right, on expiration or early termination of this Agreement and within 30 days thereafter, to remove or dispose of all trade fixtures, equipment and other personal property installed or placed by Lessee in or on the Leased Equipment. Lessee shall not be entitled to remove non-trade fixtures without the advance consent of the City. If, following the expiration or early termination of this Agreement, the City has immediate need to accommodate a new tenant, the City may remove and store Lessee's trade fixtures, equipment and personal property, at Lessee's risk.
- C. Removal Damages. Lessee shall repair any damage caused by the removal of its trade fixtures, equipment or personal property. Removal shall be at Lessee's expense. Notwithstanding the above, consideration shall be given to the intended long-term use of the Leased Equipment and if the City determines that such Leased Equipment would not be maintained for a period warranting the repairs indicated above, the City may alter or waive the repair requirement of this Subsection. If the Leased Equipment is yielded or delivered to the City in need of repair, reconditioning, or restoration to the condition that existed when Lessee first used the Leased Equipment pursuant to this Agreement or any preceding agreement (reasonable wear and tear taking into account repair and maintenance required to be done by Lessee excepted), after reasonable notification by the City to Lessee, the City shall repair or recondition said Leased Equipment and the cost thereof, plus actual administrative costs, shall be invoiced to Lessee and payable immediately. The City shall determine the condition of the Leased Equipment at the expiration or early termination of this Agreement.

- D. Ownership of Trade Fixtures, Equipment and Personal Property Not Removed. If, after 30 days following the expiration or early termination of this Agreement, Lessee fails to remove its trade fixtures, equipment and other personal property from the Leased Equipment, such trade fixtures, equipment and personal property may be deemed abandoned. In addition to whatever other rights are available to the City, with prior notification of Lessee, the City may: (i) remove, sell, or store Lessee property at Lessee's expense, or (ii) take title to Lessee property in lieu of removal on behalf of Lessee. If the City takes title to such property or otherwise disposes of the property, the City shall be entitled to all proceeds of sale of such Lessee property as liquidated damages for the breach of this covenant to remove.

ARTICLE XI
MISCELLANEOUS PROVISIONS

Section 1101. Relationship of Parties. Nothing herein contained is intended or shall be construed to create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture or association or to make Lessee the general representative or agent of the City for any purpose whatsoever.

Section 1102. Amendment. Except as otherwise expressly provided herein, this Agreement may not be changed, modified, discharged, or extended except by written amendment duly executed by the parties.

Section 1103. Subordination to Agreements with the United States.

- A. This Agreement shall be subordinated to the provisions of any existing or future agreement between the City and the United States Government or governmental authority, relating to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds or the approval to impose or use PFCs for the improvement or development of the Airport. Lessee shall not cause the City to violate any assurances made by the City to the United States Government in connection with the granting of such federal funds or the approval of such PFCs.
- B. All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate all of the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operation of the Airport by the United States of America.

Section 1104. Subordination to Trust Indenture.

- A. This Agreement and all rights granted to Lessee hereunder are expressly subordinated and subject to the lien and provisions of the pledges, covenants (including rate covenants), transfers, hypothecation, or assignments made by the City in the Trust Indenture and any Bond ordinance (including related documents authorized or approved by such ordinance) enacted by the City regarding the issuance of Bonds.
- B. Lessee understands that the City is and will be the issuer of Bonds. With respect to outstanding Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income of the holders of such Bonds for federal income tax purposes under federal law, Lessee shall not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Leased Equipment, if the act or failure to act may cause the City to fail to be in compliance with the provisions of federal law with respect to those types of Bonds, as it now exists or may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will Lessee take, or persist in, any action or omission that may cause the interest on the tax-exempt Bonds either (i) not to be excludable from the gross income of the holders thereof for federal income tax purposes; or (ii) to become subject to the alternative minimum tax for federal income tax purposes.

Section 1105. Certificate in Connection with Issuance of Bonds. In connection with any issuance of Bonds by the City, upon not less than 30 days prior request by the City, Lessee shall deliver to the City a statement in writing certifying:

- A. that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect);
- B. that to Lessee's knowledge the City is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; and
- C. such further matters as may be reasonably requested by the City, it being intended that any such statement may be relied upon by the parties involved in such issuance of Bonds.

Section 1106. No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity other than the parties hereto and their assigns any legal or equitable rights hereunder.

Section 1107. Counterparts. This Agreement may be executed in one or more counterparts.

Section 1108. Exhibits. All certificates, documents, exhibits, attachments, riders, and addenda referred to herein, including the exhibits referred hereto, are hereby incorporated into this Agreement by reference and made a part hereof as though set forth in full

in this Agreement to the extent they are consistent with its conditions and terms.

Section 1109. Survival of Warranties. All warranties and covenants set forth in this Agreement shall survive the execution and performance of this Agreement.

Section 1110. Quiet Enjoyment. Upon payment of all amounts due hereunder and performance of the covenants and agreements on the part of Lessee to be performed hereunder, the City shall not act or fail to act, except as otherwise provided by this Agreement, in a manner that will prevent Lessee from peaceably having and, in accordance with the terms hereof, enjoying the Leased Equipment and all rights, licenses, services, and privileges of the Airport and its appurtenances and facilities granted herein.

Section 1111. No Personal Liability.

- A. The City shall not be liable for any acts or omissions of any Lessee or any condition resulting from the operations or activities of tenants or their representatives.
- B. No director, officer, employee, or agent of the City or Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach hereof or because of its or their execution of this Agreement. Any administrative complaint brought against the City relating to any aspect of this Agreement shall be brought against the City and not against named individual respondents.

Section 1112. Governing Law and Forum Selection. This Agreement is made and entered into in the State of Missouri, and Missouri law shall govern and apply to this Agreement. Any cause of action, claim, suit, demand, or other case or controversy arising from or related to this Agreement shall be brought only in a federal or state court in the City of St. Louis, Missouri. Lessee and the City hereby admit and consent to the jurisdiction and venue of such courts. The provisions of this section shall survive the expiration or termination of this Agreement.

Section 1113. Communications and Notices.

- A. Except as otherwise expressly provided in this Agreement, all communications, including notifications, requests, authorizations, approvals, demands, and consents provided for hereunder shall be in writing.

If to the City, to:

Airport Director
Lambert-St. Louis International Airport
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Lessee, to:

Station Director
American Airlines, Inc.
Lambert-St. Louis International Airport®
P.O. Box 10128
St. Louis, MO 63145

With a copy to:

Senior Principal, Corporate Real Estate
American Airlines, Inc.
Lambert-St. Louis International Airport®
P.O. Box 10007
St. Louis, MO 63145

or to such other person or address as either the City or Lessee may hereafter designate by Notice to the other in accordance with Subsection 1113(B).

- B. All Notices required by this Agreement shall be mailed via certified mail return-receipt requested, via overnight mail with receipt, or personally delivered to the City and Lessee at the addresses set forth in Subsection 1113(A), with copy to:

if to the City:

Office of the City Counselor
Airport Legal Department
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Lessee:

Vice President, Corporate Real Estate
American Airlines, Inc.
P.O. Box 619616
Dallas/Ft. Worth Airport, TX 75261

With a copy to:

Senior Principal, Corporate Real Estate
American Airlines, Inc.
Lambert-St. Louis International Airport®
P.O. Box 10007
St. Louis, MO 63145

or to such other person or address as either the City or Lessee may hereafter designate by Notice. Except as otherwise expressly provided hereunder, any such Notice shall be deemed to have been given or made: (i) if sent by certified mail, 5 days after being deposited in the mails, postage prepaid and properly addressed; (ii) if via overnight mail, the next business day; and (iii) if delivered by personal service, when delivered to the addressee.

Section 1114. Force Majeure.

- A. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to acts, events or conditions beyond its control, including acts of God, weather conditions, shortages of energy or materials, embargoes, riots, rebellions, sabotage, acts of a public enemy, war, terrorism, insurrection, strikes, boycotts, picketing, slow-downs, work stoppages or other labor actions affecting the rights or obligations of the City or Lessee hereunder, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption directly or indirectly results from failure on the part of the City or Lessee to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption; provided, however, that, except as herein specifically provided, nothing in this Section is intended or shall be construed to abate, postpone or in any respect diminish Lessee's obligations to make any payments due to the City pursuant to this Agreement.
- B. The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any law, ordinance, rule, regulation, requirement, order or directive of any federal, state, county or municipal government having jurisdiction.

Section 1115. Invalid Provisions. If any covenant, condition, or provision in this Agreement is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, or conclusively determined to be inconsistent with federal law or FAA grant assurances, such covenant, condition, or provision shall be deemed amended to conform to applicable laws so as to be valid or enforceable or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken. If stricken, all other covenants, conditions and provisions of this Agreement shall remain in full force and effect provided that the striking of such covenants, conditions or provisions does not materially prejudice either the City or Lessee in its respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

Section 1116. No Waiver. No provision of this Agreement shall be deemed to have been waived by either party unless such waiver is in writing, signed by the party making the waiver and addressed to the other party, nor shall any custom or practice that may evolve between the parties in the administration of the terms of this Agreement be construed to waive or lessen the right of either party to insist upon the performance of the other party in strict accordance with the terms of this Agreement.

Section 1117. City's Rights and Remedies are Cumulative. All rights and remedies of the City as provided herein and under law are cumulative in nature.

Section 1118. Construction of Agreement. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and shall not be construed against the City by reason of the preparation of this Agreement by the City.

Section 1119. Timing. The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall relieve the other party, without liability, of any obligation to accept such performance.

Section 1120. Representatives. The City and Lessee shall each designate a representative who, except as otherwise provided hereunder, shall be authorized to act for the City and Lessee, respectively, with respect to any actions to be taken by either of them under the terms of this Agreement. Except as specifically set forth herein, for the purposes of actions to be taken by it or by the City, the City's representative shall be the Airport Director. Lessee's representative shall be designated in a Notice delivered to the City. Any party hereto may change its designated representative by Notice to the other party.

Section 1121. Approvals.

- A. Whenever in this Agreement any approval is required, such decision shall be promptly rendered and shall not be unreasonably withheld or conditioned. No disapproval shall be valid if such disapproval constitutes an anticompetitive act as described by a federal agency having jurisdiction over such matters.
- B. Unless otherwise required by state or local law, wherever in this Agreement the approval, authorization, consent, certification, determination, waiver, or any other action of the City is required, it may be performed by the Airport Director, unless otherwise provided herein. In taking such actions, the Airport Director shall act reasonably, and take into consideration the best interest of the traveling public and the operations of the Airport.
- C. In all instances in this Agreement where consent or approval of one party is required for an action by the other party, such consent shall be in writing unless otherwise agreed by the parties.

Section 1122. Successors and Assigns. The terms, conditions, and covenants of this Agreement shall inure to the benefit of, and be binding upon, the parties hereto and upon their permitted successors, assigns and sublessees, if any. This provision shall not constitute a waiver of any conditions regarding assignment or subletting contained in this Agreement.

Section 1123. Authority to Execute. The person(s) executing this Agreement on behalf of Lessee warrants to the City that Lessee is a duly authorized and existing corporation, that Lessee is qualified to do business in the State of Missouri, that Lessee has full right and authority to enter into this Agreement, and that each and every person signing on behalf of Lessee is authorized to do so.

Section 1124. Other Agreements. The City acknowledges that Lessee may have entered into other agreements with the City with respect to Lessee's operations at the Airport, which agreements may grant certain additional rights to, and impose certain additional obligations upon, Lessee in addition to those rights and obligations set forth herein. Nothing in this Agreement shall serve to restrict any such additional rights or obligations.

Section 1125. Entire Agreement. This Agreement embodies the entire agreement between the City and Lessee relating to the subject matter hereof, and supersedes all prior agreements and understandings, written or oral, express or implied, between the City and Lessee relating thereto.

IN WITNESS WHEREOF, the parties hereto for themselves, their successors and assigns, have executed this Agreement the day and year first above written.

Authorized by City Ordinance _____, approved _____, 2006

The foregoing Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2006.

THE CITY OF ST. LOUIS BY:

Commission Chairman and Director of Airports Date

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller, Date
City of St. Louis

ATTESTED TO BY:

Register, Date
City of St. Louis

The Board of Estimate and Apportionment approved the foregoing Agreement in substance at its meeting on the ___ day of _____, 2006.

Secretary, Date
Board of Estimate & Apportionment

AMERICAN AIRLINES, INC.

BY: _____

Title: _____

Date: _____

EXHIBIT "A"
"LEASED EQUIPMENT"

"Leased Equipment" means those certain City owned passenger loading bridges and all appurtenant equipment and improvements attached thereto, more specifically described as:

1. Gate C2 passenger loading bridge manufactured by Thyssen Krupp with serial number 05076TB25922.
2. Gate C6 passenger loading bridge manufactured by Wollard Aircraft Equipment, model number WS500 with a serial number 80.
3. Gate C8 passenger loading bridge manufactured by Thyssen Krupp with serial number 05076TB372930.
4. Gate C10 passenger loading bridge manufactured by Wollard Aircraft Equipment, model number WS750-T with serial number 51.
5. Gate C12 passenger loading bridge manufactured by Wollard Aircraft Equipment, model number WS750-T with serial number 52.
6. Gate C16 passenger loading bridge, manufactured by Wollard Aircraft Equipment, model number WS750-T with serial number 53.
7. Gate C18 passenger loading bridge manufactured by Wollard Aircraft Equipment, model number WS750-T with serial number 50.

In the event any of Lessee's preferential use gates in which the Leased Equipment is located are relinquished, recaptured, or reassigned in accordance with the terms and conditions of Lessee's Airport Use and Lease Agreement AL-604, then the Leased Equipment outlined above shall simultaneously be reassigned or adjusted to coincide with the preferential use gate locations then in effect within Lessee's Airport Use and Lease Agreement AL-604.

Approved: June 5, 2006

ORDINANCE #67106
Board Bill No. 7

An ordinance establishing and creating a Planned Unit Development District for a portion of City Block 4613A (also known as City Block 4613.01) to be known as the "Dogtown Terrace Townhomes Planned Unit Development District"; containing an severability clause and an emergency clause.

Whereas, the zoning ordinance of the City of St. Louis authorizes the establishment and creation of Planned Unit Development Districts (PUD's), a special zoning "overlay" tool authorizing the appropriate development of residential or commercial uses, or the combination thereof, in the best interests of the City and to provide for a scale and flexibility of development which could not otherwise be achieved through the existing single-use zoning districts, without detriment to neighboring properties; and

Whereas, on April 5, 2006, at the regular April meeting of the Planning Commission of the City of St. Louis, a Sketch Plan submitted as a request for Planned Unit Development District designation by Dogtown Investments, LLC for property under their control in City Block 4613A (as shown in Exhibit "A") was presented; and

Whereas, the Planning Commission has reviewed said Sketch Plan and determined compatibility with the City's January 2005 Strategic Land Use Plan and other applicable zoning and redevelopment regulations established for the proposed Planned Unit Development District provided the subsequent Detailed Development Plan include documentation as to the details of the development; and

Whereas, the Planning Commission made all requisite findings as required by 26.80.050 of the Revised Code of the City of St. Louis and approved and adopted said Sketch Plan by Resolution No. PDA-059-06-PUD on April 5, 2006 with conditions and has provided a copy of the resolution to the Board of Aldermen;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. Findings of Fact

The Board of Aldermen of the City of St. Louis hereby find and determine that: (i) the Dogtown Terrace Townhomes Planned Unit Development District, as submitted by Dogtown Investments, LLC and recommended by the City of St. Louis Planning Commission with four conditions, encourages appropriate development; (ii) the Dogtown Terrace Townhomes Sketch Plan approved with four conditions by the Planning Commission on April 5, 2006 is in the best interest of the City of St. Louis; (iii) the Dogtown Terrace Townhomes Sketch Plan with four conditions recommended by the Planning Commission accomplishes the purposes set forth in 26.80.050.A of the Revised Code of the City of St. Louis; and (iv) the Dogtown Terrace Townhomes Sketch Plan with four conditions recommended by the Planning Commission meets the conditions set forth in 26.80.050.E of the Revised Code of the City of St. Louis.

SECTION TWO. Requirements Regarding Detailed Development Plan.

The Sketch Plan is the first step in the approval of a project seeking to be developed within and in accordance with the rules pertaining to a Planned Unit Development District. At a later time, the Developer submits for review by the Planning Commission a Detailed Development Plan for a portion of, or all, of the area included in the Planned Unit Development District. This Detailed Development Plan is compared for conformity with the approved Sketch Plan by the Planning Commission. The Planning Commission on April 5, 2006, in making its recommendation to the developer and the Board of Aldermen regarding the Dogtown Terrace Townhomes Sketch Plan, included four conditions within the recommendation regarding modifications to the presented Sketch Plan that are recommended to be included in the Detailed Development Plan. They are: 1) the widths of public sidewalk and tree lawn match widths of adjacent sidewalks and tree lawns and that public sidewalks meet all ADA requirements; 2) details of landscaping and service access in rear yards are included in subsequent Development Plans; 3) side walls be redesigned so portions of the walls visible from the street have appropriate articulation and 4) additional landscaping detail in the front yard are included in subsequent Development Plans.

In addressing the requirements set forth in 26.80.050.H of the Revised Code of the City of St. Louis pertaining to Detailed Development Plan Standards, the submittal of the Detailed Development Plan for the Dogtown Terrace Townhomes Planned Unit Development District shall include documentation showing a minimum of 20% of the site in open space, but none of the open space shall be required to be public.

SECTION THREE. Establishment and Creation of Dogtown Terrace Townhomes Planned Unit Development District.

The Dogtown Terrace Townhomes Planned Unit Development District, as proposed in the Dogtown Terrace Townhomes Sketch Plan (attached hereto as Exhibit "B") is hereby approved and adopted as recommended by the Planning Commission. There is hereby created a Planned Unit Development District, containing approximately 17,325 square feet, to be known as the Dogtown Terrace Townhomes Planned Unit Development District for the real property described below:

A tract of land being Lots 34, 35, 36, 37 and 38 in Block 1 of McDermott's Addition to Benton, as per plat thereof recorded in Plat Book 17A Page 1 in the Office of the Recorder of Deeds of the City of St. Louis, Missouri, and in City Block 4613A of the City of St. Louis, Missouri, and said tract also described as follows:

Commencing at the intersection of the southerly line of Dale Avenue, 50 feet wide, with the easterly line of Fairmont Avenue, 50 feet wide; thence along said easterly line, South 08 degrees 30 minutes 13 seconds West 425.92 feet to the point of intersection with northerly line of said Lot 38; and said point being the true point of beginning of the tract of land herein described; thence along said northerly line of Lot 38, South 81 degrees 29 minutes 47 seconds East 115.44 feet to the easterly line of said Lots 34-38; thence along said easterly line, South 08 degrees 30 minutes 13 seconds East 150.10 feet to the southerly line of said Lot 34; thence along said southerly line, North 81 degrees 29 minutes 47 seconds West 115.44 feet to the easterly line of said Fairmont Avenue, thence along said easterly line, North 08 degrees 30 minutes 13 seconds East 150.10 feet to the true point of beginning, according to Survey No. 188100 executed by James Engineering & Surveying Co., Inc., in July, 2005.

SECTION FOUR. Severability Clause.

The provisions of this ordinance shall be severable. In the event that any provision of this ordinance is found by a court of competent jurisdiction to be unconstitutional, the remaining provisions of this ordinance are valid unless the court finds the valid provisions of this ordinance are so essentially and inseparably connected with, and so dependent upon, the void provision that it cannot be presumed that the Board of Aldermen would have enacted the valid provisions without the void ones or unless the Court finds that the valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

SECTION FIVE. Emergency Clause.

This being an ordinance for the preservation of public peace, health, and safety, it is hereby declared to be an emergency

measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and therefore shall become effective immediately upon its passage and approval by the Mayor.

EXHIBIT A



Current Zone

- A Single Family Dwelling Dist
- B Two Family Dwelling Dist
- C Multiple Family Dwelling Dist
- D Multiple Family Dwelling Dist
- E Multiple Family Dwelling Dist
- F Neighborhood Commercial Dist

- G Local Commercial District
- H Area Commercial District
- I Central Business District
- J Industrial District
- K Unrestricted District
- L Jefferson Memorial District

- PUD Area
- Vacant Lots
- New Construction

Vacant Lot and New Construction on 1500 Block of Fairmount

PDA-059-06-PUD

CITY OF ST. LOUIS
PLANNING & URBAN
DESIGN AGENCY
FRANCIS G. SLAY, Mayor

03/01/2006 09:11 AM 3100027047



TO THE CITY OF ST. LOUIS PLANNING COMMISSION
PETITION FOR
PLANNED UNIT DEVELOPMENT DISTRICT (PUD)

PETITIONER'S NAME JEFF HELD DOWNTOWN INVESTMENTS L.L.C.
CONTACT NAME (if above is a firm/an organization) JEFF HELD
ADDRESS 703 NORTH 13TH STREET, ST. LOUIS, MO
ZIP CODE 63103 PHONE 314-581-1180
E-MAIL JEFFHELD@SBCGLOBAL.NET

Legal Description of Property Petitioned, including total acreage (use additional sheets if necessary) SEE ATTACHED SHEET

Parcel Number(s) (use additional sheets if necessary) SEE ATTACHED SHEET

Address(es) including street(s) and street number(s) SEE ATTACHED SHEET

The following can be listed or mapped on additional sheets:

Present Zoning is "A" SINGLE FAMILY District(s) or a change has been requested for zoning to _____ District(s).

The acreage of the property including streets and alleys except boundary streets (to nearest tenth of an acre) is 0.39

Present Use of the Property SINGLE FAMILY RESIDENCES

Proposed Use of the Property SINGLE FAMILY RESIDENCES

Are you the owner of the property described? YES

If not, what is your legal interest in the property? _____

The owner(s)-of-record of the petitioned property according to City of St. Louis _____

Assessor's Records is/are known as DOWNTOWN INVESTMENTS L.L.C.

[Signature]
Signature(s) of Petitioner(s)

Date Filed

Parties of Interest (Fill in if applicable):

Project Engineer and/or Architect (if applicable) Name CIVIL ENGINEERING DESIGN CONSULT.

Address 11402 GRAVOIS, ST. LOUIS, MO Phone 314-729-1400

Developer and/or Builder (if other than petitioner) Name _____

Address _____ Phone _____

Petition for Planned Unit Development District (PUD)**Dogtown Terrace Townhouse Subdivision****Legal Description of Property Petitioned:**

Lots 34 through 38 of McDermott's Addition to Benton in City Block 4613-A of the City of St. Louis, Missouri.

Total Acreage:

0.39 Acres

Parcel Numbers and Addresses:

- | | | |
|----------------|--------------------|-----------------------|
| • Lot 34 | Loc. # 46130100600 | 1556 Fairmount Avenue |
| • Lot 35 | Loc. # 46130100700 | 1554 Fairmount Avenue |
| • Lots 36 & 37 | Loc. # 46130100800 | 1548 Fairmount Avenue |
| • Lot 38 | Loc. # 46130100900 | 1544 Fairmount Avenue |

EXHIBIT "B"**Planned Unit Development District
Sketch Plan
For
Dogtown Terrace Townhomes PUD
1544-56 Fairmount Avenue
City Block 4613.01****City of St. Louis Planning Commission****April 5, 2006****File No. PDA-059-06-PUD**

Jeff Held
Dogtown Investments LLC

At its April 5, 2006 meeting, the Planning Commission, in making its recommendation to the developer and the Board of Aldermen regarding the Dogtown Terrace Townhomes Sketch Plan, included four conditions within the recommendation regarding modifications to the presented Sketch Plan that are recommended to be included in the Development Plan. They are: 1) the widths of public sidewalk and tree lawn match widths of adjacent sidewalks and tree lawns and that the public sidewalks meet all ADA requirements; 2) details of landscaping and service access to rear yards are included in subsequent Development Plans; 3) side wall be redesigned so portions of the walls visible from the street have appropriated articulation and 4) additional landscaping in the front yards are included in subsequent Development Plans.

