

**ORDINANCE #67317**  
**Board Bill No. 264**  
**Committee Substitute**

AN ORDINANCE RECOMMENDED BY THE BOARD OF ESTIMATE AND APPORTIONMENT AUTHORIZING AND DIRECTING (i) THE ISSUANCE BY THE CITY OF ST. LOUIS, MISSOURI OF ITS AIRPORT REVENUE REFUNDING BONDS, SERIES 2006, LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TWO HUNDRED SEVENTY-FIVE MILLION DOLLARS (\$275,000,000), AND (ii) THE ISSUANCE BY THE CITY OF ST. LOUIS, MISSOURI OF ITS AIRPORT REVENUE REFUNDING BONDS, SERIES 2007, LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT, IN ONE OR MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED ONE HUNDRED TWENTY-FIVE MILLION DOLLARS (\$125,000,000), EACH TO EFFECT THE REFUNDING OF A PORTION OF THE CITY'S OUTSTANDING AIRPORT REVENUE BONDS; PROVIDING FOR THE FUNDING OF ANY REQUIRED RESERVE FUNDS AND FOR THE PAYMENT OF CERTAIN COSTS OF ISSUANCE; SETTING FORTH CERTAIN TERMS AND CONDITIONS FOR THE ISSUANCE OF SUCH REFUNDING BONDS; APPOINTING A TRUSTEE, A BOND REGISTRAR AND A PAYING AGENT IN CONNECTION WITH SUCH REFUNDING BONDS; APPOINTING AN ESCROW AGENT IN CONNECTION WITH THE OUTSTANDING BONDS TO BE REFUNDED WITH PROCEEDS OF THE REFUNDING BONDS; AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FOURTEENTH SUPPLEMENTAL INDENTURE OF TRUST WITH RESPECT TO THE ISSUANCE OF THE SERIES 2006 REFUNDING BONDS AND APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE FIFTEENTH SUPPLEMENTAL INDENTURE OF TRUST WITH RESPECT TO THE ISSUANCE OF THE SERIES 2007 REFUNDING BONDS AND ANY CONFORMING OR CLARIFYING AMENDMENTS TO THE REVISED GENERAL AIRPORT REVENUE BOND INDENTURE; AUTHORIZING THE NEGOTIATED SALE OF THE REFUNDING BONDS AND THE EXECUTION AND DELIVERY OF BOND PURCHASE AGREEMENTS; AUTHORIZING THE PREPARATION, EXECUTION AND DISTRIBUTION OF THE PRELIMINARY OFFICIAL STATEMENTS AND THE OFFICIAL STATEMENTS AND THE PREPARATION, EXECUTION AND DELIVERY OF THE CONTINUING DISCLOSURE AGREEMENTS, THE ESCROW AGREEMENTS AND OTHER MATTERS WITH RESPECT THERETO; AUTHORIZING THE NEGOTIATION AND PURCHASE OF CREDIT ENHANCEMENT, IF ANY, AND CREDIT FACILITIES OR SURETIES, IF ANY, FOR ANY REQUIRED RESERVE FUNDS, IF ANY, AND THE APPROVAL AND EXECUTION OF DOCUMENTS NECESSARY TO COMPLY WITH THE DUTIES OF THE CITY UNDER ANY AGREEMENT FOR CREDIT ENHANCEMENT, IF ANY, AND CREDIT FACILITIES OR SURETIES, IF ANY, FOR ANY REQUIRED RESERVE FUNDS; AUTHORIZING INTEREST RATE EXCHANGE AGREEMENTS; AUTHORIZING THE ISSUANCE OF ALL OR A PORTION OF THE REFUNDING BONDS AS BONDS BEARING INTEREST AT VARIABLE RATES, IF ANY, AND PROVIDING FOR A LIQUIDITY FACILITY AND OTHER RELATED DOCUMENTS, IF ANY, FOR SUCH VARIABLE RATE BONDS; AUTHORIZING THE PROPER OFFICIALS, AGENTS AND EMPLOYEES OF THE CITY TO EXECUTE SUCH DOCUMENTS AND TO TAKE SUCH ACTIONS AS ARE NECESSARY OR APPROPRIATE; REPEALING ORDINANCES OF THE CITY TO THE EXTENT INCONSISTENT WITH THE TERMS HEREOF; AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, The City of St. Louis, Missouri (the "City"), owns an airport known as Lambert-St. Louis International Airport (the "Airport") which is operated by the Airport Authority of the City;

WHEREAS, pursuant to Article VI, Section 27 of the Constitution of the State of Missouri, as amended, the City has financed the purchase, construction, extension and improvement of the Airport by the issuance of \$178,000,000 of its airport revenue bonds (the "Outstanding Obligations") pursuant to its ordinances numbered 51342, 54813, 55647, 57110, 57613, 58328 and 58761 (the "Outstanding Obligations Ordinances");

WHEREAS, on November 29, 1984, the City issued, under and pursuant to an Indenture of Trust, dated as of October 15, 1984, as theretofore amended and supplemented (the "Original Indenture"), between the City and Mercantile Trust Company National Association, as predecessor in interest to State Street Bank & Trust Company of Missouri, N.A., as predecessor to UMB Bank, N.A. (formerly UMB Bank of St. Louis, N.A.) (the "Trustee"), \$167,095,000 aggregate principal amount of its Airport Revenue Bonds, Series 1984 (the "Series 1984 Bonds") for the purpose of, among other things, economically defeasing the Outstanding Obligations;

WHEREAS, on August 4, 1987, the City issued \$52,000,000 of Airport Revenue Bonds (the "Series 1987 Bonds") pursuant to a First Supplemental Indenture of Trust, dated as of July 1, 1987 (the "First Supplemental Indenture") between the City and the Trustee for the purpose of financing the construction, improvement, expansion and equipping of certain Airport property;

WHEREAS, on November 5, 1991, the qualified electors of the City approved the issuance by the City of airport revenue bonds in the amount of \$1,500,000,000 for the purpose of paying the costs of purchasing, constructing, extending and improving airports to be owned by the City (the "1991 Voter Approval");

WHEREAS, on April 8, 2003, the qualified electors of the City approved the issuance by the City of airport revenue bonds in the amount of \$2,000,000,000 for the purpose of paying the costs of purchasing, constructing, extending and improving airports to be owned by the City (the "2003 Voter Approval", and together with the 1991 Voter Approval, the "Voter Approval").

WHEREAS, pursuant to Section 3 of Article XVII of the St. Louis City Charter, refunding bonds do not require voter approval and therefore do not count against the amount of bonds available to be issued pursuant to Voter Approval;

WHEREAS, on November 25, 1992, the City issued \$109,125,000 of Airport Revenue Bonds (the "Series 1992 Bonds")

pursuant to a Second Supplemental Indenture of Trust, dated as of November 15, 1992 (the "Second Supplemental Indenture") between the City and the Trustee for the purpose of providing funds (i) to refund the Lambert-St. Louis International Airport Corporation's Lease Revenue Bonds (Noise Mitigation Project) Series 1990 which provided funds for the acquisition of land in connection with the Airport noise abatement program, and (ii) for further land acquisition, airfield improvements and expansion of the terminal facility and related improvements;

WHEREAS, on September 9, 1993, the City issued \$121,720,000 of Taxable Airport Revenue Bonds (the "Taxable Series 1993 Refunding Bonds") pursuant to a Third Supplemental Indenture of Trust, dated as of August 1, 1993 (the "Third Supplemental Indenture"), between the City and the Trustee for the purpose of refunding the Series 1984 Bonds;

WHEREAS, on December 14, 1993, the City issued \$65,405,000 of Taxable Airport Revenue Bonds (the "Taxable Series 1993A Bonds") pursuant to a Fourth Supplemental Indenture of Trust (the "Fourth Supplemental Indenture") dated as of December 1, 1993, between the City and the Trustee for the purpose of financing the cost of purchasing the leasehold interests of certain property of Trans World Airlines, Inc.;

WHEREAS, on April 10, 1996, the City issued \$37,760,000 of Airport Revenue Bonds (the "Series 1996 Bonds") pursuant to a Fifth Supplemental Indenture of Trust, dated as of April 1, 1996 (the "Fifth Supplemental Indenture"), between the City and the Trustee for the purpose of refunding the Series 1987 Bonds;

WHEREAS, on September 10, 1997, the City issued \$40,420,000 of Airport Revenue Bonds, Series 1997A (the "Series 1997A Bonds"), and \$159,185,000 of Airport Revenue Bonds, Series 1997B (the "Series 1997B Bonds") pursuant to a Sixth Supplemental Indenture of Trust, dated as of August 1, 1997 (the "Sixth Supplemental Indenture"), between the City and the Trustee for the purpose of funding certain capital improvements;