Petition for Planned Unit Development District (PUD)**Dogtown Terrace Townhouse Subdivision****Description of PUD:**

The proposed PUD will consist of five attached 2-1/2 story townhouse units on lots of 3,794 and 3,828 square feet for the end units and 3,234 square feet for each of the interior units. Each 2-1/2 story unit has a building footprint of 1,330 square feet and contains 2 floors and 2 bedrooms plus a penthouse. Each unit sits atop a 2-car front entry basement garage and has a driveway with 2 parking spaces.

The PUD process is being pursued to allow the following items not permitted in the "A" Single-Family Dwelling District:

- 1.) Attached townhouse type of residential units.
- 2.) The higher site density of 3,234 to 3,828 square foot lots as compared to 4,000 square foot minimum lots.
- 3.) A zero foot side yard toward all interior neighbors.

Development Team:

The development team consists of Jeff Held and John Carroll of Dogtown Investments L.L.C., and Joshua Foster of J.E. Foster Building Company. Financing is in place for this development through St. Louis Bank (see attached letter from St. Louis Bank). The development will consist of five for-sale townhouse units ranging in price from \$389,000 to \$475,000.

Ownership:

All of the land included in the PUD is currently owned by the petitioner, Dogtown Investments L.L.C.

Schedule of Development:

The owner is ready to break ground as soon as the necessary permits are in hand. The five units will be built at the same time.

05-10-00 11:33 FROM

1-455 10/06 0 310



March 15, 2006

Civil Engineering Design Consultants
Attn: Mike Elton

Dear Mr. Elton,

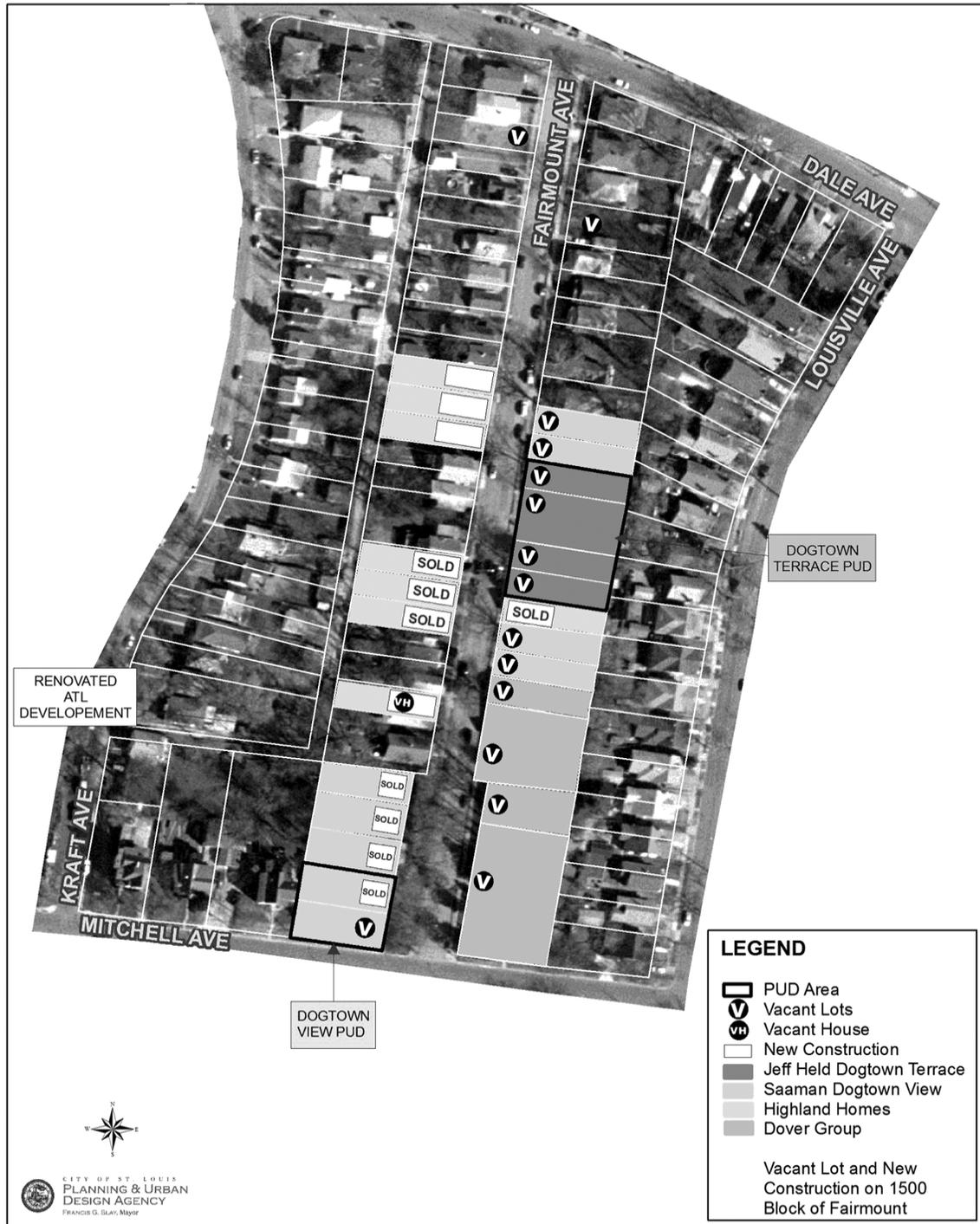
The purpose of this letter is to confirm St. Louis Bank's commitment to provide construction financing for Dogtown Investments, LLC, related to the proposed townhome project on Fairmont Ave.

Please feel free to call me with any questions you may have. I can be reached at office number (314) 853-3109.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Koelling', written over a dotted grid background.

Jason L. Koelling
VP - Commercial Lending

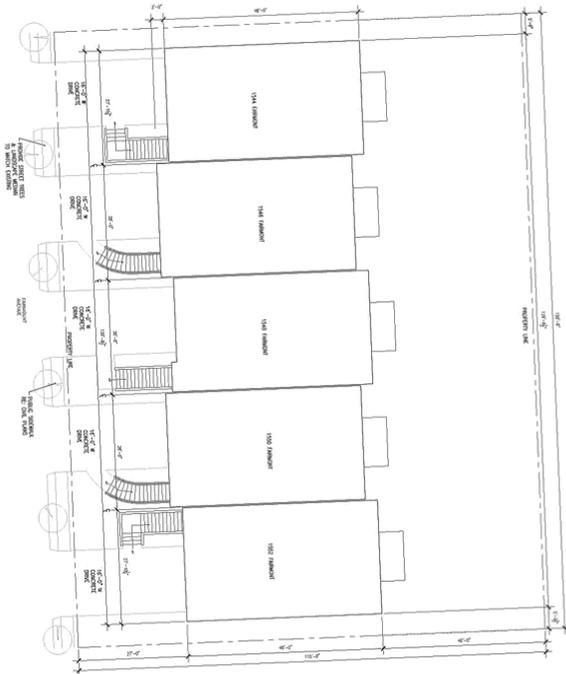


- GENERAL NOTES**
1. CONTRACTOR SHALL READ AND FOLLOW ALL BUILDING CODES OF THE BUILDING DEPARTMENT AND ALL CITY ORDINANCES AND REGULATIONS.
 2. VERIFY LOCATION OF EXISTING CURB AND GUTTER AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
 3. APPROXIMATE SHALL BE PER THE CITY OF ST. LOUIS, MISSOURI SPECIFICATIONS.
 4. REVISIONS TO SPECIFICATIONS AND ONE DRAWING CHANGE FOR FRAMES.
 5. ALL DIMENSIONS SHALL BE 4" UNLESS OTHERWISE NOTED.

6. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
7. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
8. LANDSCAPE SHALL BE PROVIDED FOR SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
9. WHERE DISCREPANCIES EXIST BETWEEN ARCHITECTURAL, SITE PLAN AND DETAILS, THE CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.

10. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
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12. CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION. ALL UTILITIES SHALL BE PROTECTED AND MAINTAINED THROUGHOUT CONSTRUCTION. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS. ALL UTILITIES SHALL BE RELOCATED TO THE PROPOSED SIDEWALK AND DRIVEWAY LOCATIONS.
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A SITE PLAN



PROJECT NUMBER: 20106
 SHEET NUMBER: G102
 DRAWN BY: [Name]
 CHECKED BY: [Name]

DOGTOWN TERRACE TOWNHOUSES
 1544-1556 Fairmount Avenue
 St. Louis, Missouri 63139
 Dogtown Investments, LLC

ROSSMANN & ASSOCIATES, P.C.
 ARCHITECTS
 1221 BALSACON AVENUE
 ST. LOUIS, MISSOURI 63103
 TEL: 314/726-7448
 FAX: 314/726-7449
 EMAIL: info@rossmann.com
 01000 Rossman & Associates, P.C.
 01000 Rossman & Associates, P.C.
 01000 Rossman & Associates, P.C.

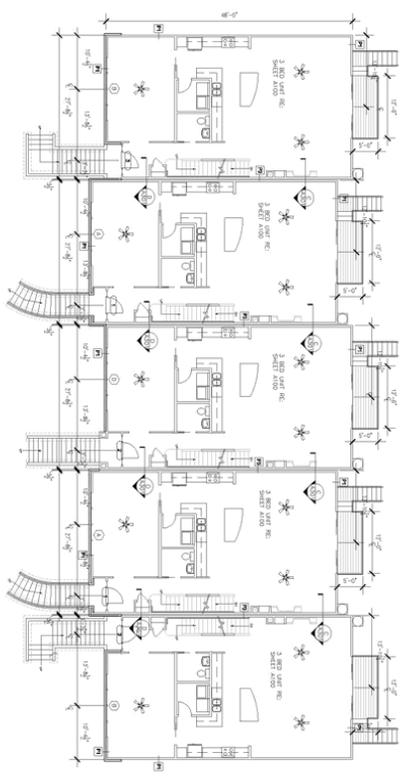
PRINTS ISSUED 17 FEBRUARY 20

WALL TYPE SCHEDULE

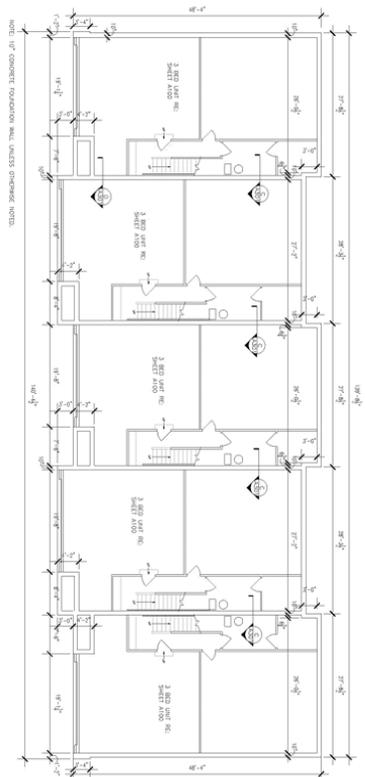
| WALL TYPE | THICKNESS | REINFORCEMENT |
|-----------|-----------|-----------------|
| 1 | 8" | 1 #4 @ 12" O.C. |
| 2 | 8" | 1 #4 @ 12" O.C. |
| 3 | 11 3/4" | 1 #4 @ 12" O.C. |
| 4 | 3 1/4" | 1 #4 @ 12" O.C. |
| 5 | 6 5/4" | 1 #4 @ 12" O.C. |
| 6 | 3 1/4" | 1 #4 @ 12" O.C. |

GENERAL NOTES:

1. ALL WALLS SHALL BE CONCRETE UNLESS OTHERWISE NOTED.
2. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON BOTH SIDES.
3. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
4. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
5. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
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7. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
8. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
9. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.
10. ALL WALLS SHALL BE FINISHED WITH 1/2" GYPSUM BOARD ON ONE SIDE AND 1/4" GYPSUM BOARD ON THE OTHER SIDE.



B BUILDING FIRST FLOOR PLAN



A BUILDING BASEMENT PLAN

REVISIONS:

ROBBMAN
 ROBBMAN & ASSOCIATES, P
 ARCHITECTS
 1271 BARNHARTT AVENUE
 ST. LOUIS, MO 63104-1903
 TEL: 314/671-7111
 FAX: 314/671-7111
 EMAIL: ROBBMAN@ROBBMAN.COM
 WWW.ROBBMAN.COM

**DOGTOWN TERRACE
 TOWNHOUSES**
 1544-1556 Fairmount Avenue
 St. Louis, Missouri 63139
 Dogtown Investments, LLC

PROJECT NUMBER: 25818
 SHEET NUMBER: A-110
 SHEET TITLE: BUILDING PLANS
 DRAWN BY: [Name]
 CHECKED BY: [Name]

ORDINANCE #67107
Board Bill No. 8

An ordinance authorizing and directing the Director of Streets to close, barricade or otherwise impede the flow of traffic on 17th Street by blocking said traffic flow at the north curb line of Chouteau Avenue and containing an emergency clause.

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

SECTION ONE: The Director of Streets is hereby authorized to close and barricade 17th Street at the north curb line of Chouteau Avenue.

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

Approved: June 5, 2006

ORDINANCE #67108
Board Bill No. 20

An ordinance establishing and creating a Planned Unit Development District for a portion of City Block 6401 to be known as the "Boulevard Heights Homes Planned Unit Development District"; containing a severability clause and an emergency clause.

Whereas, the zoning ordinance of the City of St. Louis authorizes the establishment and creation of Planned Unit Development Districts (PUD's), a special zoning "overlay" tool authorizing the appropriate development of residential or commercial uses, or the combination thereof, in the best interests of the City and to provide for a scale and flexibility of development which could not otherwise be achieved through the existing single-use zoning districts, without detriment to neighboring properties; and

Whereas, on March 1, 2006, at the regular March meeting of the Planning Commission of the City of St. Louis, a Sketch Plan submitted as a request for Planned Unit Development District designation by Rolwes Homes Inc. and CF Vatterott and Company for property they have under contract in City Block 6401 (as shown in Exhibit "A") was presented; and

Whereas, the Planning Commission has reviewed said Sketch Plan and determined compatibility with the City's January 2005 Strategic Land Use Plan and other applicable zoning and redevelopment regulations established for the proposed Planned Unit Development District provided the subsequent Detailed Development Plan include documentation as to the details of the development; and

Whereas, the Planning Commission made all requisite findings as required by 26.80.050 of the Revised Code of the City of St. Louis and approved and adopted said Sketch Plan by Resolution No. PDA-047-06-PUD on March 1, 2006 with a condition and has provided a copy of the resolution to the Board of Aldermen;

NOW THEREFORE BE IT RESOLVED BY THE CITY OF ST. LOUIS AS FOLLOWS:

SECTION ONE. Findings of Fact

The Board of Aldermen of the City of St. Louis hereby find and determine that: (i) the Boulevard Heights Homes Planned Unit Development District, as submitted by Rolwes Homes Inc. and CF Vatterott and Company and recommended by the City of St. Louis Planning Commission with a condition to be met and has been met prior to the introduction of this Board Bill, encourages appropriate development; (ii) the Boulevard Heights Homes Sketch Plan approved with a condition by the Planning Commission on March 1, 2006 is in the best interest of the City of St. Louis; (iii) the Boulevard Heights Homes Sketch Plan with a condition recommended by the Planning Commission accomplishes the purposes set forth in 26.80.050.A of the Revised Code of the City of St. Louis; and (iv) the Boulevard Heights Homes Sketch Plan with a condition recommended by the Planning Commission meets the conditions set forth in 26.80.050.E of the Revised Code of the City of St. Louis.

SECTION TWO. Requirements Regarding Detailed Development Plan.

The Sketch Plan is the first step in the approval of a project seeking to be developed within and in accordance with the rules pertaining to a Planned Unit Development District. At a later time, the Developer submits for review by the Planning Commission a Detailed Development Plan for a portion of, or all, of the area included in the Planned Unit Development District. This Detailed Development Plan is compared for conformity with the approved Sketch Plan by the Planning Commission. The Planning Commission on March 1, 2006, in making its recommendation to the developer and the Board of Aldermen regarding the Boulevard Heights Homes Sketch Plan, included a condition regarding refinements-agreements to be made to the Boulevard Heights Homes Sketch Plan prior to the introduction of this Board Bill. Those refinements-agreements have been and include the following revisions and or additions to the Boulevard Heights Homes Sketch Plan: 1) Total site unit count of 125 residential units are allowed, 2) Two 24 unit condominium buildings are allowed with under building – basement parking required, 3) All siding options shall be of high quality materials, 4) a single family display unit will have a front façade of brick, and 5) the area along the western property line shared with properties fronting on Coronado Avenue shall contain adequate screen between the properties in the form of a privacy

fence, any other method of screening shall require specific Planning Commission approval. Items 1 -5 shall be included as part of the requirements and standards applicable to the Boulevard Heights Homes Planned Unit Development, and shall be documented in the Detail Development Plan or plans.

In addressing the requirements set forth in 26.80.050.H of the Revised Code of the City of St. Louis pertaining to Detailed Development Plan Standards, the submittal of the Detailed Development Plan for the Boulevard Heights Homes Planned Unit Development District shall include documentation showing a minimum of 20% of the site in open space, but none of the open space shall be required to be public.

SECTION THREE. Establishment and Creation of Boulevard Heights Homes Planned Unit Development District.

The Boulevard Heights Homes Planned Unit Development District, as proposed in the Boulevard Heights Homes Sketch Plan (attached hereto as Exhibit "B") is hereby approved and adopted as recommended by the Planning Commission. There is hereby created a Planned Unit Development District, containing approximately 11 acres, to be known as the Boulevard Heights Homes Planned Unit Development District for the real property described below:

A parcel of ground in Block 6401, of the City of St. Louis, Missouri, being part of Lot 38, in Survey 2, of the Carondelet Commons, North of River Des Peres; said parcel being more particularly decried as follows:

BEGINNING at the point of intersection of the northern line of Robert Avenue, 60 feet wide, with the western line of Field Avenue, 60 feet wide; thence North 63 degrees 58 minutes 40" West, 852.68 feet along theta Northern line of said Robert Avenue, to the western line of said Lot 38; thence North 34 degrees 05 minutes 20 seconds East 566.49 feet along the Western line of Lot 38, to the southern line of Blow Street, Irregular width, as widened according to dedication plat, recorded in Plat Book 24 page 53, City of St. Louis Recorder's Office; thence South 64 degrees 00 minutes 00 seconds East 852.73 feet, along the southern line of said Blow Street, to the western line of said Field Avenue; thence South 34 degrees 05 minutes 20 seconds West 566.82 feet along the western line of said Field Avenue, to the point of beginning and containing 10.98 Acres more or less.

SECTION FOUR. Severability Clause.

The provisions of this ordinance shall be severable. In the event that any provision of this ordinance is found by a court of competent jurisdiction to be unconstitutional, the remaining provisions of this ordinance are valid unless the court finds the valid provisions of this ordinance are so essentially and inseparably connected with, and so dependent upon, the void provision that it cannot be presumed that the Board of Aldermen would have enacted the valid provisions without the void ones or unless the Court finds that the valid provisions, standing alone, are incomplete and incapable of being executed in accordance with the legislative intent.

SECTION FIVE. Emergency Clause.

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

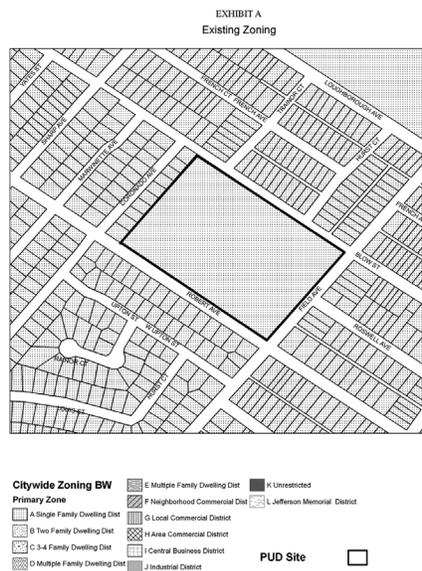


EXHIBIT B

Boulevard Heights Homes
PUD Sketch Plan

**Boulevard Heights Homes
Planned Unit Development District
Sketch Plan**

Boulevard Heights Homes
Planned Unit Development District
City Block 6401
(3801 Robert)

City of St. Louis Planning Commission
March 1, 2006

PDA-047-06-PUD

The Planning Commission on March 1, 2006, in adopting Resolution PDA-047-06-PUD approving the Boulevard Heights Homes Sketch Plan did so with a recommendation regarding modifications to be negotiated that have been now agreed on and are included. They are: 1) Total site unit count of 125 residential units are allowed, 2) Two 24 unit condominium buildings are allowed with under building – basement parking required, 3) All siding options shall be of high quality materials, 4) a single family display unit will have a front façade of brick, and 5) the area along the western property line shared with properties fronting on Coronado Avenue shall contain adequate screening between the properties in the form of a privacy fence, any other method of screening shall require specific Planning Commission approval. Items 1 -5 shall be included as part of the requirements and standards applicable to the Boulevard Heights Homes Planned Unit Development, and shall be documented in the Detail Development Plan or plans.

Statement of Present Ownership / Cascades

The property at 3801 Robert Avenue, St. Louis, Mo 63116 is currently under contract between Gunlaw LLC and Rolwes Real Estate with the right to assign control.

Statement of Proposed Financing / Cascades

The development team consisting of LLC between CF Vatterott & Co and Rolwes Homes, Inc. will finance project at 3801 Robert Avenue, St. Louis, MO 63116, commonly known as Cascades, with Jefferson Bank & Trust. Proposed sales prices range as follows: Stacked flats from the \$160,000's, town homes from the high \$200,000's, and single family dwellings from the high \$300,000's.

Expected Schedule of Development / Cascades

The expected schedule of development for the property at 3801 Robert Avenue, St. Louis, MO 63116, commonly known as Cascades, will begin in the summer of 2006 and will plan to open in the fall of 2006. There is 1 phase planned with anticipated sell out in two to three years.

ORDINANCE #67109
Board Bill No. 21

AN ORDINANCE APPROVING THE AMENDED PETITION OF ROBERTS BROTHERS PROPERTIES VI, L.L.C., ROBERTS PLACE HOUSE, L.L.C. AND ROBERTS BLOSSOM HOUSE, L.L.C.; ESTABLISHING THE ENRIGHT/ARLINGTON COMMUNITY IMPROVEMENT DISTRICT; FINDING A PUBLIC PURPOSE; APPROVING APPOINTMENT OF THE INITIAL BOARD OF DIRECTORS THERETO; AND CONTAINING A SEVERABILITY AND AN EMERGENCY CLAUSE.