WHEREAS, on December 17, 1998, the City issued \$69,260,000 of Airport Revenue Bonds, Series 1998 (the "Series 1998 Bonds") pursuant to a Seventh Supplemental Indenture of Trust, dated as of December 1, 1998 (the "Seventh Supplemental Indenture"), between the City and the Trustee for the purpose of refunding a portion of the Series 1992 Bonds;

WHEREAS, on August 2, 2000, the City issued \$87,165,000 of its Letter of Intent Double Barrel Revenue Bonds, Series 2000 (Lambert-St. Louis International Airport Project) (the "LOI Bonds") pursuant to a Trust Indenture dated as of July 15, 2000 between the City and UMB Bank, N.A., as trustee, for the purpose of financing the acquisition of certain land adjacent to the Airport and the construction of certain improvements thereon;

WHEREAS, on May 15, 2001, the City issued \$435,185,000 of Airport Revenue Bonds, Series 2001A (Airport Development Program) (the "Series 2001A ADP Bonds") pursuant to an Eighth Supplemental Indenture of Trust, dated as of May 1, 2001 (the "Eighth Supplemental Indenture"), between the City and the Trustee for the purpose of acquiring certain land located adjacent to the Airport and funding certain capital improvements at the Airport;

WHEREAS, on December 19, 2002, the City issued \$69,195,000 of Airport Revenue Bonds (Capital Improvement Program) (Non-AMT) Series 2002A (the "Series 2002A Bonds"), \$31,755,000 Airport Revenue Bonds (Capital Improvement Program (AMT) Series 2002B (the "Series 2002B Bonds"), and \$17,035,000 Airport Revenue Refunding Bonds (AMT) Series 2002C (the "Series 2002C Bonds") pursuant to a Ninth Supplemental Indenture of Trust dated as of December 1, 2002 (the "Ninth Supplemental Indenture"), between the City and the Trustee for the purposes of funding certain capital improvements at the Airport and refunding all of the outstanding Series 1992 Bonds;

WHEREAS, on February 25, 2003, the City issued \$70,340,000 of Airport Revenue Refunding Bonds, Series 2003A (the "Series 2003A Bonds"), pursuant to a Tenth Supplemental Indenture of Trust, dated as of February 1, 2003 (the "Tenth Supplemental Indenture"), between the City and the Trustee to refund the outstanding LOI Bonds;

WHEREAS, on May 29, 2003, the City issued \$29,520,000 of Taxable Airport Revenue Refunding Bonds, Series 2003B (the "Series 2003B Bonds"), pursuant to an Eleventh Supplemental Indenture of Trust (the "Eleventh Supplemental Indenture") dated as of May 1, 2003 between the City and the Trustee to refund the outstanding Taxable Series 1993 Refunding Bonds and the outstanding Taxable Series 1993A Bonds;

WHEREAS, on May 26, 2004, the City authorized the issuance of its Airport Revenue Commercial Paper Notes, 2004 Program, Series A (Non-AMT), Series B (AMT) and Series C (Taxable) in the aggregate principal amount of up to \$125,000,000 outstanding at any one time (the "CP Notes"), pursuant to a Commercial Paper Subordinate Indenture of Trust dated as of May 1, 2004, between the City and UMB Bank, N.A., as Trustee, to provide interim funds to finance and refinance Airport improvements;

WHEREAS, in connection with the issuance of the CP Notes, certain amendments were made to the Revised Indenture (defined below), as amended and supplemented through and including the Eleventh Supplemental Indenture, pursuant to a Twelfth Supplemental Indenture of Trust ("the Twelfth Supplemental Indenture") dated as of May 1, 2004, between the City and Trustee;

WHEREAS, on July 7, 2005, the City issued \$263,695,000 of Airport Revenue Bonds, Series 2005 (NON-AMT) (the "Series 2005 Bonds") pursuant to a Thirteenth Supplemental Indenture of Trust, dated as of June 1, 2005 (the "Thirteenth Supplemental Indenture"), between the City and the Trustee for the purpose of refunding and restructuring a portion of the Series 1997A Bonds, the Series 2001A Bonds and the Series 2002A Bonds (the Series 2005 Bonds, together with the Series 1996 Bonds, the Series 1997B Bonds, the Series 1998 Bonds, the Series 2001A ADP Bonds, the Series 2002A Bonds, the Series 2002B Bonds,

the Series 2002C Bonds and the Series 2003A Bonds are hereinafter referred to as the “Outstanding Bonds”);

WHEREAS, the Original Indenture has been amended, supplemented and restated from time to time prior to the date hereof, and is hereinafter referred to as the “Revised Indenture.”

WHEREAS, the Revised Indenture will be further amended and supplemented pursuant to the Fourteenth Supplemental Indenture of Trust (the “Fourteenth Supplemental Indenture”) between the City and the Trustee pursuant to which the Series 2006 Refunding Bonds are being authorized to be issued and the Fifteenth Supplemental Indenture of Trust (the “Fifteenth Supplemental Indenture”) and, together with the Fourteenth Supplemental Indenture, the “Supplemental Indentures”) between the City and the Trustee pursuant to which the Series 2007 Refunding Bonds are being authorized to be issued;

WHEREAS, the City is authorized under the Constitution and laws of the State of Missouri to issue, sell and negotiate its interest-bearing revenue bonds for the purpose of financing or refinancing all or a part of the costs of purchasing, constructing, extending or improving airports;

WHEREAS, the City has determined that it is in the best interest of the City to effect debt service savings by issuing its Airport Revenue Refunding Bonds, Series 2006, Lambert-St. Louis International Airport (the “Series 2006 Refunding Bonds”) to refund a portion (including but not limited to principal plus interest, principal-only and/or interest-only portions) of the Outstanding Bonds, to provide for the funding of a debt service reserve account, if required, and to pay the costs associated with issuing the Series 2006 Refunding Bonds, and the City is now prepared to issue and sell its Series 2006 Refunding Bonds in an aggregate principal amount not to exceed Two Hundred Seventy-Five Million Dollars (\$275,000,000) in one or more series, the proceeds of which, together with other available funds, if any, that may be transferred for such purposes, will be used for the purposes provided herein;

WHEREAS, the Series 2006 Refunding Bonds shall be issued and secured under and pursuant to the Revised Indenture, as amended and supplemented by the Fourteenth Supplemental Indenture;

WHEREAS, the City has determined that it is in the best interest of the City to effect debt service savings by issuing its Airport Revenue Refunding Bonds, Series 2007, Lambert-St. Louis International Airport (the “Series 2007 Refunding Bonds”) and, together with the Series 2006 Refunding Bonds, the “Refunding Bonds”) to refund a portion (including but not limited to principal plus interest, principal-only and/or interest-only portions) of the Outstanding Bonds, to provide for the funding of a debt service reserve account, if required, and to pay the costs associated with issuing the Series 2007 Refunding Bonds, and the City is now prepared to issue and sell its Series 2007 Refunding Bonds in an aggregate principal amount not to exceed One Hundred Twenty-Five Million Dollars (\$125,000,000) in one or more series, the proceeds of which, together with other available funds, if any, that may be transferred for such purposes, will be used for the purposes provided herein;

WHEREAS, the Series 2007 Refunding Bonds shall be issued and secured under and pursuant to the Revised Indenture, as then amended and supplemented, including by the Fifteenth Supplemental Indenture and the Fourteenth Supplemental Indenture (the Fifteenth Supplemental Indenture, together with the Revised Indenture and the Fourteenth Supplemental Indenture, is collectively referred to herein as the “Indenture”);

WHEREAS, if it is determined that the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds will bear interest at variable rates, it may be necessary to amend certain provisions of the Indenture to accommodate variable rate indebtedness;

WHEREAS, in connection with the issuance of the Series 2006 Refunding Bonds, it is necessary for the City to enter into the Fourteenth Supplemental Indenture, the Series 2006 Bond Purchase Agreement (as hereinafter defined), the Series 2006 Escrow Agreement (as hereinafter defined), the Series 2006 Continuing Disclosure Agreement (as hereinafter defined), the 2006 Tax Certificate (as hereinafter defined) and certain other agreements in connection with the issuance of the Series 2006 Refunding Bonds and the refunding of the Outstanding Bonds to be refunded thereby; and

WHEREAS, the Series 2006 Refunding Bonds shall state that the Series 2006 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation and the taxing power of the City is not pledged to the payment of the principal of, premium, if any, or interest on the Series 2006 Refunding Bonds;

WHEREAS, in connection with the issuance of the Series 2007 Refunding Bonds, it is necessary for the City to enter into the Fifteenth Supplemental Indenture, the Series 2007 Bond Purchase Agreement (as hereinafter defined), the Series 2007 Escrow Agreement (as hereinafter defined), the Series 2007 Tax Certificate (as hereinafter defined), the Series 2007 Continuing Disclosure Agreement (as hereinafter defined) and certain other agreements in connection with the issuance of the Series 2007 Refunding Bonds and the refunding of the Outstanding Bonds to be refunded thereby; and

WHEREAS, the Series 2007 Refunding Bonds shall state that the Series 2007 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation and the taxing power of the City is not pledged to the payment of the principal of, premium, if any, or interest on the Series 2007 Refunding Bonds;

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

Section One. Authorization of the Refunding Bonds.