WHEREAS, the City of St. Louis, Missouri (the “*City*”) is authorized and empowered pursuant to the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “*CID Act*”), to establish a community improvement district (the “*District*”) as proposed by a verified petition; and

WHEREAS, on February 17, 2006, a Petition for Creation of a Community Improvement District (the “*Petition*”) was filed with the Register of the City, and on February 27, 2006 and March 3 and 10, 2006, said Petition was amended; and

WHEREAS, on April 7, 2006, the Register did review and determine that the Amended Petition substantially complies with the requirements of the Act and verified said Amended Petition in accordance with the requirements of the CID Act;

WHEREAS, after notice of the public hearing by publication and individually to each property owner within the proposed District via correspondence, a public hearing was held on _____, 2006 regarding creation of the District, all pursuant to Section 67.1421.1 of the CID Act; and

WHEREAS, subject to and in accordance with the CID Act and the Amended Petition, and upon the approval of the qualified voters of the District, the District intends to impose a special assessment of up to 2% of the asking price of the improved real estate; or if no asking price, then 2% of the assessed value, within the District pursuant to Section 67.1521 of the CID Act (the “*CID Special Assessment*”); and

WHEREAS, the Amended Petition requests that the members of the initial Board of Directors of the District be appointed by the Mayor of the City pursuant to Section 67.1451.5 of the CID Act, subject to consent of the Board of Aldermen, with Successive Directors appointed in the same manner; and

WHEREAS, the Amended Petition provides that the District shall work toward the elimination of blight factors within the District, including the construction, reconstruction and remediation of new and existing structures and condominiums with surface parking and related transportation and utility improvements within the adjacent right-of-way and security and maintenance for the Project, as well as provide the revenues from the CID Special Assessment to repay any obligations issued in relation to the Project; and

WHEREAS, the Board of Aldermen hereby finds that the adoption of this ordinance is in the best interest of the City of St. Louis and that the property owners, residents, and persons living in and at or near the Enright/Arlington Community Improvement District, and the public generally will benefit by the establishment of said Community Improvement District.

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

Section 1. Pursuant to Section 67.1411.3 of the CID Act and subject to the terms of the Petition, the Enright/Arlington Community Improvement District is hereby formed as a political subdivision of the State of Missouri; a copy of the Amended Petition containing a legal description of the District’s boundaries is attached hereto as **Exhibit A** and incorporated herein by reference.

Section 2. The Board of Aldermen hereby finds that the District is located in the West End Urban Renewal Area, which was declared blighted under Chapter 99 RSMo. in Ordinance No. 51799, as amended, this finding includes and the Amended Petition sets forth and the Board of Aldermen hereby finds and adopts by reference the analysis of the factors that qualify the District as a “blighted area” as set forth in the “Amended Blighting Study and Plan for West End Urban Renewal Area”, revised July 20, 1967, amended April 21, 1998 and November 20, 1968, which analysis is incorporated herein as if set forth here in full.

Section 3. Pursuant to the CID Act, the District shall have all the powers necessary to carry out and effectuate the purposes and provisions of the CID Act.

Section 4. Pursuant to the CID Act, the District is authorized by the CID Act, at any time, to issue obligations for the purpose of carrying out any of its powers, duties, or purposes. Such obligations shall be payable out of all, part or any combination of the revenues of the District and may be further secured by all or any part of any property or any inters in any property by mortgage or any other security interest granted. Such obligations shall be authorized by resolution of the District, and if issued by the District shall be such date or dates, and shall mature at such time or times, but not more than twenty (20) years from the date of issuance, as the resolution shall specify. Such obligations shall be in such denominations, bear such interest at such rate or rates, be in such form, be payable in such place or places, be subject to redemption as such resolution may provide and be sold at either public or private sale at such prices as the District shall determine subject to the provisions of Section 108.170, RSMo. The District is also authorized to issue obligations to refund, in whole or in part, obligations previously issued by the District.

Section 5. The District shall not terminate sooner than one year from the date of this Ordinance.

Section 6. Pursuant to Section 67.1451.5 of the CID Act, the Mayor appoints and the Board of Aldermen of the City hereby approves the initial appointment of the District's Board of Directors as follows:

| <u>Name</u> | <u>Initial Term</u> |
|---------------------|----------------------------------|
| Michael Roberts Sr. | 4 years from date of appointment |
| Steven Roberts | 4 years from date of appointment |
| Virvus Jones | 2 years from date of appointment |
| Kay Gabbert | 2 years from date of appointment |
| Bobby Tate | 2 years from date of appointment |

The date of appointment for each of the initial Board of Directors shall be the date of passage of this Ordinance. No further action by the Mayor or Board of Aldermen of the City for appointment of the initial Board of Directors is necessary.

Section 7. The Board of Directors of the District shall have its initial meeting on such date and at such time when a quorum of Board of Directors is available.

Section 8. Pursuant to the CID Act, the Board of Aldermen shall not decrease the level of publicly funded services in the District existing prior to the creation of the District or transfer the financial burden of providing the services to the District unless the services at the same time are decreased throughout the City, nor shall the Board of Aldermen discriminate in the provision of publicly funded services between areas included in the District and areas not so included.

Section 9. Pursuant to Section 67.1421.6 of the CID Act, the City Register or the City Counselor on her behalf shall notify in writing the Missouri Department of Economic Development of the District's creation.

Section 10. The Board of Aldermen hereby approves the Amended Petition and the City shall, and the officers, agents and employees of the City are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance.

Section 11. 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 12. This being an ordinance for the preservation of public peace, health, and safety, it is hereby declared to be an emergency measure within the meaning of Sections 19 and 20 of Article IV of the Charter of the City of St. Louis and therefore shall become effective immediately upon its passage and approval by the Mayor.

EXHIBIT A
Petition for Creation of a Community Improvement District
 (Attached hereto.)

**AMENDED PETITION FOR THE CREATION OF A
 COMMUNITY IMPROVEMENT DISTRICT**

To the City of St. Louis, Missouri:

The undersigned (“*Petitioners*”) are the fee owners or representatives of the fee owners of record of more than fifty percent (50%) (a) by assessed value of all real property within the hereinafter described community improvement district, and (b) per capita of all owners of real property within the hereinafter described community improvement district. Petitioners hereby file this Amended Petition and request that the City of St. Louis, Missouri (the “*City*”), create a community improvement district as described herein, to be known as the **ENRIGHT/ARLINGTON COMMUNITY IMPROVEMENT DISTRICT** (the “*District*”), pursuant to the authority of Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “*CID Act*”).

1. The proposed District is contiguous and is entirely within the corporate boundaries of the City.
2. A legal description of the proposed District is set forth as **Exhibit A**, attached hereto and incorporated herein by reference. A boundary map of the proposed District is set forth as **Exhibit B**, attached hereto and incorporated herein by reference.
3. The total current assessed value of all real property located within the proposed District is \$247,370. Roberts Brothers Properties VI, LLC, a Missouri limited liability company, is the fee owner of 2.818 acres within the proposed District. Roberts Place House, LLC, a Missouri limited liability company, is the fee owner of 4.751 acres within the proposed District. Roberts Blossom House, LLC, a Missouri limited liability company, is the fee owner of 0.273 acres within the proposed District.
4. The proposed District shall be formed as a political subdivision, the Board of Directors of which shall be composed of five (5) members appointed by the Mayor of the City, with the consent of the Board of Aldermen. Successive Directors shall be appointed in the same manner. Petitioners request that the Mayor appoint and the Board of Aldermen consent to the following individuals to serve as the initial Board of Directors of the District, in accord with the Resolutions as set forth in **Exhibit C**, attached hereto and incorporated herein by reference:

| Name | Entity Represented | Initial Term |
|---------------------|--|--------------|
| Michael Roberts Sr. | Roberts Brothers Properties VI, LLC (fee owner of the property) | 4 years |
| Steven Roberts | Roberts Place House, LLC (fee owner of the property) | 4 years |
| Virvus Jones | Roberts 5423/5429 Enright, LLC | 2 years |

| Name | Entity Represented (fee owner of the property) | Initial Term |
|-------------|---|--------------|
| Kay Gabbert | Roberts 5433 Enright, LLC (fee owner of the property) | 2 years |
| Bobby Tate | Roberts Blossom House, LLC (fee owner of the property) | 2 years |

5. The proposed District will be funded by special assessment, which will be based on a percentage of the original sales price of the improved property within the District beginning December 31, 2006 (the "*Special Assessment*"). The maximum rate of assessment shall be 2% of the asking price to the initial purchaser of the improved real estate. In the event a property has not been sold, the maximum rate of assessment shall be 2% of the asking price of the property, or if there is no asking price, of the assessed value of the land as indicated on the records of the Assessor of the City of St. Louis, whichever is greater.
6. A five-year plan for the proposed District (the "*Five-Year Plan*") is set forth as **Exhibit D**, attached hereto and incorporated herein by reference, which includes the purpose of the District, the services it will provide, a description of the public improvements to be undertaken by the proposed District and an estimate of the costs thereof (the "*Project*"). The Project consists generally of the following: (a) sidewalks, streets, alleys, utilities, water, storm and sewer systems and other site improvements; (b) parking lots, garages and other facilities; (c) lawns, trees and other landscaping; (d) security system installation; (e) site preparation and environmental remediation; and (f) and professional fees associated therewith.
7. The Project to be undertaken by the proposed District will facilitate the proposed \$33 million approximately 96-home residential development to be constructed within the District (the "*Development*"). A concept site plan for the proposed Development and the proposed Project is set forth as **Exhibit B**, attached hereto and incorporated herein by reference. It is anticipated that the Project and the Development will be completed by December 31, 2007. Thereafter no additional projects may be undertaken by the District except upon prior approval of the qualified voters of the District.
8. The estimated cost of the Project is \$7,000,000.00 exclusive of costs related to any authorized indebtedness of the District and the issuance and repayment of any obligations issued by the District and interest thereon. It is anticipated that the District will finance the Project through the issuance of its obligations (the "*Obligations*"), which Obligations will be repaid out of the net proceeds of the Special Assessment. Initially, it is anticipated that the District will issue its revenue notes (the "*Notes*") as Petitioners incur the costs associated with the Project. The Notes will be repaid out of the net proceeds of the Special Assessment upon completion of the Development or out of the net proceeds of the District's revenue bonds (the "*Bonds*") issued to refund part or all of the Notes. Based upon the current assumptions contained in the Five-Year Plan, the net proceeds of the Special Assessment may not be sufficient to repay all of the Notes issued to finance the Project.

9. The Project is located in the West End Urban Renewal Redevelopment Area, which was declared blighted under Chapter 99 of the Revised Statutes of Missouri, as amended, in Ordinance No. 51799.
10. The District is anticipated to be in existence for a period not to exceed 20 years from the date of issuance of the Obligations.
11. Petitioners do not seek limitations on the borrowing capacity of the District.
12. Petitioners do not seek limitations on the revenue generation of the District.
13. Petitioners do not seek limitations on the powers of the District. Accordingly, the District shall have all powers provided in the CID Act, including those powers granted under Section 67.1461.2 pertaining to blighted areas.
14. The signatures of the signers to this Amended Petition may not be withdrawn later than seven days after this Amended Petition is filed with the City Clerk.
15. The appendices hereto are an integral part of this Petition and are incorporated herein by reference. By executing this Amended Petition, the Petitioners represent and warrant that they have read and understand the Amended Petition, and are authorized to execute this Amended Petition as the fee owners of record of real property located within the proposed District.
16. Petitioners respectfully request that the proposed District be established pursuant to the Act and in accordance with this Amended Petition.
17. Petitioners further respectfully request that, upon establishment of the District, the City find that the uses of District proceeds outlined above are reasonably anticipated to remediate the blighting conditions of the Development, and will serve a public purpose by remediating such blight, providing economic development and providing necessary modern housing to the public within the District.

Dated this 17th day of February, 2006.

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

PETITIONER:

PROPERTY OWNER: Roberts Brothers Properties VI, LLC, a Missouri limited liability company.

ADDRESS: 1408 North Kingshighway Blvd, Suite 300, St. Louis, MO 63113, Phone: (314) 367-4600

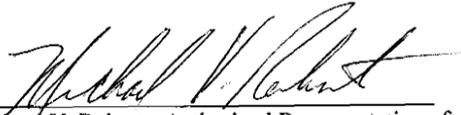
MAP/PARCEL #: Owner of 2.818 acres within the proposed District. (See Boundary Map attached hereto as **Exhibit B**). Locator ID: 54850001710 (800 block of Arlington) in the City of St. Louis, Missouri.

ASSESSED VALUE: \$159,900.00

By executing this Petition on this 17th day of February, 2006, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

ROBERTS BROTHERS PROPERTIES VI, LLC,
A MISSOURI LIMITED LIABILITY COMPANY

By:

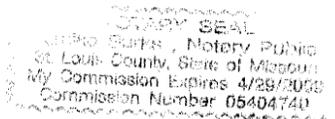


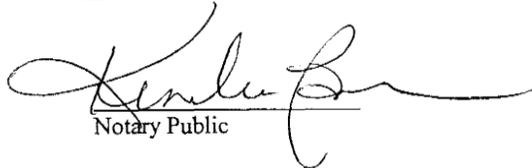
Michael V. Roberts, Authorized Representative of
Member Manager

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

Before me personally appeared Michael V. Roberts, to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 17th day of February, 2006.




Notary Public

My Commission Expires: 4/29/09

PETITIONER:

PROPERTY OWNER: Roberts Place House, LLC, a Missouri limited liability company.

ADDRESS: 1408 North Kingshighway Blvd, Suite 300, St. Louis, MO 63113, Phone: (314) 367-4600

MAP/PARCEL #: Owner of 4.751 acres within the proposed District. (See Boundary Map attached hereto as Exhibit B). Locator IDs: 54850001720 (5351 Enright) in the City of St. Louis, Missouri.

ASSESSED VALUE: \$66,200.00

By executing this Petition on this 17th day of February, 2006, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

ROBERTS PLACE HOUSE, LLC,
A MISSOURI LIMITED LIABILITY COMPANY

By:



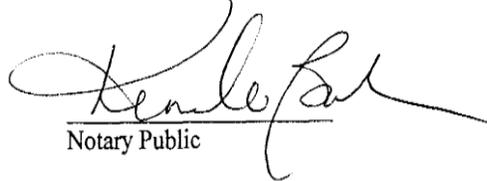
Michael V. Roberts, Authorized Representative of
Member Manager

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

Before me personally appeared Michael V. Roberts to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 17th day of February, 2006.

NOTARY SEAL
K. D. B. B. B. Notary Public
St. Louis County, State of Missouri
My Commission Expires 4/29/2010
Commission Number 05404740


Notary Public

My Commission Expires: 4/29/09

PETITIONER:

PROPERTY OWNER: Roberts Blossom House, LLC, a Missouri limited liability company.

ADDRESS: 1408 North Kingshighway Blvd, Suite 300, St. Louis, MO 63113, Phone: (314) 367-4600

MAP/PARCEL #: Owner of 0.273 acres within the proposed District. (See Boundary Map attached hereto as **Exhibit B**). Locator ID: 54850001730 (5331 Enright) in the City of St. Louis, Missouri.

ASSESSED VALUE: \$13,500.00

By executing this Petition on this 17th day of February, 2006, the undersigned represents and warrants that he or she is authorized to execute this Petition on behalf of the property owner named immediately above.

ROBERTS BLOSSOM HOUSE, LLC,
A MISSOURI LIMITED LIABILITY COMPANY

By:

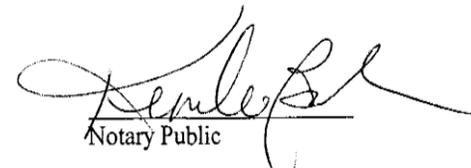

Michael V. Roberts, Authorized Representative of
Member Manager

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

Before me personally appeared Michael V. Roberts to me personally known to be the individual described in and who executed the foregoing instrument.

WITNESS my hand and official seal this 17th day of February, 2006.

Notary Public
State of Missouri
My Commission Expires 4/29/2009
Commission Number 05404740


Notary Public

My Commission Expires: 4/29/09

EXHIBIT A**Legal Description of Community Improvement District****800 Arlington (Roberts Place Apartments)**

Lot A of "Enright School Subdivision in City Block 5485"; according to plat thereof recorded in Plat Book 06142004 page 0459 in the St. Louis City Recorders Office, and also described as follows:

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being all of Lot A, of the ENRIGHT SCHOOL SUBDIVISION; said parcel being more particularly described as follows: COMMENCING at the point of intersection of the northern line of Enright Avenue, 60 feet wide, with the western line of Union Boulevard, 100 feet wide; thence N 83 degrees 00'W 980.72 feet, along the northern line of said Enright Avenue, to the eastern line of Arlington Avenue, 33 feet wide; then N 7 degrees 17'E 358.21 feet, along the eastern line of said Arlington Avenue, to the southern line of said Lot A and the point of BEGINNING of the parcel herein described; thence N 7 degrees 17'E 213.54 feet, along the eastern line of Arlington Avenue, 30 feet wide, to the southern line of WINDERMERE PLACE; thence S 83 degrees 00'E 574.77 feet, along the southern line of said WINDERMERE PLACE, being also the northern line of said Lot A, to the northeastern corner of said Lot A; thence S 7 degrees 16'30"W 213.54 feet, along the eastern line of said Lot A, to its southeastern corner; thence N 83 degrees 00'W 574.80 feet, along the eastern line of said Lot A, to the point of beginning and containing 122,738 Square Feet or 2.8177 Acres, according to the survey made by Pitzman's Co. Surveyors & Engineers dated June 10, 2004 as Order No. 04-688-B.

5351 Enright (Roberts Place Subdivision)

Lot B of "Enright School Subdivision in City Block 5485"; according to plat thereof recorded in Plat Book 06142004 page 0459 in the St. Louis City Recorders Office, and also described as follows:

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being all of Lot B, of the ENRIGHT SCHOOL SUBDIVISION; said parcel being more particularly described as follows: COMMENCING at the point of intersection of the northern line of Enright Avenue, 60 feet wide, with the western line of Union Boulevard, 100 feet wide; thence N 83 degrees 00'W 397.16 feet, along the northern line of said Enright Avenue, to the eastern line of said Lot B, and being the point of BEGINNING of the parcel herein described; thence N 83 degrees 00'W 583.56 feet, along the northern line of said Enright Avenue, to the eastern line of Arlington Avenue, 33 feet wide; thence N 7 degrees 17'E 358.21 feet, along the eastern line of said Arlington Avenue, to the northern line of said Lot B; then S 83 degrees 00'E 574.80 feet, along the northern line of said Lot B, to its northeastern corner; thence S 7 degrees 16'30"W 234.71 feet, along the eastern line of said Lot B, to an offset therein; thence S 61 degrees 24'E 8.73, along said offset, to the eastern most line of said Lot B; thence S 7 degrees 00'W 120.29 feet, along the eastern most line of said Lot B, to the point of beginning and containing 206,932 Square Feet or 4.7505 Acres, according to the survey made by Pitzman's Co. of Surveyors & Engineers, dated June 10, 2004 as Order Number 04-688-B.

EXHIBIT A**Legal Description of Community Improvement District****800 Arlington (Roberts Place Apartments)**

Lot A of "Enright School Subdivision in City Block 5485"; according to plat thereof recorded in Plat Book 06142004 page 0459 in the St. Louis City Recorders Office, and also described as follows:

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being all of Lot A, of the ENRIGHT SCHOOL SUBDIVISION; said parcel being more particularly described as follows: COMMENCING at the point of intersection of the northern line of Enright Avenue, 60 feet wide, with the western line of Union Boulevard, 100 feet wide; thence N 83 degrees 00'W 980.72 feet, along the northern line of said Enright Avenue, to the eastern line of Arlington Avenue, 33 feet wide; then N 7 degrees 17'E 358.21 feet, along the eastern line of said Arlington Avenue, to the southern line of said Lot A and the point of BEGINNING of the parcel herein described; thence N 7 degrees 17'E 213.54 feet, along the eastern line of Arlington Avenue, 30 feet wide, to the southern line of WINDERMERE PLACE; thence S 83 degrees 00'E 574.77 feet, along the southern line of said WINDERMERE PLACE, being also the northern line of said Lot A, to the northeastern corner of said Lot A; thence S 7 degrees 16'30"W 213.54 feet, along the eastern line of said Lot A, to its southeastern corner; thence N 83 degrees 00"W 574.80 feet, along the eastern line of said Lot A, to the point of beginning and containing 122,738 Square Feet or 2.8177 Acres, according to the survey made by Pitzman's Co. Surveyors & Engineers dated June 10, 2004 as Order No. 04-688-B.

5351 Enright (Roberts Place Subdivision)

Lot B of "Enright School Subdivision in City Block 5485"; according to plat thereof recorded in Plat Book 06142004 page 0459 in the St. Louis City Recorders Office, and also described as follows:

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being all of Lot B, of the ENRIGHT SCHOOL SUBDIVISION; said parcel being more particularly described as follows: COMMENCING at the point of intersection of the northern line of Enright Avenue, 60 feet wide, with the western line of Union Boulevard, 100 feet wide; thence N 83 degrees 00'W 397.16 feet, along the northern line of said Enright Avenue, to the eastern line of said Lot B, and being the point of BEGINNING of the parcel herein described; thence N 83 degrees 00'W 583.56 feet, along the northern line of said Enright Avenue, to the eastern line of Arlington Avenue, 33 feet wide; thence 7 degrees 17'E 358.21 feet, along the eastern line of said Arlington Avenue, to the northern line of said Lot B; then S 83 degrees 00'E 574.80 feet, along the northern line of said Lot B, to its northeastern corner; thence S 7 degrees 16'30"W 234.71 feet, along the eastern line of said Lot B, to an offset therein; thence S 61 degrees 24'E 8.73, along said offset, to the eastern most line of said Lot B; thence S 7 degrees 00'W 120.29 feet, along the eastern most line of said Lot B, to the point of beginning and containing 206,932 Square Feet or 4.7505 Acres, according to the survey made by Pitzman's Co. of Surveyors & Engineers, dated June 10, 2004 as Order Number 04-688-B.

5331 Enright (Blossom House)

Lot C of "Enright School Subdivision in City Block 5485":

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being part of Lot 1 of the Subdivision of The Ann Biddle Estate; said parcel being more particularly described as follows:

Commencing at the point of intersection of the Northern line of Enright Avenue, 60 feet wide, with the Western line of Union Boulevard, 100 feet wide; thence North 83 degrees 00 minutes West 283.93 feet, along the Northern line of said Enright Avenue, to the point of Beginning of the parcel herein described; thence North 83 degrees 00 minutes West 113.23 feet, along the Northern line of said Enright Avenue; thence North 7 degrees 00 minutes East 120.29 feet; thence South 61 degrees 24 minutes East 33.27 feet; thence South 80 degrees 09 minutes East, 50.00 feet; thence South 45 degrees 14 minutes 50 seconds East 40.92 feet; thence South 7 degrees 00 minutes West 80.50 feet, to the point of beginning, according to Survey by Pitzman's Engineering Co. (04-688-A) dated June 4, 2004.

5423-33 Enright Avenue

Parcel No. 1:

Lot "A" and the Eastern 8 feet of Lot "B" of the Subdivision of Part of Lots 4 and 5 of Breckenridge Private Subdivision of Ann Biddle's Estate, according to the plat of said Subdivision recorded in Surveyor's record 8 page 2, and in Block 5484 of the City of St. Louis, together fronting 40 feet on the North line of Enright Avenue, by a depth Northwardly of 142 feet 6 inches to an alley, bounded East by Arlington.

Parcel No. 2:

The Western 27 feet of Lot "B" and the Eastern 13 feet of Lot C of the Subdivision of Part of Lots 4 and 5 of Ann Biddle's Estate, according to the plat of said Subdivision recorded in Surveyor's Record 8 page 2 and in Block 5484 of the City of St. Louis, together fronting 40 feet on the North line of Enright Avenue, by a depth Northwardly of 142 feet 6 inches to an alley.

Parcel No. 3:

The Western 20 feet of Lot C and the Eastern 15 feet of Lot D in a Subdivision of Lots Numbered 4 and 5 of Biddle Estate in United States Survey 378 as appears in Surveyor's Record 8 page 2 in Recorder's Office for said City of S. Louis, State of Missouri, having an aggregate front of 35 feet on the North line of Enright Avenue a private street by a depth Northwardly of 142 feet 6 inches.

Parcel No. 4:

The Western 2 feet of the Eastern 15 feet of Lot c of the subdivision of parts of Lots 4 and 5 of Ann Biddle's Estate according to the plat of said subdivision recorded in Surveyor's Record 8 page 2 and in Block 5484 of the City of St. Louis, fronting 2 feet on the North line of Enright Avenue by a depth Northwardly of 142 feet 6 inches to an alley.