The City does hereby authorize and direct the issuance of the Refunding Bonds to refund a portion (including but not

limited to principal plus interest, principal-only and/or interest-only portions) of the Outstanding Bonds to provide for debt service savings for the City's Airport; and the Outstanding Bonds, or portions thereof, to be refunded by the Series 2006 Refunding Bonds or the Series 2007 Refunding Bonds, as applicable, shall be selected by the Comptroller of the City (the "Comptroller") in consultation with the City Counselor and the City's financial advisors (collectively, the "Refunded Bonds"); and the City does hereby find and declare that this Ordinance is being enacted pursuant to the laws of the State of Missouri, including particularly Chapter 108, Missouri Revised Statutes, 2000, as amended, and that the issuance of the Refunding Bonds is for the public purposes set forth in the recitals to this Ordinance.

Section Two. Maximum Principal Amount, Purpose and Terms and Provisions of the Refunding Bonds.

The Board of Aldermen, acting as the governing authority of the City, does hereby authorize the City to issue the Series 2006 Refunding Bonds in one or more series in an aggregate principal amount not to exceed Two Hundred Seventy-Five Million Dollars (\$275,000,000). The proceeds of the Series 2006 Refunding Bonds will, together with other available funds, if any, be used to refund a portion of the Outstanding Bonds, to provide for the funding of any required reserve funds, and to pay certain costs of issuance of the Series 2006 Refunding Bonds. Subject to the terms of this Ordinance, the City hereby authorizes and directs the Mayor of the City (the "Mayor") and the Comptroller in the exercise of their sole discretion (a) to determine and establish the aggregate principal amount of the Series 2006 Refunding Bonds, (b) to determine whether the Series 2006 Refunding Bonds shall be issued as bonds bearing interest at fixed rates and/or bonds bearing interest at variable interest rates, including without limitation as floating rate bonds, index bonds or auction rate securities, (c) to determine and establish the other terms and provisions of the Series 2006 Refunding Bonds, and (d) to determine which Outstanding Bonds shall be refunded.

The Board of Aldermen, acting as the governing authority of the City, does hereby authorize the City to issue the Series 2007 Refunding Bonds in one or more series in an aggregate principal amount not to exceed One Hundred Twenty-Five Million Dollars (\$125,000,000). The proceeds of the Series 2007 Refunding Bonds will, together with other available funds, if any, be used to refund a portion of the Outstanding Bonds, to provide for the funding of any required reserve funds, and to pay certain costs of issuance of the Series 2007 Refunding Bonds. Subject to the terms of this Ordinance, the City hereby authorizes and directs the Mayor and the Comptroller in the exercise of their sole discretion (a) to determine and establish the aggregate principal amount of the Series 2007 Refunding Bonds, (b) to determine whether the Series 2007 Refunding Bonds shall be issued as bonds bearing interest at fixed rates and/or bonds bearing interest at variable interest rates, including without limitation as floating rate bonds, index bonds or auction rate securities, (c) to determine and establish the other terms and provisions of the Series 2007 Refunding Bonds, and (d) to determine which Outstanding Bonds shall be refunded.

Section Three. Source of Repayment; Security; Pledge.

The Refunding Bonds shall be secured and payable, as to principal, premium, if any, and interest, solely from the sources and funds pledged under the Indenture, including the Revenues derived from the operation of the Airport. The rights of the owners of the Refunding Bonds to the Revenues shall be subject and subordinate to the rights of the holders of the Outstanding Obligations under the Outstanding Obligations Ordinances and subject to the application of the proceeds of the Refunding Bonds and the Revenues to the purposes and on the conditions permitted by the Indenture. Upon the issuance and sale of the Refunding Bonds, and subject to the prior rights of the holders of the Outstanding Obligations (described in the preceding sentence), the Revenues shall be and are hereby pledged to the payment of the Refunding Bonds, on a parity with all Outstanding Bonds and any additional parity bonds, all as provided in the Indenture. The Refunding Bonds shall be limited obligations of the City payable solely from Revenues and shall not be deemed to be an indebtedness of the State of Missouri, the City or of any political subdivision thereof, and shall not be deemed to be an indebtedness within the meaning of any constitutional or statutory limitation upon the incurring of indebtedness.

The Series 2006 Refunding Bonds shall be issued in one or more series, bear such date or dates, mature at such time or times (not exceeding thirty (30) years from their date of issuance), bear interest at such rate or rates (not exceeding limitations set forth herein) and be subject to redemption at such time or times as shall be approved by the Mayor and the Comptroller and provided for in the Fourteenth Supplemental Indenture as executed and delivered by the City. The Series 2007 Refunding Bonds shall be issued in one or more series, bear such date or dates, mature at such time or times (not exceeding thirty (30) years from their date of issuance), bear interest at such rate or rates (not exceeding limitations set forth herein) and be subject to redemption at such time or times as shall be approved by the Mayor and the Comptroller and provided for in the Fifteenth Supplemental Indenture as executed and delivered by the City.

The Refunding Bonds shall be issuable in such denominations, be in fully registered form without coupons, carry such registration and exchange privileges, and be payable in such medium of payment and at such place or places as the Indenture may provide.

Section Four. Appointment of Trustee, Bond Registrar, Paying Agent and Escrow Agent.

UMB Bank, N.A. is hereby appointed Trustee, Bond Registrar, Paying Agent and Escrow Agent for the Refunding Bonds under the Indenture and also is hereby appointed Escrow Agent for the Refunded Bonds pursuant to the Indenture. Such appointments will be effective with respect to the Series 2006 Refunding Bonds, immediately upon the execution and filing of the Fourteenth Supplemental Indenture with the Trustee, and with respect to the Series 2007 Refunding Bonds, immediately upon the execution and filing of the Fifteenth Supplemental Indenture with the Trustee.

Section Five. Authority to Prepare, Execute and Deliver the Fourteenth Supplemental Indenture and Fifteenth Supplemental Indenture.

The Mayor and the Comptroller are hereby authorized and directed to prepare, execute, acknowledge and deliver the Fourteenth Supplemental Indenture, in substantially the form attached hereto, with terms that may include, but not be limited to, all provisions and terms as may be necessary or desirable to provide for the issuance of the Series 2006 Refunding Bonds, the payment terms of the Series 2006 Refunding Bonds, the creation of various funds and/or accounts relating to the Series 2006 Refunding Bonds, terms providing for the security for the Series 2006 Refunding Bonds, any conforming or clarifying amendments to the Revised Indenture and terms relating to the refunding of a portion of the Outstanding Bonds, the same to be attested by the Register of the City, with such changes therein as shall be approved by such persons executing such document, including, without limitation, any changes necessary to allow for the Series 2006 Refunding Bonds to be issued as bonds with variable interest rates, all as determined by the Mayor and the Comptroller, such persons' execution to constitute conclusive evidence of such approval, and the Register is hereby authorized to affix to the Fourteenth Supplemental Indenture the corporate seal of the City. The Fourteenth Supplemental Indenture will be effective immediately upon the filing of the Fourteenth Supplemental Indenture with the Trustee.

The Mayor and the Comptroller are hereby authorized and directed to prepare, execute, acknowledge and deliver the Fifteenth Supplemental Indenture, in substantially the form attached hereto, with terms that may include, but not be limited to, all provisions and terms as may be necessary or desirable to provide for the issuance of the Series 2007 Refunding Bonds, the payment terms of the Series 2007 Refunding Bonds, the creation of various funds and/or accounts relating to the Series 2007 Refunding Bonds, terms providing for the security for the Series 2007 Refunding Bonds, and terms relating to the refunding of a portion of the Outstanding Bonds, the same to be attested by the Register of the City, with such changes therein as shall be approved by such persons executing such document, including without limitation any changes necessary to allow for the Series 2007 Refunding Bonds to be issued as bonds with variable interest rates, all as determined by the Mayor and the Comptroller, such persons' execution to constitute conclusive evidence of such approval, and the Register is hereby authorized to affix to the Fifteenth Supplemental Indenture the corporate seal of the City. The Fifteenth Supplemental Indenture will be effective immediately upon the filing of the Fifteenth Supplemental Indenture with the Trustee.

Section Six. Execution of Refunding Bonds.