5331 Enright (Blossom House)

Lot C of "Enright School Subdivision in City Block 5485":

A parcel of ground in Block 5485, of the City of St. Louis, Missouri, being part of Lot 1 of the Subdivision of The Ann Biddle Estate; said parcel being more particularly described as follows:

Commencing at the point of intersection of the Northern line of Enright Avenue, 60 feet wide, with the Western line of Union Boulevard, 100 feet wide; thence North 83 degrees 00 minutes West 283.93 feet, along the Northern line of said Enright Avenue, to the point of Beginning of the parcel herein described; thence North 83 degrees 00 minutes West 113.23 feet, along the Northern line of said Enright Avenue; thence North 7 degrees 00 minutes East 120.29 feet; thence South 61 degrees 24 minutes East 33.27 feet; thence South 80 degrees 09 minutes East, 50.00 feet; thence South 45 degrees 14 minutes 50 seconds East 40.92 feet; thence South 7 degrees 00 minutes West 80.50 feet, to the point of beginning, according to Survey by Pitzman's Engineering Co. (04-688-A) dated June 4, 2004.

5423-33 Enright Avenue

Parcel No. 1:

Lot "A" and the Eastern 8 feet of Lot "B" of the Subdivision of Part of Lots 4 and 5 of Breckenridge Private Subdivision of Ann Biddle's Estate, according to the plat of said Subdivision recorded in Surveyor's record 8 page 2, and in Block 5484 of the City of St. Louis, together fronting 40 feet on the North line of Enright Avenue, by a depth Northwardly of 142 feet 6 inches to an alley, bounded East by Arlington.

Parcel No. 2:

The Western 27 feet of Lot "B" and the Eastern 13 feet of Lot C of the Subdivision of Part of Lots 4 and 5 of Ann Biddle's Estate, according to the plat of said Subdivision recorded in Surveyor's Record 8 page 2 and in Block 5484 of the City of St. Louis, together fronting 40 feet on the North line of Enright Avenue, by a depth Northwardly of 142 feet 6 inches to an alley.

Parcel No. 3:

The Western 20 feet of Lot C and the Eastern 15 feet of Lot D in a Subdivision of Lots Numbered 4 and 5 of Biddle Estate in United States Survey 378 as appears in Surveyor's Record 8 page 2 in Recorder's Office for said City of S. Louis, State of Missouri, having an aggregate front of 35 feet on the North line of Enright Avenue a private street by a depth Northwardly of 142 feet 6 inches.

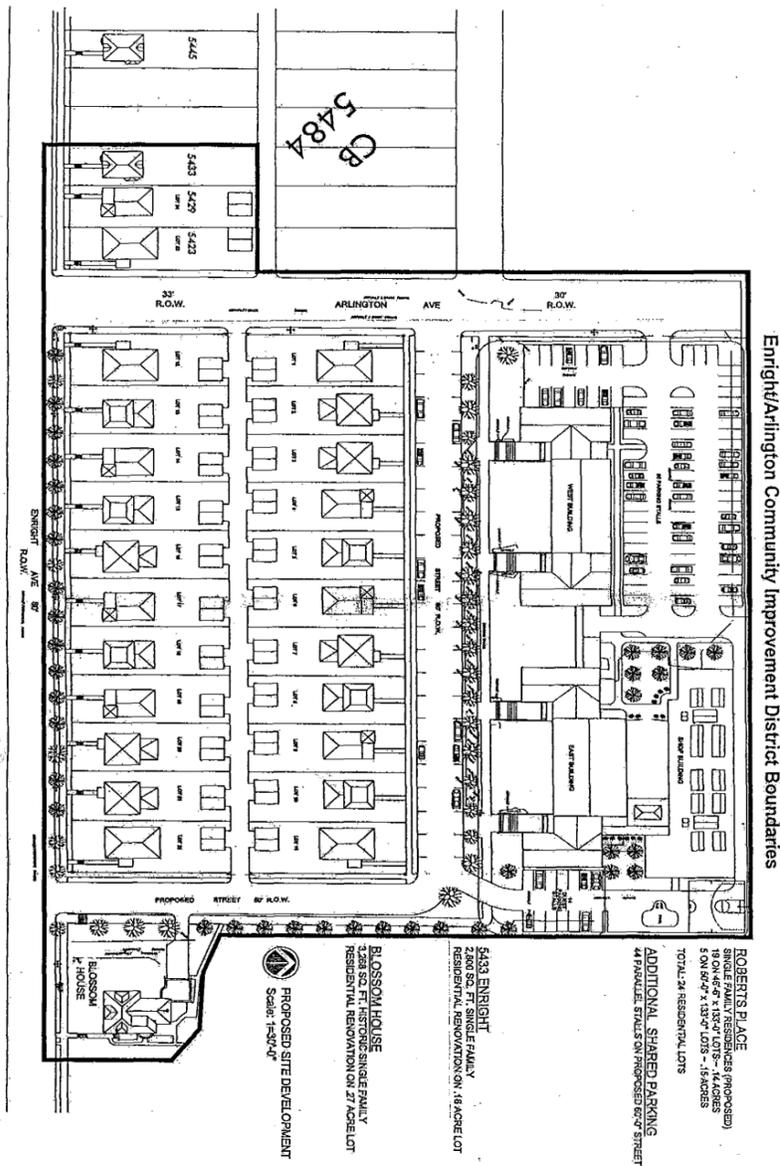
Parcel No. 4:

The Western 2 feet of the Eastern 15 feet of Lot c of the subdivision of parts of Lots 4 and 5 of Ann Biddle's Estate according to the plat of said subdivision recorded in Surveyor's Record 8 page 2 and in Block 5484 of the City of St. Louis, fronting 2 feet on the North line of Enright Avenue by a depth Northwardly of 142 feet 6 inches to an alley.

EXHIBIT B

Boundary Map of the Community Improvement District
and Concept Site Plan of the Project and the Development

(Attached hereto)



ASAP
11-1-06

EXHIBIT C

Resolutions

(Attached hereto)

RESOLUTION

WHEREAS, pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), following the receipt of a Petition for the Creation of a Community Improvement District on _____, 2006, the Board of Aldermen of the City of St. Louis, Missouri, adopted Ordinance No. _____, establishing the Enright/Arlington Community Improvement District (the "District"); and

WHEREAS, Roberts Brothers Properties VI, LLC, is the owner of record of 2.818 acres of real property within the boundaries of the District; and

WHEREAS, the CID Act anticipates that a representative of the owner of record of real property within the District be appointed to the Board of Directors of the District.

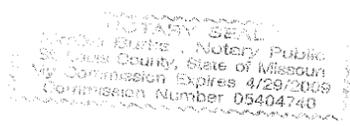
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF ROBERTS BROTHERS PROPERTIES VI, LLC, AS FOLLOWS:

Roberts Brothers Properties VI, LLC hereby appoints Michael Roberts, Sr. to serve as its legally authorized representative to the Board of Directors of the District.

By: Michael V. Roberts
Title:

ATTEST

(SEAL)
[Signature]
By: Kimiko Burks
Title: Notary Public



RESOLUTION

WHEREAS, pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), following the receipt of a Petition for the Creation of a Community Improvement District on _____, 2006, the Board of Aldermen of the City of St. Louis, Missouri, adopted Ordinance No. _____, establishing the Enright/Arlington Community Improvement District (the "District"); and

WHEREAS, Roberts Place House, LLC, is the owner of record of 4.751 acres of real property within the boundaries of the District; and

WHEREAS, the CID Act anticipates that a representative business owner operating a business within the boundaries of the District be appointed to the Board of Directors of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF ROBERTS PLACE HOUSE, LLC, AS FOLLOWS:

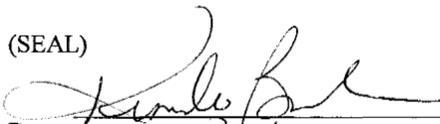
Roberts Place House, LLC hereby appoints Steven Roberts to serve as its legally authorized representative to the Board of Directors of the District.



By:
Title:

ATTEST

(SEAL)



By: *Kimiko Roberts*
Title: *Notary Public*

NOTARY SEAL
Kimiko Roberts, Notary Public
St. Louis County, State of Missouri
My Commission Expires 4/29/2010
Registration Number 05404740

RESOLUTION

WHEREAS, pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), following the receipt of a Petition for the Creation of a Community Improvement District on _____, 2006, the Board of Aldermen of the City of St. Louis, Missouri, adopted Ordinance No. _____, establishing the Enright/Arlington Community Improvement District (the "District"); and

WHEREAS, Roberts 5423/5429 Enright, LLC, is the owner of record of 0.131 acres of real property within the boundaries of the District; and

WHEREAS, the CID Act anticipates that a representative business owner operating a business within the boundaries of the District be appointed to the Board of Directors of the District.

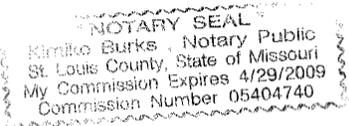
NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF ROBERTS 5423/5429 ENRIGHT, LLC, AS FOLLOWS:

Roberts 5423/5429 Enright, LLC hereby appoints Virvus Jones to serve as its legally authorized representative to the Board of Directors of the District.

By: Michael V. Roberts
Title:

ATTEST

(SEAL)
Kimiko Burks
By: Kimiko Burks
Title: Notary Public



RESOLUTION

WHEREAS, pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), following the receipt of a Petition for the Creation of a Community Improvement District on _____, 2006, the Board of Aldermen of the City of St. Louis, Missouri, adopted Ordinance No. _____, establishing the Enright/Arlington Community Improvement District (the "District"); and

WHEREAS, Roberts 5433 Enright, LLC, is the owner of record of 0.121 acres of real property within the boundaries of the District; and

WHEREAS, the CID Act anticipates that a representative business owner operating a business within the boundaries of the District be appointed to the Board of Directors of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF ROBERTS 5433 ENRIGHT, LLC, AS FOLLOWS:

Roberts 5433 Enright, LLC hereby appoints Kay Gabbert to serve as its legally authorized representative to the Board of Directors of the District.

By: Michael V. Roberts
Title:

ATTEST

(SEAL)
Kimberly Bures
By: Kimberly Bures
Title: Notary Public

NOTARY SEAL
MICHAEL V. ROBERTS, Notary Public
St. Louis County, State of Missouri
My Commission Expires 4/28/2008
Notary Public Number 05404748

RESOLUTION

WHEREAS, pursuant to the Missouri Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the "CID Act"), following the receipt of a Petition for the Creation of a Community Improvement District on _____, 2006, the Board of Aldermen of the City of St. Louis, Missouri, adopted Ordinance No. _____, establishing the Enright/Arlington Community Improvement District (the "District"); and

WHEREAS, Roberts Blossom House, LLC, is the owner of record of 0.273 acres of real property within the boundaries of the District; and

WHEREAS, the CID Act anticipates that a representative business owner operating a business within the boundaries of the District be appointed to the Board of Directors of the District.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD OF ROBERTS BLOSSOM HOUSE, LLC, AS FOLLOWS:

Roberts Blossom House, LLC hereby appoints Bobby Tate to serve as its legally authorized representative to the Board of Directors of the District.

Michael W. Roberts

By:
Title:

ATTEST

(SEAL)

Kimiko Burke

By: *Kimiko Burke*
Title: *Notary Public*

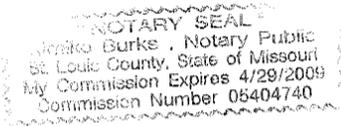


Exhibit D**Five Year Plan of the Community Improvement District**

FIVE-YEAR PLAN

The information and details outlined in the following pages represents the strategies, activities and budgets that will be undertaken during the initial five-years of the proposed Enright/Arlington Avenue Community Improvement District in St. Louis, Missouri. It is an integral and composite part of the Petition for creation of the District.

The Enright/Arlington Community Improvement District is being created to provide funds to assist in the rehabilitation and the 100+ year old and abandoned Enright School, (formerly was known as Harris Teachers College and the Smith Academy), the rehabilitation of the Blossom House and the construction of a new 26 home subdivision. The school and the Blossom house are both listed on the National Register for Historic Properties. The funds raised from the community improvement district will be used to construct a new street, alley, provide utilities (water, gas, electric, sewer etc.), construction of parking lot, common areas amenities, landscaping, and security fencing to the site.

Five Year Plan
Enright/Arlington Community Improvement District

Year One: 2006

In its first year the District will finalize its contractual arrangements with the Developer of the Roberts Place Apartments and the Roberts Place Homes. During this period it is anticipated that a contractor will be selected to complete the site improvements and infrastructure work for the Roberts Place Apartments and the Roberts Place Homes to be completed no later than September 2006. The District will issue obligations (notes or bonds) to raise funds to fulfill its contractual obligations to the Developer and contractor. The District will determine the revenue required for debt service on all obligations, and CID oversight and management expenses, and set special assessments accordingly.

Year Two: 2007

In the second year, the District will continue to monitor the construction of the Roberts Place Apartments, which is due to be completed by February 2007. The District will also determine the revenue required for debt service on all obligations, and CID oversight and management expenses and set special assessments accordingly. The District will collect all outstanding special assessments, and pay to the Trustee on any outstanding obligations sufficient funds for debt service and any required reserves.

Year Three: 2008

In the third year the District will determine the revenue required for debt service on all obligations, and CID oversight and management expenses, and set special assessments accordingly. The District will collect all outstanding special assessments, and pay to the Trustee on any outstanding obligations sufficient funds for debt service and any required reserves.

Year Four: 2009

In the fourth year, the District will determine the revenue required for debt service on all obligations, and CID oversight and management expenses, and set special assessments accordingly. The District will collect all outstanding special assessments and pay to the Trustee on any outstanding obligations sufficient funds for debt service and any required reserves.

Year Five: 2010

In the fifth year, the District will determine the revenue required for debt service on all obligations, and CID oversight and management expenses, and set special assessments accordingly. The District will collect all outstanding special assessments and pay to the Trustee on any outstanding obligations sufficient funds for debt services and any required reserves.

ENRIGHT/ARLINGTON IMPROVEMENT DISTRICT BUDGET

| Construction | |
|--|-----------------------|
| Building and Site Demolition Work | \$1,593,590.00 |
| Earthwork | \$61,995.00 |
| Asphalt Paving | \$89,864.00 |
| Site Signage | \$20,000.00 |
| Site Utilities | \$753,124.00 |
| Site Flatwork and Found | \$811,061.00 |
| Pavement Markings | \$8,383.00 |
| Site Fencing | \$97,530.00 |
| Elevator Pit Walls | \$110,000.00 |
| Handrails and Railings | \$32,435.00 |
| Rough Carpentry | \$53,560.00 |
| Painting | \$24,322.00 |
| Athletic Equipment /Pools | \$71,000.00 |
| Elevators | \$170,000.00 |
| Electrical | \$31,000.00 |
| Schedule Allowance | \$19,240.00 |
| Proportionate Perf/Payment Bond | \$14,660.00 |
| Proportionate GC'S, Fee and Est. Allow | \$390,943.00 |
| SUBTOTAL | \$4,352,707.00 |

| Professional Design Fee | |
|--------------------------------|---------------------|
| Architect Design Fees | \$45,344.00 |
| Architect CA Fees | \$5,365.00 |
| MEP Engineering Fees | \$2,555.00 |
| Landscape Design | \$15,000.00 |
| Civil Engineering | \$66,000.00 |
| Security System Design | \$10,000.00 |
| Other Misc. | \$5,795.00 |
| SUBTOTAL | \$150,059.00 |

| FFE | |
|--|---------------------|
| Common Area Furnishings and Fixtures | \$10,000.00 |
| Recreation Room Furnishings and Fixtures | \$10,000.00 |
| Exterior Furnishings and Fixtures | \$75,000.00 |
| Carts | \$5,000.00 |
| SUBTOTAL | \$100,000.00 |

| Environmental Direct Costs | |
|-----------------------------------|-------------|
| Environmental Consultants | \$45,800.00 |

ENRIGHT/ARLINGTON IMPROVEMENT DISTRICT BUDGET

| | |
|--|-----------------------|
| Haz Mat Abatement | \$725,000.00 |
| Surveying | \$15,000.00 |
| Geotech Test/Consultant | \$25,000.00 |
| Construction Period Utilities Fees (service and tap) | \$40,000.00 |
| AHJ Fees | \$3,311.00 |
| Legal | \$12,416.00 |
| Proj. Management Support | \$26,869.00 |
| Insurance Builders Risk | \$21,522.00 |
| CPA Fees | \$3,311.00 |
| SUBTOTAL | \$918,229.00 |
| | Other |
| Security System (Access control, CCTV, etc.) | \$1,075,000.00 |
| Miscellaneous Professional Fees, General Conditions and Developer's Contingency | \$404,005.00 |
| SUBTOTAL | \$1,479,005.00 |
| TOTAL | \$7,000,000.00 |

Approved: June 5, 2006

**ORDINANCE #67110
Board Bill No. 30**

An Ordinance recommended by the Planning Commission on March 1, 2006, to change the zoning of property as indicated on the District Map, from "A" Single-Family Dwelling District and "F" Neighborhood Commercial District to the "C" Multiple-Family Dwelling District in City Block 4065, so as to include the described parcel of land in City Block 4065; and containing an emergency clause.

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

SECTION ONE. The zoning designation of certain real property located in City Block 4065 is hereby changed to the "C" Multiple-Family Dwelling District, real property being particularly described as follows:

A tract of land being all of Lot "B" of boundary adjustment of part of Lot 18, 19 and 20 of St. Louis Heights more particularly described as follows; commencing at the southern intersection line of Magnolia (80' W) Avenue with the eastern line of Macklind (60' W) Avenue; thence south 82 degrees 59 minutes 09 seconds east along southern line of said Magnolia Avenue 67.68 feet to the point of beginning; thence south 82 degrees 59 minutes 09 seconds east continuing along southern line of said Magnolia Avenue 88.88 feet; thence south 07 degrees 01 minutes 25 seconds west 192.67 feet to the northern edge of an alley (15' W); thence north 82 degrees 59 minutes 09 seconds west on the northern line of said alley 24.50 feet; thence north 07 degrees 01 minutes 25 seconds east 92.66 feet; thence north 82 degrees 59 minutes 09 seconds west 132.98 feet to the eastern line of said Macklind Avenue; thence north 08 degrees 41 minutes 55 seconds east along said Macklind Avenue 59.93 feet to the southern line of Lot "A"; thence south 83 degrees 11 minutes 58 seconds east along southern line of said Lot "A" 69.03 feet; thence north 08 degrees 45 minutes 06 seconds east 39.85 feet to the southern line of said Magnolia Avenue and the point of beginning

SECTION 2. This ordinance being necessary for the preservation of the health, safety and welfare shall take effect and be in full force immediately upon approval by the Mayor of the City of St. Louis.



Approved: June 5, 2006

ORDINANCE #67111
Board Bill No. 31

An Ordinance recommended by the Planning Commission on April 5, 2006, to change the zoning of property as indicated on the District Map, from "A" Single-Family Dwelling District to the "J" Industrial District in City Block 4629, so as to include the described parcel of land in City Block 4629; and containing an emergency clause.

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

SECTION ONE. The zoning designation of certain real property located in City Block 4629 is hereby changed to the "J" Industrial District, real property being particularly described as follows:

Lots 11 and 12 of Richert Place and in Block 4629 of the City of St. Louis, according to the plat of Survey recorded in Surveyor's Record 8 page 288 of St. Louis City Records, said lots having an aggregate frontage of 63 feet 4 11/16 inches on the West line of McCausland Avenue by a depth Westwardly of 138 feet 7/8 inches along the North line of said Lot 11 to the center of a private alley.

SECTION 2. This ordinance being necessary for the preservation of the health, safety and welfare shall take effect and be in full force immediately upon approval by the Mayor of the City of St. Louis.

EXHIBIT A



| | | |
|---------------------------------|-------------------------------|---|
| Current Zone | | Rezoning Area |
| A Single Family Dwelling Dist | G Local Commercial District | Rezoning Area from A to J |
| B Two Family Dwelling Dist | H Area Commercial District | |
| C Multiple Family Dwelling Dist | I Central Business District | PDA-051-05-REZ |
| D Multiple Family Dwelling Dist | J Industrial District | CITY OF ST. LOUIS PLANNING & URBAN DESIGN AGENCY Professional Seal Holder |
| E Multiple Family Dwelling Dist | K Unrestricted District | |
| F Neighborhood Commercial Dist | L Jefferson Memorial District | |

Approved: June 5, 2006

ORDINANCE #67112
Board Bill No. 42

An Ordinance recommended by the Planning Commission on April 5, 2006, to change the zoning of property as indicated on the District Map, from "C" Multiple-Family Dwelling District and "F" Neighborhood Commercial District to the "H" Area Commercial District in City Block 3922, so as to include the described parcels of land in City Block 3922; and containing an emergency clause.

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

SECTION ONE. The zoning designation of certain real property located in City Block 3922 is hereby changed to the "H" Area Commercial District, real property being particularly described as follows:

Parcel 1:

A tract of land in City Block 3922 of the City of St. Louis and a part of Lindell's Second Addition and more particularly described as follows: Commencing at the intersection of the South line of McPherson Avenue, 80 feet wide, and the West line of Vandeventer Avenue, 80 feet wide, thence Westerly along said South line of McPherson Avenue a distance of 921.38 feet to the point of beginning, thence continuing along said South line of McPherson Avenue a distance of 80.29 feet, thence in a Southerly direction a distance of 160.50 feet to a point in the North line of an alley, 15 feet wide, thence in an Easterly direction along the North line of said alley a distance of 80.29 feet, thence in a Northerly direction a distance of 160.50 feet to the point of beginning. Also, the South ½ of vacated McPherson Avenue, lying adjacent to subject property, vacated by Ordinance No. 59563 and recorded in Book 523M page 1890 of the City of St. Louis Records.

Parcel 2:

A tract of land in City Block 3922 in the City of St. Louis, Missouri and part of Block 23 of P. Lindell's Second Addition Subdivision and more particularly described as follows: A Lot in Block No. 3922 of the City of St. Louis, beginning at a point of intersection of the East line of Sarah Street with the South line of McPherson Avenue; thence Southwardly along the East line of Sarah Street 73 feet ½ inch; thence Eastwardly 68 feet 6 inches to the East line of said property; thence Northwardly along said East line a distance of 70 feet 8 5/8 inches to the South line of McPherson Avenue; thence Westwardly along the South line of McPherson Avenue a distance of 86 feet 4 ¾ inches to the point of beginning. Locator No. 3922-00-00100

Parcel 3:

A lot in Block 3922 of the City of St. Louis, beginning at a point in the East line of Sarah Street 73 feet 0 ½ inch South of its intersection with the South line of McPherson Avenue; thence South along the East line of Sarah Street, 92 feet 8 3/8 inches to a point in the North line of a 15 foot wide alley; thence in an Easterly direction along the North line of said alley 45 feet 9 ¼ inches to a point; thence in a Northerly direction 89 feet 9 3/8 inches to a point; thence in a Westerly direction 68 feet 6 inches to a point in the East line of Sarah Street to the point of beginning. Locator No. 3922-00-02500

Parcel 4:

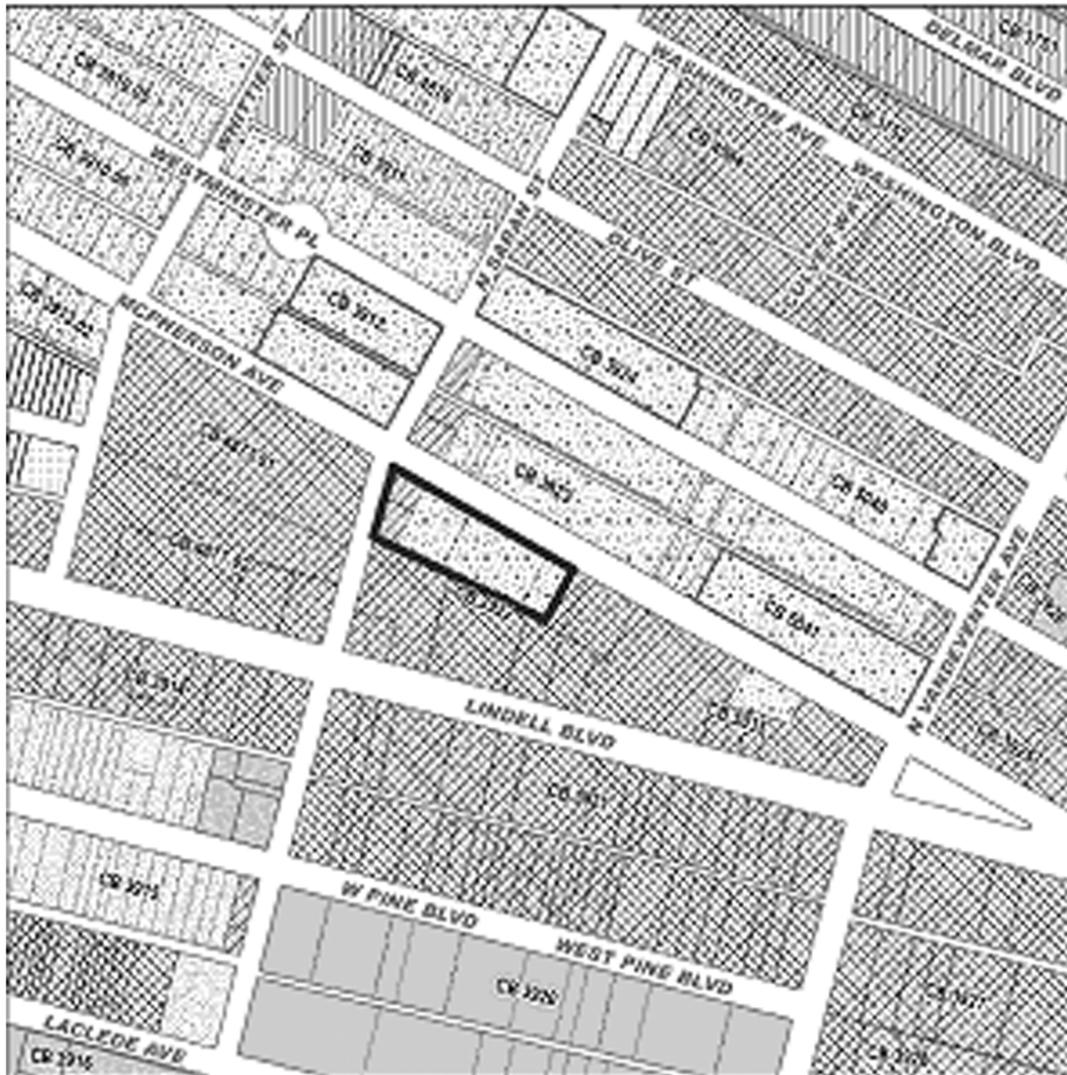
A tract of land in City Block 3922 of the City of St. Louis, and a part of Lindell's Second Addition and more particularly described as follows: Commencing at the intersection of the South line of McPherson Avenue, 80 feet wide, and the West line of Vandeventer Avenue, 80 feet wide, thence along said South line of McPherson Avenue in a Westerly direction a distance of 1001.67 feet to the point of beginning, thence continuing along said South line of McPherson Avenue in a Westerly direction a distance of 248.92 feet, thence in a Southerly direction a distance of 160.50 feet to a point in the North line of an alley, 15 feet wide, thence in an Easterly direction along the North line of said alley a distance of 248.92 feet, thence in a Northerly direction a distance of 160.50 feet to the point of beginning. Locator No. 3922-00-01630

Parcel 5:

A tract of land in City Block 3922 in the City of St. Louis, Missouri and part of Block 23 of P. Lindell's Second Addition Subdivision and more particularly described as follows: Beginning at a point in the South line of McPherson Avenue distant 86 feet 4 ¾ inches East of the East line of Sarah Street; thence Southwardly 160 feet 6 inches to a point in the North line of an alley distant 45 feet 9 ¼ inches East of the East line of Sarah Street; thence Eastwardly along the North line of said alley 127 feet 8 inches to the West property, now or formerly of Clarence Hearst and wife; thence Northwardly along the West line of said property, now or formerly of Clarence Hearst and wife, 160 feet 6 inches, to a point in the South line of McPherson Avenue; thence Westwardly along the South line of said McPherson Avenue 127 feet 8 inches to the point of beginning. Parcel 3922-00-00400.

SECTION 2. This ordinance being necessary for the preservation of the health, safety and welfare shall take effect and be in full force immediately upon approval by the Mayor of the City of St. Louis.

EXHIBIT A



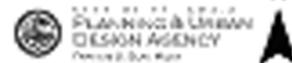
Current Zone

- A Single Family Dwelling Dist
- B Two Family Dwelling Dist
- C Multiple Family Dwelling Dist
- D Multiple Family Dwelling Dist
- E Multiple Family Dwelling Dist
- F Neighborhood Commercial Dist

- G Local Commercial District
- H Area Commercial District
- I Central Business District
- J Industrial District
- K Unrestricted District
- L Jefferson Memorial District

Rezoning Area

Rezoning from "C" or "T" to "H"
 PDA-062-08-REZ



Approved: June 5, 2006

ORDINANCE #67113
Board Bill No. 50

An ordinance repealing Ordinance 66155 and enacting a new ordinance prohibiting the issuance of any package or drink liquor licenses for any currently non-licensed premises within the boundaries of the Fourth Ward Liquor Control District, as established herein, for a period of three years from the effective date hereof; containing an exception allowing, during the moratorium period, for the transfer of existing licenses, under certain circumstances, and the issuance of a drink license to persons operating a restaurant at a previously non-licensed premises; and containing an emergency clause.

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

SECTION ONE. Ordinance 66155 is hereby repealed and in lieu thereof the following provisions are enacted:

SECTION TWO. The existence of alcoholic beverage establishments appears to contribute directly to numerous peace, health, safety and general welfare problems including loitering, littering, drug trafficking, prostitution, public drunkenness, defacement and damaging of structures, pedestrian obstructions, as well as traffic circulation, parking and noise problems on public streets and neighborhood lots. The existence of such problems creates serious impacts on the health, safety and welfare of residents of single- and multiple-family within the district, including fear for the safety of children, elderly residents and of visitors to the district. The problems also contribute to the deterioration of the neighborhood and concomitant devaluation of property and destruction of community values and quality of life. The number of establishments selling alcoholic beverages and the associated problems discourage more desirable and needed commercial uses in the area. In order to preserve the residential character and the neighborhood-serving commercial uses of the area, there shall be a moratorium on the issuance of new liquor licenses within the area beginning at the intersection of the centerlines of N. Vandeventer Ave. and Evans Ave., and proceeding along the centerlines in a generally clockwise direction west to Marcus Ave., north to Cote Brillante Ave., west to N. Euclid Ave., north to Ashland Ave., east to Shreve Ave., north to Palm St., east to Marcus Ave., south to Lexington Ave., east to Fair Ave., south to Ashland Ave., east to N. Vandeventer Ave., south to the point of the beginning. Such area shall be known as the Fourth Ward Liquor Control Area.

SECTION THREE. The Excise Commissioner is hereby prohibited, for a period of three years, beginning as of the effective date of this Ordinance, from approving the issuance of a package or drink liquor license for any premises which is located within the boundaries of the Fourth Ward Liquor Control District established in Section Two of this ordinance.

SECTION FOUR. Notwithstanding the provisions of Section Three of this Ordinance, the Excise Commissioner shall have authority to:

- (1) Approve transfer of an existing license to another premises within the petition circle of the currently licensed premises, pursuant to the provisions of subsection (B) of section 14.06.330 of Ordinance 61289; and
- (2) Issue a drink license for a premises which currently is or will be, upon opening, operated as a restaurant, as such term is defined in section 14.01.390 of Ordinance 61289.
- (3) Approve the renewal of an existing license under the provisions of Section 14.08.090 of Ordinance 62656.

SECTION FIVE. EMERGENCY CLAUSE.

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

Approved: June 5, 2006

ORDINANCE #67114
Board Bill No. 58

An Ordinance recommended and approved by the Airport Commission, Board of Public Service, and the Board of Estimate and Apportionment authorizing a Third Amendment to Section One of the Airfield Projects Public Works Ordinance 65162 approved February 15, 2001, as amended by Ordinance 65626 approved August 5, 2002 and Ordinance 66611 approved February 16, 2005, which authorized a multi-year public work and improvement program (the "Airfield Projects") at Lambert-St. Louis International Airport® (the "Airport"), adding certain public work projects more fully described in Section One of this Ordinance to the listing of Airfield Projects authorized therein and increasing the total estimated cost of the Airfield Projects by Nine Million Six Hundred Fifty Five Thousand Five Hundred Thirty Four Dollars (\$9,655,534) to Seventy Six Million Six Hundred Twenty Thousand Eight Hundred Ninety Three Dollars (\$76,620,893); amending Section Two of the Airfield Projects Public Works Ordinance 65162, as amended by Ordinance 65626 and Ordinance 66611, which authorized and provided for the initial appropriation and expenditure of funds for the Airfield Projects, by deleting Section Two of Ordinance 65162 as previously amended in its entirety and substituting a new Section Two authorizing and providing for the initial appropriation and expenditure of funds for the Airfield Projects and providing for the receipt of supplemental appropriations when authorized by ordinance; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. Section One of the Airfield Projects Public Works Ordinance 65162 approved February 15, 2001, as amended by Ordinance 65626 approved August 5, 2002, and Ordinance 66611 approved February 16, 2005, is hereby amended by adding the following words after the words “advertising and taking of bids, construction management and construction costs necessary to keep the Airport’s airfield economically and operationally competitive with other major hub airports for the next decade, including, but not limited to, electronic control and information systems, provide for”:

“the relocation of McDonnell Blvd, reconstruct Taxiway Foxtrot,”

and deleting the following words and figures from the last clause of Section One of the Airfield Projects Public Works Ordinance 65162 approved February 15, 2001, as amended by Ordinance 65626 approved August 5, 2002, and Ordinance 66611 approved February 16, 2005:

“at a total estimated cost of Sixty Six Million Nine Hundred Sixty Five Thousand Three Hundred Fifty Nine Dollars (\$66,965,359).”

and replacing with the following words and figures:

“at a total estimated cost of Seventy Six Million Six Hundred Twenty Thousand Eight Hundred Ninety Three Dollars (\$76,620,893).”

SECTION TWO. Section Two of the Airfield Projects Public Works Ordinance 65162 approved February 15, 2001, as amended by Ordinance 65626 approved August 5, 2002, and Ordinance 66611 approved February 16, 2005, is hereby deleted in its entirety as set out below:

“**SECTION TWO.** There is hereby authorized an initial appropriation of Sixty Six Million Nine Hundred Sixty Five Thousand Three Hundred Fifty Nine Dollars (\$66,965,359) as follows: a) Five Million Five Hundred Seventy Thousand Dollars (\$5,570,000) from the sub-account of the Series 1997 Airport Construction Account in the Airport Construction Fund designated as the Series 1997 Improvement Project Sub-account (the "Airport Construction Fund") established pursuant to Ordinance No. 64120 approved July 23, 1997 (the "1997 Airport Bond Ordinance"), b) Eighteen Million Nine Hundred Eighty Eight Thousand Six Hundred Twenty Eight Dollars (\$18,988,628) from the sub-account of the Series 2002 Airport Construction Account in the Airport Construction Fund established and authorized pursuant to the Series 2002 Capital Improvement Program Bond Ordinance No. 65618 approved August 5, 2002 (“BOARD BILL NO. 162”), c) Twenty Six Million Eight Hundred Thousand Four Hundred Sixty Eight Dollars (\$26,800,468) from the Airport Development Fund Established under authority of Ordinance No. 59286, Section 13, approved October 26, 1984, d) Two Million Nine Hundred Two Thousand Six Hundred Thirty Six Dollars (\$2,902,636) from the Passenger Facility Charge Fund established under authority of Ordinance No. 62501, Section 6, approved February 10, 1992, and e) Twelve Million Seven Hundred Three Thousand Six Hundred Twenty Seven Dollars (\$12,703,627) from the “Series A Commercial Paper Construction Account” of the “Commercial Paper Construction Fund” established and authorized pursuant to Ordinance 66232 approved March 30, 2004 (the “CP Note Ordinance 66232”), to be expended for the payment of costs for work and services authorized herein and providing for the receipt of supplemental appropriations when authorized by ordinance into this Ordinance as funds become available to continue the Airfield Projects authorized herein.”

and the following words and figures are substituted in their place:

“**SECTION TWO.** There is hereby authorized an initial appropriation of Seventy Six Million Six Hundred Twenty Thousand Eight Hundred Ninety Three Dollars (\$76,620,893) as follows: a) Five Million Five Hundred Seventy Thousand Dollars (\$5,570,000) from the sub-account of the Series 1997 Airport Construction Account in the Airport Construction Fund designated as the Series 1997 Improvement Project Sub-account (the "Airport Construction Fund") established pursuant to Ordinance No. 64120 approved July 23, 1997 (the "1997 Airport Bond Ordinance"), b) Thirteen Million Four Hundred Ten Thousand Four Hundred Thirty One Dollars (\$13,410,431) from the sub-account of the Series 2002 Airport Construction Account in the Airport Construction Fund established and authorized pursuant to the Series 2002 Capital Improvement Program Bond Ordinance No. 65618 approved August 5, 2002 (“BOARD BILL NO. 162”), c) Thirty Two Million Four Hundred Seventy Seven Thousand Seven Hundred Thirty Three Dollars (\$32,477,733) from the Airport Development Fund Established under authority of Ordinance No. 59286, Section 13, approved October 26, 1984, d) Four Million Three Hundred Twenty Five Thousand Dollars (\$4,325,000) from the Passenger Facility Charge Fund established under authority of Ordinance No. 62501, Section 6, approved February 10, 1992, and e) Twenty Million Eight Hundred Thirty Seven Thousand Seven Hundred Twenty Nine Dollars (\$20,837,729) from the “Series A Commercial Paper Construction Account” of the “Commercial Paper Construction Fund” established and authorized pursuant to Ordinance 66232 approved March 30, 2004 (the “CP Note Ordinance 66232”), to be expended for the payment of costs for work and services authorized herein and providing for the receipt of supplemental appropriations when authorized by ordinance into this Ordinance as funds become available to continue the Airfield Projects authorized herein.”

SECTION THREE. The sections, conditions, or provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof is held invalid by a court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions of this Ordinance.

SECTION FOUR. This being an Ordinance providing for a public work and improvement program, it is hereby declared to be an emergency measure as defined in Article IV, Section 20, of the City of St. Louis' Charter and shall become effective immediately upon approval by the Mayor of the City of St. Louis.

Approved: June 5, 2006

ORDINANCE #67115
Board Bill No. 59

An Ordinance recommended and approved by the Airport Commission, Board of Public Service, and the Board of Estimate and Apportionment authorizing a Third Amendment to Section One of the Building Projects Public Works Ordinance 65163 approved February 15, 2001, as amended by Ordinance 65625 approved August 5, 2002, and Ordinance 66612 approved February 16, 2005, which authorized a multi-year public work and improvement program (the "Building Projects") at Lambert-St. Louis International Airport® (the "Airport"), increasing the total estimated costs of the Building Projects by Eight Million Four Hundred Sixty Nine Thousand Four Hundred Thirty One Dollars (\$8,469,431) to Ninety Nine Million One Hundred Forty One Thousand Two Hundred Nineteen Dollars (\$99,141,219); amending Section Two of the Building Projects Public Works Ordinance 65163 as amended by Ordinance 65625 and Ordinance 66612, which authorized and provided for the initial appropriation and expenditure of funds for the Building Projects, by deleting Section Two of Ordinance 65163 as amended in its entirety and substituting a new Section Two authorizing and providing for the initial appropriation and expenditure of funds for the Building Projects and providing for the receipt of supplemental appropriations when authorized by ordinance as funds become available to continue the Building Projects; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. Section One of the Building Projects Public Works Ordinance 65163 approved February 15, 2001, as amended by Ordinance 65625 approved August 5, 2002 and Ordinance 66612 approved February 16, 2005, is hereby amended by deleting the following words and figures from the last clause of said section:

"and other necessary and related work or services for the development, implementation, administration, management, or monitoring of the Building Projects at a total estimated cost of Ninety Million Six Hundred Seventy One Thousand Seven Hundred Eighty Eight Dollars (\$90,671,788)."

and replacing with the following words and figures:

"and other necessary and related work or services for the development, implementation, administration, management, or monitoring of the Building Projects at a total estimated cost of Ninety Nine Million One Hundred Forty One Thousand Two Hundred Nineteen Dollars (\$99,141,219)."

SECTION TWO. Section Two of the Building Projects Public Works Ordinance 65163 approved February 15, 2001, as amended by Ordinance 65625 approved August 5, 2002 and Ordinance 66612 approved February 16, 2005, is hereby deleted in its entirety as set out below:

"SECTION TWO. There is hereby authorized an initial appropriation as follows:

Four Million Nine Hundred Forty Four Thousand Dollars (\$4,944,000) from the sub-account of the Series 1997 Airport Construction Account in the Airport Construction Fund designated as the Series 1997 Improvement Project Sub-account (the "Airport Construction Fund") established pursuant to Ordinance No. 64120 approved July 23, 1997 (the "1997 Airport Bond Ordinance"),

Sixty Two Million Two Hundred Eight Thousand Two Hundred Forty Six Dollars (\$62,208,246) from the sub-account of the Series 2002 Airport Construction Account in the Airport Construction Fund established and authorized pursuant to the Series 2002 Capital Improvement Program Bond Ordinance No. 65618 approved August 5, 2002 (Board Bill NO. 162),

Eight Million Six Hundred Twenty One Thousand Five Hundred Forty Two Dollars (\$8,621,542) from the Airport Development Fund Established under authority of Ordinance No. 59286, Section 13, approved October 26, 1984, and

Five Million One Hundred Seventy Three Thousand Dollars (\$5,173,000) from the Passenger Facility Charge Fund established under authority of Ordinance 62501, Section 6, approved February 10, 1992,

to be expended for the payment of costs for work and services authorized herein and providing for the receipt of supplemental appropriations when authorized by ordinance into this Ordinance as funds become available to

continue the Building Projects.”

and the following words and figures are substituted in their place:

“**SECTION TWO.** There is hereby authorized an initial appropriation in the total amount of Ninety Eight Million Three Hundred Forty One Thousand Two Hundred Nineteen Dollars (\$98,341,219), as follows:

- a) Four Million Nine Hundred Forty Four Thousand Dollars (\$4,944,000) from the sub-account of the Series 1997 Airport Construction Account in the Airport Construction Fund designated as the Series 1997 Improvement Project Sub-account (the "Airport Construction Fund") established pursuant to Ordinance No. 64120 approved July 23, 1997 (the "1997 Airport Bond Ordinance"),
- b) Seventy Million Six Hundred Four Thousand Eight Hundred Fifty Five Dollars (\$70,604,855) from the sub-account of the Series 2002 Airport Construction Account in the Airport Construction Fund established and authorized pursuant to the Series 2002 Capital Improvement Program Bond Ordinance No. 65618 approved August 5, 2002 (Board Bill NO. 162),
- c) Five Million Eighty Eight Thousand Six Hundred Sixty Two Dollars (\$5,088,662) from the Airport Development Fund Established under authority of Ordinance No. 59286, Section 13, approved October 26, 1984,
- d) Four Million Four Hundred Seventy Eight Thousand Seven Hundred Two Dollars (\$4,478,702) from the Passenger Facility Charge Fund established under authority of Ordinance 62501, Section 6, approved February 10, 1992, and
- e) Thirteen Million Two Hundred Twenty Five Thousand Dollars (\$13,225,000) from the “Series A Commercial Paper Construction Account” of the “Commercial Paper Construction Fund” established and authorized pursuant to Ordinance 66232 approved March 30, 2004 (the “CP Note Ordinance 66232”),

to be expended for the payment of costs for work and services authorized herein and providing for the receipt of supplemental appropriations when authorized by ordinance into this Ordinance as funds become available to continue the Building Projects.”

SECTION THREE. The sections, conditions, or provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof is held invalid by a court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions of this Ordinance.

SECTION FOUR. This being an Ordinance providing for a public work and improvement program, it is hereby declared to be an emergency measure as defined in Article IV, Section 20, of the City of St. Louis’ Charter and shall become effective immediately upon approval by the Mayor of the City of St. Louis.

Approved: June 5, 2006

**ORDINANCE #67116
Board Bill No. 60**

An Ordinance recommended and approved by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller for the City of St. Louis (the "City") to enter into and execute on behalf of the City the Cargo City Lease Agreement AL-458 with a term ending June 30, 2011 (the "Lease Agreement") at Lambert- St. Louis International Airport® (the "Airport") between the City and Southwest Airlines Co. (the “Lessee”), granting to the Lessee, subject to the terms, covenants, and conditions of the Lease Agreement, certain rights and privileges in connection with the occupancy and use of the Premises, which is defined and more fully described in Article II of the Lease Agreement that was approved by the City’s Airport Commission and the City’s Board of Estimate and Apportionment, and is attached hereto as **ATTACHEMENT “1”** and is incorporated herein; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller for the City of St. Louis (the “City”) are hereby authorized and directed to enter into and execute on behalf of the City the Cargo City Lease Agreement AL-458 with a term ending June 30, 2011 (the "Lease Agreement") at Lambert- St. Louis International Airport® (the "Airport") between the City and Southwest Airlines Co. (the “Lessee”), granting to the Lessee, subject to the terms, covenants, and conditions of the Lease Agreement, certain rights and privileges in connection with the occupancy and use of the Premises, which is defined and more fully described in Article II of the Lease Agreement that was approved by the City’s Airport Commission and the City’s Board of Estimate and Apportionment, and is to read in words and figures substantially as set out in **ATTACHMENT “1”**, which is attached hereto and made a part hereof.

SECTION TWO. The sections, conditions, or provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof contained herein is held invalid by a court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions or portion thereof of this Ordinance 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 THREE. This being an ordinance for the preservation of public peace, health, or safety, it is hereby declared to be an emergency measure as defined in Article IV, Section 20 of the City Charter and shall become effective immediately upon its approval by the Mayor of the City.

ATTACHMENT "1"

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



**SOUTHWEST AIRLINES CO.
CARGO CITY LEASE AGREEMENT
NO. AL-458**

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AIRPORT NUMBER AL-458

**LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CARGO CITY LEASE AGREEMENT**

THIS LEASE AGREEMENT, made and entered into as of the _____ day of _____, 20____, by and between The City of St. Louis, a municipal corporation of the State of Missouri, as Lessor, and Southwest Airlines Co., a corporation organized and existing under the laws of the State of Texas.

RECITALS

The City owns and operates the Lambert-St. Louis International Airport[®], located in the County of St. Louis, State of Missouri.

Lessee desires to lease space within and adjacent to the Cargo City Buildings.

The City is willing to lease space within and adjacent to such buildings to Lessee.

The parties, therefore, agree as follows:

ARTICLE I
MEANINGS AND CONSTRUCTION

Section 101. Meanings and Construction. Except as otherwise clearly indicated by the context, the words and phrases defined in this Section shall have the following meanings when used elsewhere in this Agreement.

“Agreement” means this Lease Agreement.