The Series 2006 Refunding Bonds and Series 2007 Refunding Bonds shall be executed on behalf of the City in the manner provided in the Fourteenth Supplemental Indenture and Fifteenth Supplemental Indenture, respectively. If any of the officers who shall have signed or sealed any of the Refunding Bonds shall cease to be such officers of the City before either Series of Refunding Bonds so signed and sealed shall have been actually authenticated by the Trustee, or delivered by the City, such Series of Refunding Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Series of Refunding Bonds had not ceased to be such officer or officers of the City; and also any such Series of Refunding Bonds may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Series of Refunding Bonds, shall be the proper officers of the City, although at the dated date of such Series of Refunding Bonds any such person shall not have been such officer of the City.

Section Seven. Manner of Sale of the Refunding Bonds; Application of Proceeds of the Refunding Bonds.

The Series 2006 Refunding Bonds may be sold at the best price obtainable at a negotiated sale as the Comptroller shall determine in her sole discretion, subject to the terms of this Ordinance and to the interest rate and par value limitations set forth in Chapter 108.170, Missouri Revised Statutes, 2000, as amended. The proceeds from the sale of the Series 2006 Refunding Bonds shall be applied by the City simultaneously with the delivery of the Series 2006 Refunding Bonds in accordance with the provisions of the Fourteenth Supplemental Indenture and the 2006 Escrow Agreement.

The Series 2007 Refunding Bonds may be sold at the best price obtainable at a negotiated sale as the Comptroller shall determine in her sole discretion, subject to the terms of this Ordinance and to the interest rate and par value limitations set forth in Chapter 108.170, Missouri Revised Statutes, 2000, as amended. The proceeds from the sale of the Series 2007 Refunding Bonds shall be applied by the City simultaneously with the delivery of the Series 2007 Refunding Bonds in accordance with the provisions of the Fifteenth Supplemental Indenture and the 2007 Escrow Agreement.

Section Eight. Bond Purchase Agreements.

In connection with a negotiated sale of the Series 2006 Refunding Bonds, the City hereby authorizes and directs the Mayor and the Comptroller to enter into a Bond Purchase Agreement (the "2006 Bond Purchase Agreement") with the purchaser or purchasers of the Series 2006 Refunding Bonds (the "2006 Underwriters"), which purchaser or purchasers will be led by a senior managing underwriter (the "2006 Managing Underwriter") to be selected by the Comptroller, such 2006 Bond Purchase Agreement to set forth the terms of sale and to contain such other customary terms and provisions as the Mayor and the Comptroller shall approve, the Mayor's and the Comptroller's execution of the 2006 Bond Purchase Agreement to constitute conclusive evidence of such approval. The Series 2006 Refunding Bonds are hereby authorized to be sold to the 2006 Underwriters pursuant to the 2006 Bond Purchase Agreement.

In connection with a negotiated sale of the Series 2007 Refunding Bonds, the City hereby authorizes and directs the Mayor and the Comptroller to enter into a Bond Purchase Agreement (the "2007 Bond Purchase Agreement") with the purchaser or purchasers of the Series 2007 Refunding Bonds (the "2007 Underwriters"), which purchaser or purchasers will be led by a senior managing underwriter (the "2007 Managing Underwriter" and, together with the 2006 Managing Underwriter, the "Managing

Underwriter”) to be selected by the Comptroller, such 2007 Bond Purchase Agreement to set forth the terms of sale and to contain such other customary terms and provisions as the Mayor and the Comptroller shall approve, the Mayor’s and the Comptroller’s execution of the 2007 Bond Purchase Agreement to constitute conclusive evidence of such approval. The Series 2007 Refunding Bonds are hereby authorized to be sold to the 2007 Underwriters pursuant to the 2007 Bond Purchase Agreement.

Section Nine. Investment of Refunding Bond Proceeds; Investment Agreements and Escrow Agreements.

In connection with the refunding of the Refunded Bonds, the Treasurer of the City (the “Treasurer”) is hereby authorized to enter into such guaranteed investment contracts and other investment agreements, as the Treasurer shall deem necessary and appropriate, to provide for the investment of the proceeds of the Series 2006 Refunding Bonds and Series 2007 Refunding Bonds. In connection with the application of the proceeds of the Series 2006 Refunding Bonds towards the refunding of a portion of the Outstanding Bonds, the City hereby authorizes and directs the Mayor, the Comptroller, and the Treasurer to enter into one or more Escrow Agreements (the “2006 Escrow Agreement”) with the Escrow Agent, such 2006 Escrow Agreement to provide for the investment of the proceeds of the Series 2006 Refunding Bonds and the application of such amounts to the payment of a portion of the Outstanding Bonds to be refunded by such Series 2006 Refunding Bonds. In connection with the application of the proceeds of the Series 2007 Refunding Bonds towards the refunding of a portion of the Outstanding Bonds, the City hereby authorizes and directs the Mayor, the Comptroller, and the Treasurer to enter into one or more Escrow Agreements (the “2007 Escrow Agreement”) with the Escrow Agent, such 2007 Escrow Agreement to provide for the investment of the proceeds of the Series 2007 Refunding Bonds and the application of such amounts to the payment of a portion of the Outstanding Bonds to be refunded by such Series 2007 Refunding Bonds.