“Aircraft Operations Area” or “AOA” means those areas of the Airport used for the landing, taking-off, movement, and parking of aircraft, as the same now exist or as the same hereafter may be added to, modified, changed, or developed.

“Airport” means the Lambert-St. Louis International Airport, together with any additions, improvements, or enlargements made from time to time.

“Airport Director” means the Airport Director of the City or the person performing the functions of that office, as authorized by the City’s Mayor, or that person authorized by the Airport Director to act for or on behalf of the Airport Director with respect to any particular matter under this Agreement.

“Cargo City Buildings” means those certain cargo buildings at the Airport, including associated parking lots and sidewalks, and all improvements thereto, with the following addresses: 9801, 9805, 9809, 9813, 9817, 9825, 9833, and 9841 Air Cargo Road, St. Louis, MO, 63145.

“City” or “Lessor” means The City of St. Louis, Missouri.

“Environmental Laws” means all applicable federal, state, and local statutes, ordinances, regulations, rules, laws, permits, permit conditions, and orders relating to the generation, use, storage, transportation, or disposal of Hazardous Materials, including, without limitation, the Clean Air Act, 42 U.S.C. §7401 et seq.; the Clean Water Act, 33 U.S.C. §1251 et seq., and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 et seq.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C. §1401 et seq.; the Noise Control Act, 42 U.S.C. §4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. §651 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended by the Hazardous and Solid Waste, Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §9601 et seq., as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right to Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act, 49 U.S.C. §9601 et seq.; the Toxic Substance Control Act, 15 U.S.C. §2601 et seq.; the Atomic Energy Act, 42 U.S.C. §2011 et seq.; and the Nuclear Waste Policy Act of 1982, U.S.C. §1010 et seq.

“Environmental Permits” means any and all permits, licenses, approvals, authorizations, consents, or registrations required by Environmental Laws, whether federal, state or local, which pertain to the production, use, treatment, generation, transportation, processing, handling, disposal, or storage of Hazardous Materials.

“Event of Default” means an Event of Default as defined in Section 901.

“Federal Aviation Administration” or “FAA” means the Federal Aviation Administration created under the Federal Aviation Act of 1958, as amended, or any successor agency thereto.

“Hazardous Materials” means friable asbestos or asbestos-containing materials, polychlorinated biphenyls (PCBs), petroleum, or crude oil or any fraction thereof, natural gas, source material, special nuclear material, and byproduct materials regulated under Environmental Laws, pesticides regulated under Environmental Laws, and any hazardous waste, toxic, or dangerous substance or related material, including any material defined or treated as a hazardous substance, hazardous waste, toxic substance, or contaminant (or comparable term) under any of the Environmental Laws.

“Lessee” means Southwest Airlines Co. as designated in the signature page hereof.

“Notice” means a communication between the parties to this Agreement performed in accordance with the requirements of Subsection 1113(B).

“Premises” means the area or areas described in Section 201, and shown on Exhibit “A,” that has or have been designated by the City for the exclusive occupancy and use by Lessee for the uses herein specifically provided.

“Remediation Costs” means any reasonable losses, expenses, or costs incurred by the City in connection with environmental remediation: (i) required by the appropriate governmental agency responsible for enforcing Environmental Laws or Environmental Permits, and (ii) attributable to Hazardous Materials left on City property in violation of Environmental Laws or Environmental Permits, and caused by, or arising out of, Lessee’s operations at the Airport or Lessee’s use or lease of the City’s property. Remediation Costs include investigation and evaluation costs, costs to implement institutional controls or restrictive covenants, sampling and analysis costs, reporting costs, planning and design costs, consultant and contractor costs, labor costs, equipment costs, construction costs, access costs, disposal costs, transportation costs, reasonable administrative costs, reasonable attorneys’ fees and other legal fees and litigation expenses, permit fees and costs, monitoring costs, oversight and inspection costs, claims, demands, causes of action, suits, judgments, damages, compensation, debts, costs, expenses, losses, penalties, fines, stipulated penalties, punitive damages, and other similar liabilities arising out of Lessee’s violation of Environmental Laws or Environmental Permits.

“Rents” means for any Fiscal Year, the rents payable by Lessee pursuant to Article V.

“Rules and Regulations” means those lawful, reasonable, and not unjustly discriminatory rules and regulations, including ordinances and operating directives, promulgated by the Airport Director, the Airport Commission, or the City from time to time for the orderly operation of the Airport.

“Transportation Security Administration” or “TSA” means the Transportation Security Administration created under the Aviation and Transportation Security Act of 2001, as amended, or any successor agency thereto.

Section 102. Interpretation. References in the text of this Agreement to articles, sections, paragraphs, or exhibits pertain to articles, sections, paragraphs, or exhibits of this Agreement, unless otherwise specified.

The terms “hereby,” “herein,” “hereof,” “hereto,” “hereunder,” and any similar terms used in this Agreement refer to this Agreement.

Words importing persons shall include firms, associations, partnerships, trusts, corporations, and other legal entities, including public bodies, as well as natural persons.

Any headings preceding the text of the articles and sections of this Agreement, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction, or effect.

Words importing the singular shall include the plural and vice versa. Words of any gender shall be deemed to include correlative words of the other gender.

The term “including” shall be construed to mean “including without limitation,” unless otherwise expressly indicated.

All references to number of days shall mean calendar days.

Words used in the present tense include the future.

ARTICLE II PREMISES

Section 201. Premises. The City hereby leases Lessee, and Lessee takes from the City, the Premises located at 9805 Air Cargo Road, Lambert-St. Louis International Airport, St. Louis, Missouri, 63145, also known as Cargo Building #5A, consisting of 6,650 square feet of enclosed cargo building space, and 5,878 square feet of adjoining unenclosed space, all as shown on Exhibit “A”, attached hereto and made a part hereof.

The Premises are leased to Lessee subject to the reservations set forth in Section 202 hereof.

Lessee accepts and receives the Premises “**AS IS**”, with no warranties or representations of any kind, expressed or implied, either oral or written, made by the City or any of its agents or representatives with respect to the physical, environmental or structural conditions of the Premises or any portion thereof or otherwise including but not limited to, soil conditions of the land and structural conditions of the buildings or facilities or the presence or absence of any Hazardous Materials, or of any underground or above ground storage tanks or repositories and related equipment, water, sewage or utilities serving the Premises or any other matter or thing affecting or relating to the Premises, except as expressly set forth in this Agreement. The City without limitation expressly disclaims any expressed or implied warranty with respect to the condition of the Premises, its compliance with any zoning or other laws, statutes, rules, ordinances or regulations applicable to the Premises including but not limited to the Americans with Disabilities Act, the uses permitted on the Premises, or any other matter or thing relating to the Premises or any portion thereof.

Section 202. Reservations. The grant of lease hereunder is subject to the following reservations and conditions:

- A. The City reserves the right (but shall not be obligated pursuant to this Agreement) to develop, maintain, and keep in repair the Airport, including the Aircraft Operating Area and all publicly-owned facilities.
- B. Lessee shall not exercise the rights granted by this Agreement to Lessee in such a way as to interfere with or adversely affect the use, operation, maintenance, expansion or development of the Airport, or with the operations of other tenants

or users of the Airport.

- C. The City reserves the right to, from time to time, temporarily or permanently close or restrict specific roadways, taxiways, taxi lanes, runways, apron areas, doorways, and any other area at the Airport. The City also reserves the right at any time or times to relocate, reconstruct, change, alter, or modify any such means of access provided for pursuant to this Agreement or otherwise, either temporarily or permanently; provided that a reasonably convenient and adequate means of access, ingress, and egress shall exist or be provided in lieu thereof. The City shall reasonably notify Lessee of any such action affecting Lessee.
- D. The City reserves for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause or allow in said airspace such noise, vibration, fumes, dust, fuel particles, illuminations, interference with television, radio or any other type of transmission and other effects as may be caused in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the Airport.
- E. The City reserves the right to grant utility and maintenance rights-of-way to itself and others over, under, through, across or on the Premises provided that such use will not substantially or materially interfere with Lessee's use of the Premises, and provided further that such reservation or grant of rights shall not directly result in additional cost or expense to Lessee.

Section 203. Access. Subject to all of the terms, covenants, warranties and conditions of this Agreement, Lessee has the right of free access, ingress to and egress from the Premises, for Lessee's employees, contractors, subcontractors, agents, and invitees.

Lessee shall be granted the use, for its employees, contractors, subcontractors, agents, and invitees, a share of the adjoining parking area. Lessee will be allotted a share of parking spaces equivalent to Lessee's share of total leased space in the Cargo City Buildings.

Section 204. Security. Lessee hereby acknowledges that Transportation Security Administration regulations require the City to adopt and put into use facilities and procedures designed to prevent and deter persons and vehicles from unauthorized access to the Aircraft Operating Area. Lessee understands that the City has met said requirements by developing an Airport Security Program ("ASP") for the Airport, and Lessee warrants, covenants and agrees to be fully bound by, and immediately responsive to, the requirements of the ASP, as it may be amended from time to time. Lessee further warrants, covenants and agrees, throughout the term of this Agreement, at its own cost, to prepare facilities and procedures, satisfactory to the City, designed to prevent and deter persons and vehicles from unauthorized access to the AOA from and through any Premises controlled or used by Lessee in accordance with the provisions of the applicable Transportation Security Administration regulations and the ASP.

Lessee's security procedures and facilities on the Premises shall meet the requirements of the applicable Transportation Security Administration regulations and the ASP, including the following:

- A. fencing and locked gates;
- B. Airport-approved badging, badge display, escort and challenge procedures applicable to persons authorized to enter the AOA;
- C. an electronic entry control system or a manned guard system where gates or doorways cannot reasonably be controlled by locks; and
- D. other facilities and procedures as may be required to establish positive control for preventing the entrance of unauthorized persons and vehicles onto the AOA.

Section 205. Premises Adjustments. If Premises are increased, reduced or changed by mutual written consent of the City and Lessee, revised exhibits may be substituted for those herein without the necessity to amend this Agreement, which substitution may be made by Notice to Lessee from the City.

ARTICLE III AGREEMENT TERM

Section 301. Term. The term of this Agreement shall commence on April 1, 2006 and shall end on June 30, 2011, unless sooner terminated in accordance with other provisions of this Agreement.

ARTICLE IV USE OF PREMISES

Section 401. Use. The City hereby grants to Lessee, subject to all the terms, covenants, warranties and conditions of this Agreement, the exclusive use of the Premises for receiving, delivering, dispatching, processing, handling, and storing air cargo, mail, and other property being transported in air commerce, and for no other purpose, unless expressly authorized by the City.

Section 402. Repairs and Maintenance.

- A. The City shall maintain and keep in good repair the structures associated with the Cargo City Buildings, as well as all

associated common areas, including roadways, sidewalks, automobile parking areas, tug drives, common utility lines and systems, exterior lighting, and perimeter fencing. The City shall clean, and provide for snow and ice removal from, the common roadways, sidewalks, automobile parking areas, and tug drives.

- B. Lessee shall, throughout the term of this Agreement, at its own cost and without any expense to the City, maintain and keep in good repair the interior and exterior, non-structural portions of the Premises, including all tenant improvements, utility systems (up to the common distribution points for each utility system), all doors and windows, and any other structures erected within the Premises. Lessee shall, at its sole cost and expense, take such measures as may be necessary to keep the Premises secure; the City shall have no obligation or responsibility to keep the Premises secure.
- C. Lessee warrants, covenants and agrees, without cost or expense to the City during the term hereof, to perform the following:
1. Housekeeping of Premises. Remove from the Premises all trash and refuse, and dispose of it in a manner approved by the City.
 2. Maintenance Standards. Maintenance and repairs shall be in quality and class equal to or better than the original work to preserve the Premises in good order and condition, based on a standard of care reflecting prudent property management. Lessee shall repair all damage to the Premises caused by Lessee or its employees, contractors, subcontractors, agents, and invitees; this requirement includes immediate replacement of broken windows, doors and locks with like materials.
 3. Care of Unenclosed Space. Keep all papers and debris picked up, and provide for snow and ice removal to allow, at a minimum, emergency or fire protection access.
 4. Drainage Facilities. Comply with the Airport's Storm water Detention Design Criteria and Guidelines dated December 1986, as revised from time to time, as well as any and all applicable federal, state, and municipal regulations. Lessee shall establish a system of periodic inspection, cleaning and maintenance to keep watercourses, catch basins and other drainage structures on the Premises functioning at full design capacity. Inspection, cleaning and maintenance intervals shall be established by the Airport Director with reports to be submitted within 30 days of completion of each inspection, cleaning and maintenance. Lessee shall pile removed snow in locations that will permit the water generated by the melting of such snow piles to flow into the drainage system of the Cargo City Buildings.
 5. Obstruction Lights. Provide and maintain obstruction lights and all similar equipment or devices now or at any time required by any applicable law, rule, regulation or ordinance, or any municipal, state or federal regulation.

Section 403. Utilities. Lessee shall provide for and pay for all utilities used on the Premises.

Section 404. Interference to Air Navigation. Lessee warrants, represents and agrees that no obstruction to air navigation, as such are defined from time to time by application of the criteria of FAR Part 77 or subsequent and additional regulations of the Federal Aviation Administration ("FAA"), will be constructed or permitted to remain on the Premises. Lessee warrants, represents and agrees that, upon notification by the City, it will immediately remove any obstructions at its expense. Lessee warrants, represents and agrees not to increase the height of any structure or objects or permit the growth of plantings of any kind or nature whatsoever that may interfere with the line of sight of the control tower and its operations. Lessee further warrants, represents and agrees not to install any structures, objects, machinery or equipment that would interfere with the operation of navigation aides or that would interfere with the safe and efficient operations of the Airport.

Section 405. Observance and Compliance with Laws.

- A. Lessee, its officers, directors, employees, agents, and its contractors and suppliers, while such contractors and suppliers are providing services to Lessee, shall comply with:
1. all applicable federal, state and local laws and ordinances, including directives of the FAA applicable to the Lessee's operation at the Airport;
 2. the Rules and Regulations governing the Airport; and
 3. the provisions of the Airport certification manual, as it may be amended from time to time.

Lessee shall make reasonable efforts to cause its guests and invitees to comply as well.

- B. Notwithstanding anything to the contrary, references herein to a statute or law shall be deemed to be a reference to (i) such statute or law as it may be amended from time to time, (ii) all ordinances, regulations, rules, executive orders, policies and instructions pertaining to or lawfully promulgated pursuant to such statute or law as they now exist or may be amended from time to time, and (iii) all future statutes, laws, ordinances, regulations, rules, executive orders, policies, and instructions pertaining to the same or similar subject matter as they now exist or may be amended from time to time.

Section 406. Compliance with Environmental Laws. Lessee warrants and covenants that in conducting any activities or business at the Airport, including any activities directly related or incidental to its use and occupancy of the Premises, Lessee shall comply with

any and all applicable Environmental Laws. Lessee further covenants and warrants as follows:

- A. **Environmental Permits.**
1. Lessee shall obtain and maintain any and all Environmental Permits required by applicable Environmental Laws to conduct the activities in which Lessee engages on the Premises.
 2. Lessee shall comply with any requirement imposed by an Environmental Permit obtained by the City that is applicable to Lessee or Lessee's activities on the Premises; provided, however that the City shall adequately notify Lessee of such Environmental Permit and associated requirements, including all applicable deadlines for compliance.
 3. The City and Lessee shall cooperate to ensure compliance with the terms and conditions of any Environmental Permit to insure safety and to minimize cost of compliance.
- B. **Duty to Notify City.** In the event of any release or threatened release of Hazardous Materials caused by Lessee, its employees, agents, contractors, suppliers, guests, or invitees, and which is required by applicable Environmental Laws or Rules and Regulations to be reported by Lessee, whether as a result of negligent conduct or otherwise, on, or under the Premises, or in the event any written claim, demand, complaint or action is made or taken against Lessee that pertains to Lessee's failure or alleged failure to comply with any Environmental Laws or Environmental Permits on or under the Premises, Lessee shall notify the City as soon as reasonably practical of all known facts pertinent to such release, threatened release, claim, demand, complaint, action, or notice, and shall provide the City with copies of any and all such claims, demands, complaints, notices, or actions so made. If Lessee is required, by any Environmental Laws, Environmental Permits, or governmental agency, to file any written notice or report of a release or threatened release of Hazardous Materials on or under the Premises, Lessee shall simultaneously provide a copy of such notice or report to the City.
- C. **Environmental Remediation.** Lessee shall undertake all necessary steps required under applicable Environmental Laws and Environmental Permits to remedy and remove at its cost any Hazardous Material, or environmental condition or damage to the extent caused by, or resulting from, the activities, conduct or presence of Lessee or its agents, employees, contractors, or suppliers on or under the Premises, whether resulting from negligent conduct or otherwise ("Remediation Work"). Such Remediation Work shall be performed at Lessee's expense. Except in the event of an emergency, such Remediation Work shall be performed after Lessee submits to the City a written plan for completing such Remediation Work and receives the prior approval of the City through Notice; provided, however, that the City's approval shall not be unreasonably withheld or delayed. The City expressly reserves the right to review and approve any proposed: remedial investigations, remedial work plans, interim and final remedies, institutional controls or other associated documents prior to submittal to the relevant governmental agencies responsible for enforcing Environmental Laws or Environmental Permits. Specific cleanup levels for any Remediation Work by Lessee shall be designed to meet and satisfy the requirements of all applicable Environmental Laws and Environmental Permits, as determined by the governmental agency responsible for enforcing Environmental Laws or Environmental Permits. Neither an ongoing remediation, including any testing or monitoring, nor the use of institutional controls, shall either unreasonably or materially impair or interfere with the City's use and enjoyment of its property its Premises, or that of current and future tenants. The City shall have the right to conduct a reasonable review and inspect all such Remediation Work at any time using consultants and representatives of its choice.
- D. **Access for Environmental Inspection.** Upon reasonable notification to Lessee, the City shall have reasonable access to the Premises to inspect the same in order to confirm that Lessee is using the Premises in accordance with all applicable Environmental Laws and Environmental Permits. Lessee shall cooperate fully with any such inspections provided that such inspections shall not unreasonably interfere with Lessee's operations. If the City's inspection results in any type of written report, the City shall provide Lessee a reasonable opportunity to timely review and comment on a draft of the report. Lessee shall provide to City for its review and comment copies of: any and all notices of alleged non-compliance issued by governmental agencies responsible for enforcing Environmental Laws or Environmental Permits; draft official submittals (proposed final drafts) prepared by, or on behalf of, Lessee responding to such alleged non-compliance; and any and all consent orders or administrative determinations, whether preliminary or final, issued by such governmental agencies. The City agrees to maintain the confidentiality of the documents produced in accordance with this Subsection to the extent consistent with the City's legal obligations.
- E. **Corrective Action by City.** If Lessee fails to comply with any applicable Environmental Laws or Environmental Permits governing its activities on the Premises, or if Lessee fails to conduct necessary Remediation Work in a timely manner as required under this Section, the City, as required by applicable Environmental Laws and Environmental Permits, in addition to the rights and remedies described elsewhere herein and any other rights and remedies otherwise available to the City, may enter the Premises and take all reasonable and necessary actions to conduct Remediation Work to remove Hazardous Materials or other contaminants and insure such compliance with such Environmental Laws and Environmental Permits. All Remediation Costs incurred by the City shall be paid or reimbursed by Lessee. Remediation Work, if necessary, shall be performed in accordance with the provisions of Subsection 406(C), but only after first having provided Notice to Lessee of such failure to comply, and 30 days within which Lessee may demonstrate why no such alleged failure is present, or to timely remedy such alleged failure that may be present. If Lessee's compliance reasonably requires more than 30 days to complete, the City may enter the Premises and take such reasonable and necessary measures to achieve compliance only upon Lessee's failing to timely begin curing such noncompliance within such 30 day period and to continue diligently working to achieve compliance thereafter.

- F. Review of Environmental Documents. At the reasonable request of the City, Lessee shall make available for inspection and copying, at reasonable times, any and all non-privileged documents and materials Lessee has prepared pursuant to any applicable Environmental Laws or Environmental Permits, or submitted to any governmental agency, which documents and materials relate to environmental issues, Environmental Laws or Environmental Permits and which pertain to the Premises, and which would be discoverable in litigation.
- G. Cumulative Remedies. All remedies of the City as provided herein with regard to environmental pollution, contamination, damage, or any actual or threatened violations of any Environmental Laws or Environmental Permits are deemed to be cumulative in nature. The City's right to indemnification as provided under this Section shall survive the expiration or early termination of this Agreement.

Section 407. Individuals with Disabilities. Lessee shall be responsible for compliance with the Federal Americans with Disabilities Act, plus any other federal, state or local laws or regulations and City Ordinances pertaining to the disabled individual having access to the Premises or Lessee's services.

Section 408. Nondiscrimination.

- A. Lessee for itself, its personal representatives, successors in interest, and assigns, agrees that no person on the grounds of race, creed, color, national origin, sex, age, or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in (i) the use of the Premises; or (ii) the construction of any improvements on, over, or under the Premises, and the furnishing of services thereon.
- B. Lessee shall comply with all applicable nondiscriminatory requirements that may be imposed pursuant to the Federal Aviation Act of 1958, as amended; the Civil Rights Act of 1964, as amended; 49 C.F.R. Parts 21, 23, and 26, as said regulations may be amended; and state and local laws.

Section 409. Prevailing Wage. Lessee shall include in all service contracts pertaining to the Premises language specifying the minimum prevailing wages to be paid and fringe benefits to be provided by the service contractor to employees of said service contractor in accordance with the provisions of the Revised Code of The City of St. Louis, Chapter 6.20.

Section 410. City Right to Enter, Inspect, and Require Corrective Action.

- A. The City shall have the right at reasonable times to enter upon Premises for any of the purposes listed below:
1. to inspect the Premises for any purpose necessary for or incidental to or connected with the City's obligations hereunder, or in the exercise of the City's capacity as Airport owner;
 2. to identify those actions required of the Lessee or the City, pursuant to this Agreement;
 3. for fire protection, safety, or security purposes;
 4. to make structural additions and alterations to the Airport;
 5. as provided in Section 411; and
 6. upon the expiration or early termination of this Agreement.
- B. The City shall provide reasonable notification and such right of entry shall not unreasonably interfere with Lessee's use or occupancy of its Premises, except if the situation endangers the health or safety of persons or the safety of operations on the Premises. The right of inspection reserved to the City shall impose no obligation on the City to make inspections to ascertain the condition of the Premises and shall impart no liability upon the City for failure to make such inspections. The failure of the City to inspect or monitor or notify Lessee of a default or of a hazardous or unsafe condition with respect to Lessee operations hereunder shall not release Lessee from its liability to perform its obligations hereunder or impose any liability on the City, and in any other event where the City determines that it is necessary or desirable to do so to preserve the Airport or any portion thereof or to correct any conditions likely to cause injury or damage.
- C. Unless otherwise provided herein, Lessee shall perform all corrective work required of it that is identified in such inspection(s) within 30 days of receipt of a notification from the City. If correction cannot reasonably be completed within such 30 day period, this period may be extended at the sole discretion of the City. Matters affecting public health, safety, and welfare, including trash and debris problems, shall be corrected promptly after the City notifies the Lessee's manager or the manager's designee either orally or in writing via hand-delivery.

Section 411. Failure to Maintain by Lessee. If City determines that Lessee has failed to properly clean, remove trash and refuse, maintain, or repair the Premises as required in Section 402, the City shall provide to Lessee a list of deficiencies, reflecting the amount of time to be reasonably allowed for Lessee to correct same. If Lessee fails to correct such deficiencies within the time allowed and has not registered an objection as to its obligation to do so, the City, following 5 days further notification by the City to Lessee, may enter upon the Premises and correct the listed deficiencies. The City shall add the cost of such work, plus actual administrative costs, to the Rents due hereunder on the first day of the month following the date of such work, and such cost shall

be and constitute a part of the Rents. Subsequent to receipt of the further notification of intent to perform repairs, maintenance, or cleaning from the City, Lessee shall not undertake performance of such repairs, maintenance, or cleaning without specific prior authorization from the City.

Section 412. City Obligations. Except as specifically provided for herein, the City shall not be under any duty or obligation to Lessee to repair, maintain, or clean the Premises or any portion thereof, or any facilities or equipment constructed thereon. The City shall not be responsible or liable to Lessee for any claims for compensation for any losses, damages, or injury, including lost profits, sustained by Lessee resulting from failure of the Airport structures or utility systems, or caused by the natural physical conditions on the Airport, whether on the surface or underground, including stability, moving, shifting, settlement of ground, or displacement of materials by fire, water, windstorm, tornado, act of God, state of war, terrorism, civilian commotion or riot, or any other cause or peril beyond the control of the City, except to the extent covered by the City's insurance or as may be caused by the City's negligence, willful misconduct, or bad faith.

Section 413. Third-Party Supplier or Operator Obligations. The City reserves the right to require third-party suppliers or operators providing any commercial goods or services on behalf of another Tenant, to secure a permit from the City, to comply with all applicable Rules and Regulations, and to pay any applicable fees to the City to conduct such activity at the Airport.

ARTICLE V RENT AND FEES

Section 501. General. Lessee, for and in consideration of the rights and privileges granted herein, agrees to promptly and timely pay the Rents set forth in this Agreement, without demand during the term of this Agreement.

Section 502. Rent Payment. Lessee shall pay in advance to City the following monthly rental rates:

Cargo Building #5A Space:

6,650 square feet x \$8.25 per sq. ft. = \$54,862.50/annual ÷ 12 = \$4,571.88/month.

Adjoining Unenclosed Space and Adjacent Structures:

5,878 square feet x \$0.33 per sq. ft. = \$1,939.74/annual ÷ 12 = \$161.65/month.

Total monthly rental = \$4,733.53 per month. All payments shall be paid on or before the first day of each month of the term of this Agreement.

Section 503. Interest Charges and Late Charges on Overdue Payment. If Lessee fails to make payment of any sums due hereunder by the due dates set forth herein, Lessee shall pay to the City, in addition to all other remedies available to the City and all other payments to be made by Lessee to the City, an interest charge equal to 1.5% for each month of the overdue amount, and costs and attorney's fees reasonably incurred by the City in attempting to obtain payment, if any. Payments received later than 30 days from their respective due date shall be assessed an additional one-time late charge of 5% of the amount due, in addition to applicable interest charges.

Section 504. Form of Payment. Lessee shall pay all sums due hereunder in lawful money of the United States of America, without notice or demand, without deduction or setoff, by wire transfer or check made payable to the "Treasurer, City of St. Louis," which check shall be delivered postage or other charges prepaid to:

By U.S. Mail: Airport Assistant Director of Finance
Lambert-St. Louis International Airport
P.O. Box 10036, Lambert Station
St. Louis, Missouri 63145

By Express Mail: Airport Assistant Director of Finance
Lambert-St. Louis International Airport
10701 Lambert International Boulevard
St. Louis, Missouri 63145

By Wire Transfer: Routing Number: 081000210-1001018702
Bank Name: USBank (Checking)
Account Name: Airport Revenue Fund
(include a description of the transfer (e.g. "Name of Lessee, Agreement No. AL-458"))

or as hereafter the City may designate by Notice to Lessee.

Section 505. Security Deposit.

A. Amount and Form of Security Deposit. Upon execution of this Agreement, Lessee shall provide the City with an

irrevocable letter of credit, contract bond, or other security or instrument acceptable to the City ("Security Deposit") in an amount equal to 3 (three) months of estimated Rents. The Security Deposit shall guarantee the faithful performance by Lessee of all of its obligations hereunder and the payment of all Rents due to the City. The Security Deposit shall be in such form and with such company licensed to do business in the State of Missouri as shall be acceptable to the City, within its reasonable discretion. The Security Deposit is not the sole or exclusive remedy of the City and shall not be construed, in and of itself, as adequate assurance of Lessee's future performance.

- B. Term of Security Deposit. Lessee shall maintain the Security Deposit until the termination of this Agreement. Lessee shall provide at least 60 days prior Notice of the date on which any Security Deposit expires or is subject to cancellation.
- C. City's Right to Use Security Deposit; Replenishment. If Lessee commits or is under an Event of Default pursuant to Section 901, the City shall have the right to use the amounts of such Security Deposit to pay Lessee's Rents or any other amounts owed to the City by Lessee then due and payable, or to apply the proceeds to any cost or expense or material damages incurred by the City as a result of Lessee's default, or Event of Default under Section 901. If any such Security Deposit, or portion thereof, is used as stated in this Subsection, Lessee shall replenish or provide a renewal or replacement Security Deposit up to the full amount set forth in Subsection 505(A) within 10 days of being notified to do so by the City. The City's rights under this Section shall be in addition to all other rights and remedies provided to the City hereunder.
- D. Waiver of Security Deposit Requirement. Notwithstanding the provisions of Subsections 505(A)-(C), the City will waive the Security Deposit obligation if it determines that Lessee qualifies for relief from such obligation. To qualify for such relief, Lessee must:
 - 1) not be under an Event of Default pursuant to, and not have received Notice in accordance with, Section 901;
 - 2) have made timely payments of all applicable Rents, Fees, and Charges during the term of of this Agreement.

If, after having waived the Security Deposit obligation in accordance with this Subsection, the City determines that Lessee has not continued to satisfy the requirements for relief, or if Lessee commits or is under an Event of Default pursuant to Section 901, Lessee shall immediately provide a Security Deposit in accordance with the provisions of Subsection 505(A).

ARTICLE VI TENANT IMPROVEMENTS

Section 601. Alterations and Improvements by Lessee. Lessee may construct and install, at Lessee's sole expense, such improvements in its Premises as Lessee deems to be necessary for its use of the Premises. The plans and specifications, location, and construction schedule for such improvements, including any substantial alteration or addition thereto, must be submitted to and approved by the City prior to the commencement of any and all such construction or installation. Lessee shall comply with the requirements of all applicable laws and building codes and the City's Rules and Regulations governing tenant construction, alterations, and improvements. No reduction or abatement of Rents shall be allowed for any interference with Lessee's operations by such construction. All such alterations and improvements by Lessee shall be subject to the following:

- A. The City shall have the right to refuse approval of such plans and specifications. The City may, at its own cost, inspect any such alterations or improvements.
- B. All improvements made to the Premises and permanent additions or alterations thereto made by Lessee, except those financed by the City, shall be and remain the property of Lessee until expiration of the term of this Agreement. Upon expiration or early termination of this Agreement, said additions and alterations shall become the property of the City; provided, however, that any trade fixtures, signs, equipment, and other movable personal property of Lessee shall remain the property of Lessee, subject to the terms of Article X.
- C. Lessee shall promptly pay all lawful claims made against the City and discharge all liens filed or which exist against the Premises, or Lessee's trade fixtures or trade equipment arising out of or in connection with the failure to make payment for work done or materials provided by Lessee, its contractors, subcontractors, or materialmen. Lessee shall have the right to contest the amount or validity of any such claim or lien without being in default hereunder; provided, however, that while contesting the amount and validity of any such claims or liens Lessee shall provide the City, at the City's request, with a performance bond in an amount equal to the amount of the claim or lien. Lessee shall give timely Notice to the City of all such claims and liens.
- D. Lessee shall use, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to use, the highest degree of care when entering upon any property owned by the City in connection with the work. Lessee shall comply, and shall cause each of its officers, directors, employees, agents, contractors, and suppliers to comply, with any and all instructions and requirements for the use of City-owned property.
- E. In any contract relating to the construction or installation of improvements in the Premises, Lessee shall require each of its contractors and suppliers to:
 - 1. carry a policy of Builders Risk Insurance in accordance with Section 701(B)(5); and

2. furnish performance and payment bonds in the full amount of any contract in a form acceptable to the City. Payment bonds shall comply with the coverage requirements and conditions of Section 107.170 of the Missouri Revised Statutes, as amended. Copies of the bonds shall be given to the City for approval before work begins. Any sum or sums derived from said performance and payment bonds shall be used for the completion of said construction and the payment of laborers and material suppliers, as the case may be.
- F. Upon the completion of the improvements hereunder, Lessee shall submit to the City a copy of its acceptance letter certifying completion, a certified copy of any certificate or permit which may be required by any federal, state or local government or agency in connection with the completion or occupancy thereof by Lessee, and a certified set of "as built" drawings.

Section 602. Nondisturbance of Airport Tenants and Operations. Any work by Lessee and its contractors shall be conducted in an orderly and proper manner, and shall not otherwise disturb, create a hazard, or interfere with other projects on, or the operations of, the Airport. Lessee shall promptly comply, and shall cause its contractors to comply, with any reasonable request from the City to correct its conduct or that of its contractors. If Lessee or its contractors fails to comply with the provisions of this Section, the City shall have the right to stop any or all work being performed, until such compliance is achieved, without terminating this Agreement.

ARTICLE VII INSURANCE, DAMAGE, AND INDEMNIFICATION

Section 701. Insurance.

- A. General. Lessee at all times during the term hereof, shall cause St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their officers, agents and employees and Lessee to be insured on an occurrence basis against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities or omissions of Lessee, its officers, agents, and employees pursuant to this Agreement both on the Premises and the Airport.
- B. Risks and Minimum Limits of Coverage. Lessee shall procure and maintain the following policies of insurance:
1. Commercial General Liability Insurance in an amount not less than \$2 million. Such coverage shall be single limit liability with no annual aggregate.
 2. Automobile Liability Insurance in an amount not less than \$2 million combined single limit per occurrence (for automobiles used by Lessee in the course of its performance hereunder, including Lessee's non-owned and hired autos).

In the event that Lessee expands operations in which Lessee's vehicles operate on the airfield, the automobile liability insurance coverage shall be increased to \$10,000,000.00. A new certificate of insurance with the higher automobile coverage limits must be received by the Airport Properties Office before Lessee operates any vehicles on the airfield.
 3. Workers' Compensation and Employer's Liability Insurance in accordance with Missouri laws and regulations. With respect to Workers' Compensation Insurance, if Lessee elects to be self-insured, Lessee shall comply with the applicable requirements of law. Lessee shall require that all its subcontractors or licensees similarly provide such coverage (or qualify as a self-insured) for their respective employees. City, its officers, employees, or agents shall not be liable or responsible for any claims or actions occasioned by Lessee's failure to comply with the provisions of this Subparagraph and that the indemnification provisions hereof shall apply to this Section. It is expressly agreed that the employees of Lessee are not employees of the City for any purpose, and that employees of the City are not employees of Lessee.
 4. Contents Insurance. Lessee shall be solely responsible for obtaining insurance policies that provide coverage for losses of Lessee owned property. The City shall not be required to provide such insurance coverage or be responsible for payment of Lessee's cost for such insurance.
 5. Builders Risk Insurance. During any period of construction or reconstruction for which Lessee contracts, Lessee shall carry, or shall require its contractor or contractors to carry, a policy of Builders Risk Insurance in an amount sufficient to insure the value of the work. The City shall be named Loss Payee on Builders Risk coverage to the extent of the City's interest therein (except to the extent coverage relates to Lessee's equipment and personal property). Lessee may elect to self-insure for individual projects with a total cost of \$50,000 or less.
 6. Other Property Coverage. Lessee shall provide an "All Risk" insurance policy providing protection from direct loss arising out of any fortuitous cause other than those perils or causes specifically excluded by norm and which covers Lessee's improvements to the Premises, windows and doors, trade fixtures, and equipment. The City shall be named Loss Payee on such coverage to the extent of the City's interest therein (except to the extent coverage relates to Lessee's equipment and personal property).
- C. Issuers of Policies. The issuer of each policy required herein shall be a financially sound insurance company authorized

to issue insurance policies in the State of Missouri. Acceptable insurers include insurance companies with an "A.M. Best Company" rating of at least an "A," or other insurers or insurance syndicates of similar recognized responsibility.

1. Form of Policies. The insurance may be in one or more policies of insurance.
 2. Non-waiver. Nothing the City does or fails to do shall relieve Lessee from its duties to provide the required coverage hereunder, and the City's actions or inactions shall not be construed as waiving the City's rights hereunder.
 3. Insured Parties. Each policy by endorsement, except those for Workers' Compensation, Employer's Liability, shall name the City, its officers, agents, and employees as "additional insured" on the certificate of insurance, including all renewal certificates, to the extent of Lessee's indemnification obligations hereunder. Inclusion as an "additional insured" is not intended to, and shall not, make the City a partner or joint venturer with Lessee in its operations.
 4. Deductibles. Lessee shall assume and bear any claims or losses to the extent of any deductible amounts and waives any claim it may ever have for the same against the City, its officers, agents, or employees; provided, however, that nothing herein stated shall diminish Lessee's rights or increase Lessee's obligations in respect to its undertakings or hold harmless defense and indemnification set forth in Section 704 hereof.
 5. Cancellation. Each policy shall expressly state that it may not be cancelled, materially modified or nonrenewed unless 30 days advance Notice is given in writing to the City by the insurance company, or authorized representative of Lessee.
 6. Subrogation. Each policy shall contain an endorsement by which the issuer waives any claim or right in the nature of subrogation to recover against the City, its officers, agents, or employees.
 7. Endorsement of Primary Insurance. Each policy hereunder except Workers' Compensation shall be primary insurance to any other insurance available to the Additional Insured and Loss Payee with respect to claims arising hereunder.
 8. Liability for Premium. Lessee shall be solely responsible for payment of all insurance premiums required pursuant to this Agreement, and the City shall not be obligated to pay any premiums; provided, however, that if Lessee fails to obtain the insurance as required herein or make premium payments, the City may, without further notification, effect such insurance or make such payments on Lessee's behalf and, after Notice to Lessee, the City may recover the cost of those payments with the installment of Rents next due, plus 15% administrative charge, from Lessee.
 9. Proof of Insurance. Within 30 days of the Effective Date of this Agreement and at any time during the term hereof, Lessee shall furnish the City with certificates of insurance. At least 5 days prior to the expiration of any such policy, Lessee shall submit to the City a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Lessee shall, within 15 days after the date of such notice from the insurer of such cancellation or reduction in coverage, file with the City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon reasonable notification by the City to Lessee, the City shall have the right to examine Lessee's insurance policies.
- D. Maintenance of Coverage. Notwithstanding the proof of insurance requirements set forth above, it is the intention of the parties hereto that Lessee, continuously and without interruption, maintain in force the required insurance coverages set forth above.
- E. City Right to Review and Adjust Coverage Limits. The City reserves the right at reasonable intervals during the term of this Agreement to cause the insurance requirements of this Article to be reviewed, at its sole cost, by an independent insurance consultant experienced in insurance for public airports, taking into consideration changes in statutory law, court decisions, or the claims history of the airline industry as well as that of Lessee, and, based on the written recommendations of such consultant, and in consultation with Lessee, to reasonably adjust the insurance coverages and limits required herein but not more often than every 24 months.

Section 702. Lessee Actions Affecting Insurance. Lessee shall not knowingly do or permit to be done anything, either by act or failure to act, that may cause the cancellation or violation of the provisions, or any part thereof, of any policy of insurance for the Airport, or that may cause a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Agreement. If such Lessee's act, or failure to act, causes cancellation of any policy, then Lessee shall immediately, upon notification by the City, do whatever is necessary to cause reinstatement of said insurance. Furthermore, if Lessee does or permits to be done any act or fails to do any act which causes an increase in the City's insurance premiums, Lessee shall immediately remedy such actions and/or pay the increase in premiums, upon Notice from the City to do so; but in any event, Lessee will hold the City harmless for any expenses and/or damage resulting from any such action.

Section 703. Damage to Premises.

- A. Minor Damage. If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is partially damaged by fire or other casualty, but said circumstances do not render the Premises untenable as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section.
- B. Substantial Damage. If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is so extensively damaged by fire, or other casualty, as to render any portion of said Premises untenable but capable of being repaired, as determined by the City, the same shall be repaired to usable condition with due diligence by the City as provided in this Section. In such case, the Rents payable hereunder with respect to affected Premises shall be paid up to the time of such damage and shall thereafter be abated ratably in the proportion that the untenable area bears to the total Premises of the same category or type of space. Such abatement in rent will continue until the affected Premises are restored adequately for Lessee's use. The City shall use its best efforts to provide alternate facilities to continue Lessee's operation while repair, reconstruction, or replacement is being completed.
- C. Total Damage.
1. If any part of the Premises, or adjacent facilities directly and substantially affecting the use of the Premises, is damaged by fire or other casualty, and is so extensively damaged as to render any portion of said Premises incapable of being repaired, as determined by the City, the City shall notify Lessee as soon as practicable under the circumstances after the date of such damage of its decision whether to reconstruct or replace said space. However, the City shall be under no obligation to replace or reconstruct such premises. The Rents payable hereunder with respect to affected Premises shall be paid up to the time of such damage and thereafter shall cease until such time as replacement or reconstructed space shall be available for use by Lessee.
 2. If the City elects to reconstruct or replace affected Premises, the City shall use its best efforts to provide alternate facilities to continue Lessee's operation while repair, reconstruction, or replacement is being completed, at a rental rate not to exceed that provided herein for comparable space. However, if such damaged space shall not have been replaced or reconstructed, or the City is not diligently pursuing such replacement or reconstruction, within 6 months after the date of such damage or destruction, Lessee shall have the right, upon giving the City 30 days advance Notice, to delete the affected Premises from this Agreement, but this Agreement shall remain in effect with respect to the remainder of said Premises, unless such damaged or destroyed premises prevent Lessee from operating its Premises under this Agreement.
 3. If the City elects not to reconstruct or replace affected Premises, the City shall meet and consult with Lessee on ways to permanently provide Lessee with adequate replacement space for affected Premises. Lessee shall have the right, upon giving the City 30 days advance Notice, to delete the affected Premises from this Agreement, but this Agreement shall remain in full force and effect with respect to the remainder of said Premises, unless the loss of such premises prevents Lessee from using its Premises under this Agreement.
- D. Scope of Restoration of Premises.
1. The City's obligations to repair, reconstruct, or replace affected Premises under the provisions of this Section shall in any event be limited to using due diligence and best efforts to restore affected Premises to substantially the same condition that existed prior to any such damage and shall further be limited by the provisions of Subsections 703(A)-(C). If the City elects to repair, reconstruct, or replace affected premises as provided in this Section, then Lessee shall proceed with due diligence and at its sole cost and expense to repair, reconstruct, or replace its signs, fixtures, furnishings, equipment, and other items provided or installed by Lessee in or about the Premises in a manner and in a condition at least equal to that which existed prior to said damage or destruction.
 2. In lieu of the City's repair, reconstruction, or replacement of the affected premises, as provided in this Section, if Lessee requests to perform said function with respect to damage under Subsections 703(A) and (B), the City may, in its sole discretion, allow Lessee to do so. Any such work by Lessee must be done in accordance with the requirements of Section 601. The City shall reimburse Lessee for the cost of such work performed by Lessee. Lessee shall be considered to be doing such work on its own behalf and not as an agent or contractor of the City.
- E. Damage From Lessee Negligence. Notwithstanding the provisions of this Section, if damage to or destruction of the Premises is due to the negligent or willful acts of Lessee, its agents, servants, or employees, or those under its control, there shall be no abatement of rent during the restoration or replacement of said Premises. In addition, Lessee shall have no option to delete the affected Premises from this Agreement. To the extent that the costs of repairs pursuant to this Section shall exceed the amount of any insurance proceeds payable to the City by reason of such damage or destruction, Lessee shall pay the amount of such additional costs to the City.

Section 704. Indemnification.

- A. Lessee shall defend, indemnify, and hold harmless St. Charles County, Missouri, St. Clair County, Illinois, St. Louis County, Missouri, the City, their respective officers, agents and employees (the "Indemnified Parties") from and against any and all loss, liability, penalties, damages of whatever nature, causes of action, suits, claims, demands, judgments, injunctive relief, awards, settlements, costs, and expenses, including payments of claims of liability resulting from any

injury or death of any person or damage to or destruction of any property including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs and expert fees) of any nature, arising out of and in connection with this Agreement, or Lessee's use of its Premises or other areas or facilities at the Airport by Lessee, its agents, employees, contractors, or subcontractors, including, but not limited to:

1. the acts or omissions of Lessee, its agents, employees, contractors, or suppliers;
2. Lessee's use or occupancy of the Airport and the Premises; and
3. any violation by Lessee under this Agreement its use of its Premises or any provision, warranty, covenant, or condition of this Agreement.

Lessee shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.

- B. Lessee shall defend, indemnify, pay, and hold harmless the Indemnified Parties from and against all applicable taxes and assessments for which the City may become liable and which by law may be levied or assessed on the Premises, or which arise out of the operations of Lessee or by reason of Lessee's occupancy of its Premises except for any taxes or assessments based on the gross or net income or gross or net receipts of the City that are not allocable to Lessee-related receipts. However, Lessee may, at its own risk, cost, and expense, and at no cost to the City, contest, by appropriate judicial or administrative proceedings, the applicability or the legal or constitutional validity of any such tax or assessment, and the City will, to the extent permitted by law, execute such documents as are necessary to permit Lessee to contest or appeal the same. Lessee shall be responsible for obtaining bills for all of said taxes and assessments directly from the taxing authority and shall promptly deliver to the City, upon request by the City, copies of receipts of payment. If the City receives any tax billings falling within the scope of this paragraph, it will forward said billings to Lessee. Lessee shall, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not.
- C. Lessee shall defend, indemnify, and hold harmless the Indemnified Parties from and against any claim, suit, demand, action, liability, loss, damage, judgment, or fine, and all costs and expenses of whatever kind or nature associated therewith in any way arising from or based in whole or substantial part upon claim or allegation of a violation of any federal, state, or local laws, statutes, resolutions, regulations, ordinances, or court order affecting the Airport, by Lessee, its agents, employees, contractors, or suppliers, in conjunction with Lessee's use and/or occupancy of the Premises. Lessee will, at its own cost and expense, defend all such claims, demands and suits, whether frivolous or not. Lessee shall include the substance of this Subsection (C) in every sublease, contract or other agreement which Lessee may enter into related to its activities on the Premises, and any such sublease, contract or other agreement shall specifically provide that the City is a third-party beneficiary of this and related provisions. This provision does not constitute a waiver of any other condition of this Agreement prohibiting or limiting assignments, subletting or subcontracting.
- D. If a prohibited incursion into the air operations area occurs, or if the Aircraft Operations Area or sterile area security is breached, by or due to the negligence or willful act or omission of any of Lessee's employees, agents, contractors, or suppliers, and such incursion or breach results in a civil penalty action against the City, Lessee shall assume the defense of any such action and be responsible for any civil penalty or settlement amount required to be paid by the City as a result of such incursion or breach. The City shall notify Lessee of any allegation, investigation, or proposed or actual civil penalty sought for such incursion or breach. Civil penalties and settlement and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAA or TSA regulations or security directives.
- E. Lessee's obligation to defend and indemnify past officers, employees, and agents of the City shall apply to such persons only for claims, suits, demands, actions, liability, loss, damages, judgments, or fines arising from events, occurrences, and circumstances during which said officers, employees, and agents held their office or position with the City.
- F. The City shall promptly notify Lessee of each claim, action, proceeding, or suit in respect of which indemnity may be sought by the City against Lessee hereunder, setting forth the particulars of such claim, action, proceeding or suit; shall furnish Lessee with a copy of all judicial filings and legal process and any correspondence received by the City related thereto; and shall tender the defense of same to Lessee.
- G. The duty to defend, indemnify, hold harmless, and reimburse shall apply to any claim, demands, or suits made against the City for which Lessee is responsible pursuant to this Section. Provided, however, that upon the filing by anyone of a claim with the City for damages arising out of incidents for which Lessee herein agrees to indemnify and hold the City harmless, the City shall promptly notify Lessee of such claim and, if Lessee does not settle or compromise such claim, then Lessee shall undertake the legal defense of such claim both on behalf of Lessee and on behalf of the City, at Lessee's expense; provided, however, that Lessee shall immediately notify City if a conflict between the interests of Lessee and City arises during the course of such representation. Lessee shall use counsel reasonably acceptable to the City Counselor of the City or his or her designee, after consultation with the Airport Director, in carrying out its obligations hereunder. The provisions of this section shall survive the expiration or early termination of this Agreement. It is specifically agreed, however, that the City, at its option and at its own expense, may participate in the legal defense of any claim defended by Lessee in accordance with this Section. Any final judgment rendered against the City for any cause for which Lessee is liable hereunder shall be conclusive against Lessee as to amount upon the expiration of the time for appeal therefrom. Nothing in this Article shall be deemed a change or modification in any manner whatsoever of the method or conditions of

preserving, asserting, or enforcing any claim of legal liability against the City. This Section shall not be construed as a waiver of the City's sovereign or other immunity.

- H. The City, at its own expense except as otherwise provided herein, shall be invited to attend and participate in all meetings (including those related to settlement) and to appear and participate in all judicial proceedings and to the extent of its interests, approve, in writing, the terms of any settlement related to any claim, action, proceeding or suit set forth in this Section.
- I. Notwithstanding the provisions of this Section, Lessee shall have no obligation to defend, indemnify, or hold harmless the City for any consequential damages or for any amounts to be paid in connection with losses, liabilities, penalties, damages of whatever nature, causes of action, suits, claims, demands, injunctive relief, judgments, awards and settlements if the City is conclusively determined to be more than 50% liable due to contributory negligence.
- J. This Section shall survive the expiration or early termination of this Agreement. Lessee understands and agrees that any insurance protection furnished by Lessee pursuant to Section 701 shall in no way limit Lessee's responsibility to indemnify and hold harmless the City under the provisions of this Agreement.

Section 705. City Not Liable. Unless otherwise expressly provided for in this Agreement, the City shall not in any event be liable to Lessee for:

- A. any acts or omissions of Lessee, its officers, directors, employees, agents, contractors, or suppliers, or for any conditions resulting from the operations or activities of Lessee's directors, officers, employees, agents, contractors, or suppliers;
- B. Lessee's failure to perform any of the obligations hereunder or for any delay in the performance thereof;
- C. any environmental condition in existence at the Airport, or any part thereof, which condition may interfere with Lessee's business or other operations or activities, or which might otherwise cause damages to Lessee through loss of business, destruction of property, or injury to Lessee, its officers, directors, employees, agents, contractors, suppliers, invitees, or licensees except to the extent such conditions are caused by the City, its employees or agents; or
- D. bodily injury or any loss or damage to real or personal property or business income occasioned by flood, fire, smoke, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil commotion, vandalism, malicious mischief, or acts of war or terrorism, or for any injury, loss or damage not caused by the negligence, willful misconduct, or bad faith of the City.

ARTICLE VIII MERGERS, ASSIGNMENT, AND SUBLETTING

Section 801. Mergers and Consolidations. If Lessee consolidates with or merges into another company or permits one or more other companies to consolidate with or merge into it, or transfers or conveys all or substantially all of its property, assets and licenses to another company, the business entity resulting from or surviving such merger (if other than Lessee) or consolidation or the company to which such transfer or conveyance is made shall (i) expressly assume in writing and agree to perform all of Lessee's obligations hereunder, (ii) be qualified to do business in the State of Missouri, and (iii) if such business entity is not organized and existing under the laws of the United States of America or any state or territory thereof or the District of Columbia, furnish to the City an irrevocable consent to service of process in, and to the jurisdiction of, the courts of the State of Missouri with respect to any action or suit, in law or at equity, brought by the City to enforce this Agreement. If Lessee is the surviving business entity in such a merger, the express assumption referred to in this Section shall not be required.

Section 802. Assignments. Lessee shall not assign, transfer, convey, sell, mortgage, pledge, or encumber (hereinafter collectively referred to as "Assignment") this Agreement other than in connection with a transaction referenced in Section 801 without the express consent of the City.

Section 803. Subleases. Lessee shall not sublease the Premises without the express consent of the City.

ARTICLE IX DEFAULT AND TERMINATION

Section 901. Events of Default. Each of the following constitutes an "Event of Default" under this Agreement:

- A. Lessee fails to punctually pay when due any Rents or any other sum required to be paid hereunder, and such failure continues for a period of 15 days after Notice of non-payment has been given to Lessee by the City.
- B. Lessee fails to keep, perform and observe any promise, covenant or other provision of this Agreement for a period of 30 days after Notice specifying such failure by the City; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to the City's right to terminate this Agreement if corrective action is instituted by Lessee within such 30 day period and diligently pursued until the failure is corrected.

- C. Any representation or warranty of a material fact made by Lessee herein or in any certificate or statement furnished to the City pursuant to or in connection herewith proves untrue in any material respect as of the date of issuance or making thereof, and such materiality is then continuing.
- D. Lessee discontinues its conduct of business at the Premises for a period of 30 consecutive days or, after exhausting or abandoning any further appeals, Lessee is prevented for a period of 30 consecutive days by action of any governmental agency other than the City from conducting its business at the Premises.
- E. Lessee fails to maintain the minimum required insurance coverage as required by Section 701 for a period of 30 days after Notice specifying such failure by the City, provided that the City shall have the right to immediately suspend Lessee's right to operate at the Airport until Lessee has obtained the minimum required insurance coverage.
- F. Lessee becomes insolvent (as such term is defined under Section 101 of the Federal Bankruptcy Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), or any successor statute thereto); or fails to pay its debts generally as they mature; or takes the benefit of any present or future federal or state insolvency statute; or makes a general assignment for the benefit of creditors.
- G. Lessee files a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any state thereof, or under any law or statute of another country; or consents to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief is entered by or against Lessee under any chapter of the Bankruptcy Code.
- H. Lessee is adjudged a debtor or bankrupt and/or an order is made approving a petition filed by any of Lessee's creditors or stockholders seeking Lessee's liquidation or reorganization under the Bankruptcy Code or under any other law or statute of the United States or any state thereof, and such order or decree is not stayed or vacated within 60 days of its issuance.
- I. A petition under any chapter of the Bankruptcy Code or an action under any federal or state insolvency law or statute, or an action under any insolvency law or statute of another country is filed against Lessee and is not dismissed or stayed within 60 days after the filing thereof.
- J. By or pursuant to, or under authority of any legislative act, resolution, or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator, or other similar official takes possession or control of all or substantially all of the property of Lessee and such possession or control continues in effect for a period of 60 days.
- K. Lessee becomes a corporation in dissolution.
- L. The letting, license, or other interest of or rights of Lessee hereunder is transferred to, passed to, or devolved upon, by operation of law or otherwise, any other person, firm, corporation, or other entity, by, in connection with or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in subparagraphs (F) through (K) of this Section.
- M. Lessee enters into an Assignment or sublease which is not approved by the City in accordance with the provisions of Article VIII, and, if a sublease, it is not terminated within 10 days after Notice from the City.
- N. Lessee commits an event of default pursuant to any other agreement between Lessee and the City, in accordance with the terms of such agreement.

Notwithstanding any other provision of this Agreement, if, as of the Effective Date, Lessee is a debtor in a Chapter 7 or Chapter 11 case under the Bankruptcy Code, such case shall not constitute an Event of Default.

Section 902. Termination by the City.

- A. Whenever an Event of Default has occurred, the City may at its option, immediately and without further notification of such Event of Default:
 - 1. Terminate this Agreement and/or Lessee's rights granted hereby, but without discharging any of Lessee's obligations hereunder and, at the City's further option, exclude Lessee from its Premises. If Lessee uses, occupies, or fails to surrender or remove its property from its Premises, or any portion thereof, without the consent of the City after this Agreement has been terminated or expires, Lessee may be deemed a tenant at sufferance during the period of such use or failure and, in such event, Lessee shall pay Rents established by the City during such period. In such event, the City shall have, in addition to whatever other rights are available to the City, the right to all remedies provided under applicable laws, and reasonable costs, disbursements, and attorney fees including consequential damages incurred as a result of the holdover.
 - 2. Without terminating this Agreement, exclude Lessee from its Premises and use its best efforts to lease such Premises to a replacement Lessee. Lessee shall remain liable for all Rents and other payments due hereunder for

the remainder of the term of this Agreement; provided, however, that any rents received from a replacement Lessee shall be credited against the amounts owed by Lessee.

- B. In the event of an Event of Default, the City may exercise any and all of the rights provided to it in this Section irrespective of any subsequent cure by Lessee, unless otherwise mutually agreed by Lessee and the City.
- C. In accordance with the provisions of 14 C.F.R. Part 158, App. A(B)(7), as it may be amended from time to time, if Lessee is an air carrier or foreign air carrier as defined by Federal law, and if any of Lessee's Premises is financed in whole or in part with PFC revenue, and if Lessee has an exclusive lease or use agreement for facilities at the Airport ("Exclusive Facilities"), and if any portion of such Exclusive Facilities is not fully utilized and is not made available for use by potentially competing companies, this Agreement may be terminated by the City.
- D. The remedies set forth in this Article shall be in addition to all other remedies which are or may be available to the City at law or in equity to enforce the performance and observance of any obligation, agreement or covenant of Lessee hereunder, including collection of amounts due.
- E. All rights and remedies given to the City herein and all rights and remedies granted to the City by law shall be cumulative and concurrent. No termination of this Agreement or the taking or recovering of the Premises shall deprive the City of any of the City's remedies or actions against Lessee for Rents or for damages or for the breach of any covenant herein contained, nor shall the bringing of any action for Rents or breach of covenant, the resort to any other remedy herein provided for the recovery of Rents or any delay in exercising such rights, be construed as a waiver of the right to obtain possession of the Premises.
- F. In no event shall this Agreement or any rights or privileges hereunder be an asset of Lessee under any bankruptcy, insolvency, or reorganization proceedings.

Section 903. Change of Term.

Notwithstanding the provisions of Section 301, automatically and immediately upon the occurrence of an Event of Default described in Subsections 901 (F) - (K), the term of this Agreement shall convert to month-to-month; provided, however, that the conversion of the term of this Agreement pursuant to this Section shall not discharge any of Lessee's obligations hereunder nor affect any of the City's remedies set forth herein.

Section 904. Termination by Lessee.

At any time that Lessee is neither in default nor has committed an Event of Default hereunder, Lessee may terminate this Agreement to the extent set forth below, at Lessee's option, prior to the scheduled expiration date set forth in Section 301, by giving the City 30 days' advance Notice upon or after the happening and during the continuance of any of the following events:

- A. Any action of any federal, state, county, or municipal governmental agency refusing to permit Lessee to operate into, from, or through the Premises as Lessee has previously operated regularly thereon, and the remaining in force of such refusal for a period of at least 30 days;
- B. Any failure by the City to keep, perform and observe any material promise, covenant, or other provision of this Agreement for a period of 30 days after Notice specifying such failure and requesting that it be remedied is given to the City by Lessee; provided, however, that any such failure which can be cured, but which cannot with due diligence be cured within such 30 day period, shall not give rise to Lessee's right to terminate this Agreement if corrective action is instituted by the City within such 30 day period and diligently pursued until the failure is corrected; or
- C. Lessee is prevented from conducting its business at the Premises for a period in excess of 90 consecutive days for any reason other than causes directly controlled by Lessee.

ARTICLE X SURRENDER OF PREMISES

Section 1001. Surrender of Premises.

- A. Surrender of Premises. On expiration of the term of this Agreement or earlier termination as hereinafter provided, Lessee shall:
 1. peaceably surrender possession of the Premises and other space made available to Lessee hereunder in a clean, sanitary, and good condition, excepting only reasonable wear and tear (taking into account repair and maintenance required to be done by Lessee), acts of God, fire, and other casualties, and the City shall have the right to take possession of said Premises hereunder; and
 2. return the Premises to the City in a condition such that Hazardous Materials which were placed, stored, used, generated, treated, released, discharged, disposed, and/or spilled on, under, or about the Premises by Lessee, its officers, directors, employees, agents, contractors, or suppliers do not exceed allowable levels established under

applicable Environmental Laws and Environmental Permits in accordance with Subsection 406(C). If the City is required under applicable Environmental Laws to undertake actions to bring the Premises into compliance with this provision, or any applicable Environmental Laws or Environmental Permits as a result of Lessee's failure to timely correct same in accordance with Subsection 406(C), Lessee shall reimburse the City for any Remediation Costs incurred by the City, as provided for in Subsection 406(E).

The City shall not be required to notify Lessee to quit possession at the expiration date of the term of this Agreement.

- B. Removal of Personal Property. Provided Lessee is not in default for non-payment of Rents or any other payment due hereunder, Lessee shall have the right, on expiration or early termination of this Agreement and within 30 days thereafter, to remove or dispose of all trade fixtures and equipment and other personal property installed or placed by Lessee, in, on, or about the Airport. Lessee shall not be entitled to remove non-trade fixtures without the advance consent of the City. If, following the expiration or early termination of this Agreement, the City has immediate need to accommodate a new tenant, the City may remove and store Lessee's trade fixtures, equipment and personal property, at Lessee's risk.
- C. Removal Damages. Lessee shall repair any damage caused by the removal of its trade fixtures, equipment, or personal property. Removal shall be at Lessee's expense. Notwithstanding the above, consideration shall be given to the intended long-term use of the premises and if the City determines that such premises would not be maintained for a period warranting the repairs indicated above, the City may alter or waive the repair requirement of this Subsection. If the Premises are yielded or delivered to the City in need of repair, reconditioning, or restoration to the condition that existed when Lessee first used the Premises pursuant to this Agreement or any preceding agreement (reasonable wear and tear taking into account repair and maintenance required to be done by Lessee excepted), after reasonable notification by the City to Lessee, the City shall repair or recondition said Premises and the cost thereof, plus actual administrative costs, shall be invoiced to Lessee and payable immediately. The City shall determine the condition of the Premises at the expiration or early termination of this Agreement.
- D. Ownership of Fixtures and Personal Property Not Removed. If, after 30 days following the expiration or early termination of this Agreement, Lessee fails to remove its fixtures and other personal property from the Premises, such fixtures and personal property may be deemed abandoned. In addition to whatever other rights are available to the City, with prior notification of Lessee, the City may: (i) remove, sell, or store Lessee property at Lessee's expense, or (ii) take title to Lessee property in lieu of removal on behalf of Lessee. If the City takes title to such property or otherwise disposes of the property, the City shall be entitled to all proceeds of sale of such Lessee property as liquidated damages for the breach of this covenant to remove.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 1101. Relationship of Parties. Nothing herein contained is intended or shall be construed to create or establish any relationship other than that of lessor and lessee, and nothing herein shall be construed to establish any partnership, joint venture or association or to make Lessee the general representative or agent of the City for any purpose whatsoever.

Section 1102. Amendment. Except as otherwise expressly provided herein, this Agreement may not be changed, modified, discharged, or extended except by written amendment duly executed by the parties.

Section 1103. Subordination to Agreements with the United States.

- A. This Agreement shall be subordinated to the provisions of any existing or future agreement between the City and the United States Government or governmental authority, relating to the operation or maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds or the approval to impose or use PFCs for the improvement or development of the Airport. Lessee shall not cause the City to violate any assurances made by the City to the United States Government in connection with the granting of such federal funds or the approval of such PFCs.
- B. All provisions of this Agreement shall be subordinate to the rights of the United States of America to operate all of the Airport or any part thereof during time of war or national emergency. Such rights shall supersede any provisions of this Agreement inconsistent with the operation of the Airport by the United States of America.

Section 1104. Subordination to Trust Indenture.

- A. This Agreement and all rights granted to Lessee hereunder are expressly subordinated and subject to the lien and provisions of the pledges, covenants (including rate covenants), transfers, hypothecation, or assignments made by the City in the Trust Indenture and any Bond ordinance (including related documents authorized or approved by such ordinance) enacted by the City regarding the issuance of Bonds.
- B. Lessee understands that the City is and will be the issuer of Bonds. With respect to outstanding Bonds that may be issued in the future, the interest on which is intended to be excludable from gross income of the holders of such Bonds for federal income tax purposes under federal law, Lessee shall not act, or fail to act (and will immediately cease and desist from any action, or failure to act) with respect to the use of the Premises, if the act or failure to act may cause the City to fail to be

in compliance with the provisions of federal law with respect to those types of Bonds, as it now exists or may be amended, supplemented, or replaced, or the regulations or rulings issued thereunder, nor will Lessee take, or persist in, any action or omission that may cause the interest on the tax-exempt Bonds either (i) not to be excludable from the gross income of the holders thereof for federal income tax purposes; or (ii) to become subject to the alternative minimum tax for federal income tax purposes.

Section 1105. Certificate in Connection with Issuance of Bonds. In connection with any issuance of Bonds by the City, upon not less than 30 days prior request by the City, Lessee shall deliver to the City a statement in writing certifying:

- A. that this Agreement is unmodified and in full force and effect (or if there have been modifications, a description of such modifications and that the Agreement as modified is in full force and effect);
- B. that to Lessee's knowledge the City is not in default under any provision of this Agreement, or, if in default, the nature thereof in detail; and
- C. such further matters as may be reasonably requested by the City, it being intended that any such statement may be relied upon by the parties involved in such issuance of Bonds.

Section 1106. No Third Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity other than the parties hereto and their assigns any legal or equitable rights hereunder.

Section 1107. Counterparts. This Agreement may be executed in one or more counterparts.

Section 1108. Exhibits. All certificates, documents, exhibits, attachments, riders, and addenda referred to herein, including the exhibits referred hereto, are hereby incorporated into this Agreement by reference and made a part hereof as though set forth in full in this Agreement to the extent they are consistent with its conditions and terms.

Section 1109. Survival of Warranties. All warranties and covenants set forth in this Agreement shall survive the execution and performance of this Agreement.

Section 1110. Quiet Enjoyment. Upon payment of all amounts due hereunder and performance of the covenants and agreements on the part of Lessee to be performed hereunder, the City shall not act or fail to act, except as otherwise provided by this Agreement, in a manner that will prevent Lessee from peaceably having and, in accordance with the terms hereof, enjoying the Premises and all rights, licenses, services, and privileges of the Airport and its appurtenances and facilities granted herein.

Section 1111. No Personal Liability.

- A. The City shall not be liable for any acts or omissions of any Lessee or any condition resulting from the operations or activities of tenants or their representatives.
- B. No director, officer, employee, or agent of the City or Lessee shall be charged personally or held contractually liable by or to the other party under any term or provision of this Agreement or because of any breach hereof or because of its or their execution of this Agreement. Any administrative complaint brought against the City relating to any aspect of this Agreement shall be brought against the City and not against named individual respondents.

Section 1112. Governing Law and Forum Selection. This Agreement is made and entered into in the State of Missouri, and Missouri law shall govern and apply to this Agreement. Any cause of action, claim, suit, demand, or other case or controversy arising from or related to this Agreement shall be brought only in a federal or state court in the City of St. Louis, Missouri. Lessee and the City hereby admit and consent to the jurisdiction and venue of such courts. The provisions of this section shall survive the expiration or termination of this Agreement.

Section 1113. Communications and Notices.

- A. Except as otherwise expressly provided in this Agreement, all communications, including notifications, requests, authorizations, approvals, demands, and consents provided for hereunder shall be in writing.

If to the City, to:

Airport Director
Lambert-St. Louis International Airport
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Lessee, to:

Manager, Properties
Southwest Airlines Co.

2702 Love Field Dr., HDQ-4PF
Dallas, TX 75235-1611

or to such other person or address as either the City or Lessee may hereafter designate by Notice to the other in accordance with Subsection 1113(B).

- B. All Notices required by this Agreement shall be mailed via certified mail return-receipt requested, via overnight mail with receipt, or personally delivered to the City and Lessee at the addresses set forth in Subsection 1113(A), with copy to:

If to the City:

Office of the City Counselor
Airport Legal Department
10701 Lambert International Boulevard
St. Louis, Missouri 63145

If to Lessee:

Manager, Properties
Southwest Airlines Co.
2702 Love Field Dr., HDQ-4PF
Dallas, TX 75235-1611

or to such other person or address as either the City or Lessee may hereafter designate by Notice. Except as otherwise expressly provided hereunder, any such Notice shall be deemed to have been given or made: (i) if sent by certified mail, 5 days after being deposited in the mails, postage prepaid and properly addressed; (ii) if via overnight mail, the next business day; and (iii) if delivered by personal service, when delivered to the addressee.

Section 1114. Force Majeure.

- A. Neither party hereto shall be liable to the other for any failure, delay, or interruption in performing its obligations hereunder due to acts, events or conditions beyond its control, including acts of God, weather conditions, shortages of energy or materials, embargoes, riots, rebellions, sabotage, acts of a public enemy, war, terrorism, insurrection, strikes, boycotts, picketing, slow-downs, work stoppages or other labor actions affecting the rights or obligations of the City or Lessee hereunder, their respective contractors or subcontractors, except to the extent that such failure, delay or interruption directly or indirectly results from failure on the part of the City or Lessee to use reasonable care to prevent, or make reasonable efforts to cure, such failure, delay or interruption; provided, however, that, except as herein specifically provided, nothing in this Section is intended or shall be construed to abate, postpone or in any respect diminish Lessee's obligations to make any payments due to the City pursuant to this Agreement.
- B. The City shall be under no obligation to supply any service if and to the extent and during any period that the supplying of any such service or the use of any component necessary therefor shall be prohibited or rationed by any law, ordinance, rule, regulation, requirement, order or directive of any federal, state, county or municipal government having jurisdiction.

Section 1115. Invalid Provisions. If any covenant, condition, or provision in this Agreement is held to be invalid, illegal, or unenforceable by any court of competent jurisdiction, or conclusively determined to be inconsistent with federal law or FAA grant assurances, such covenant, condition, or provision shall be deemed amended to conform to applicable laws so as to be valid or enforceable or, if it cannot be so amended without materially altering the intention of the parties, it shall be stricken. If stricken, all other covenants, conditions and provisions of this Agreement shall remain in full force and effect provided that the striking of such covenants, conditions or provisions does not materially prejudice either the City or Lessee in its respective rights and obligations contained in the valid covenants, conditions, or provisions of this Agreement.

Section 1116. No Waiver. No provision of this Agreement shall be deemed to have been waived by either party unless such waiver is in writing, signed by the party making the waiver and addressed to the other party, nor shall any custom or practice that may evolve between the parties in the administration of the terms of this Agreement be construed to waive or lessen the right of either party to insist upon the performance of the other party in strict accordance with the terms of this Agreement.

Section 1117. City's Rights and Remedies are Cumulative. All rights and remedies of the City as provided herein and under law are cumulative in nature.

Section 1118. Construction of Agreement. The parties hereto acknowledge that they have thoroughly read this Agreement, including any exhibits or attachments hereto and have sought and received whatever competent advice and counsel was necessary for them to form a full and complete understanding of all rights and obligations herein. The parties further acknowledge that this Agreement is the result of extensive negotiations between the parties and shall not be construed against the City by reason of the preparation of this Agreement by the City.

Section 1119. Timing. The parties expressly agree that time is of the essence in this Agreement. Failure by a party to complete performance within the time specified, or within a reasonable time if no time is specified herein, shall relieve the other party, without

Secretary,
Board of Estimate & Apportionment

Date

SOUTHWEST AIRLINES CO.

BY: _____

Title: _____

Date: _____

Approved: June 5, 2006