Section Ten. Official Statements and Continuing Disclosure Agreements.

The Mayor and the Comptroller with the advice and concurrence of the City Counselor, in connection with the public offering of the Series 2006 Refunding Bonds, are hereby authorized to prepare a Series 2006 Preliminary Official Statement for and on behalf of the City containing such disclosure and other matters deemed material, necessary or appropriate, as the Mayor and the Comptroller shall deem advisable. The Mayor and the Comptroller are hereby authorized to deliver certifications to the effect that the Series 2006 Preliminary Official Statement and the final Series 2006 Official Statement, together with such other documents, if any, described in such certificates, were deemed final as of their respective dates for the purposes of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”). The Mayor and the Comptroller are each hereby authorized to make public and to permit the 2006 Underwriters and the City’s financial advisors to use and distribute the Preliminary Official Statement in connection with the sale of the Series 2006 Refunding Bonds. The Mayor and Comptroller, with the advice and concurrence of the City Counselor, in connection with the public offering of the Series 2006 Refunding Bonds, are each hereby authorized and directed to prepare, execute and deliver a final Series 2006 Official Statement for and on behalf of the City, and the Mayor and the Comptroller are hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement (the “2006 Continuing Disclosure Agreement”) between the City and the Trustee in a form necessary for the 2006 Underwriters to comply with Rule 15c2-12.

The Mayor and the Comptroller with the advice and concurrence of the City Counselor, in connection with the public offering of the Series 2007 Refunding Bonds, are hereby authorized to prepare a Series 2007 Preliminary Official Statement for and on behalf of the City containing such disclosure and other matters deemed material, necessary or appropriate, as the Mayor and the Comptroller shall deem advisable. The Mayor and the Comptroller are hereby authorized to deliver certifications to the effect that the Series 2007 Preliminary Official Statement and the final Series 2007 Official Statement, together with such other documents, if any, described in such certificates, were deemed final as of their respective dates for the purposes of Rule 15c2-12. The Mayor and the Comptroller are each hereby authorized to make public and to permit the 2007 Underwriters and the City’s financial advisors to use and distribute the Series 2007 Preliminary Official Statement in connection with the sale of the Series 2007 Refunding Bonds. The Mayor and Comptroller, with the advice and concurrence of the City Counselor in connection with the public offering of the Series 2007 Refunding Bonds, are each hereby authorized and directed to prepare, execute and deliver a final Series 2007 Official Statement for and on behalf of the City, and the Mayor and the Comptroller are hereby authorized and directed to execute and deliver a Continuing Disclosure Agreement (the “2007 Continuing Disclosure Agreement”) between the City and the Trustee in a form necessary for the 2007 Underwriters to comply with Rule 15c2-12.

Section Eleven. Credit Enhancement; Credit Facility or Surety.

Upon the recommendation of the appropriate Managing Underwriter and the City’s financial advisors with respect to the Series 2006 Refunding Bonds and the Series 2007 Refunding Bonds, based upon a cost-benefit analysis, the Comptroller is hereby authorized to negotiate and approve the terms of any agreement for credit enhancement and to purchase credit enhancement with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and related obligations from one or more recognized providers of credit enhancement, liquidity facility or surety with respect to all or a portion of the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and to execute any agreement for credit enhancement with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and related obligations (including any liquidity facility necessary in connection with the issuance of any variable rate Refunding Bonds) and other documents in connection therewith as necessary to obtain credit enhancement with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and related obligations. The fees payable with respect to any credit enhancement acquired for the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and related obligations shall be payable out of the proceeds thereof as a cost of issuance.

Upon the recommendation of the applicable Managing Underwriter and the City’s financial advisors with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds, based upon a cost-benefit analysis, the Comptroller is hereby authorized to negotiate and approve the terms of any agreement for a credit facility or surety for any reserve fund with respect to the

Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds and to purchase a credit facility or surety for any reserve fund with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds from one or more recognized providers of credit facilities or sureties and to execute any agreement for a credit facility or surety and other documents therewith as necessary to obtain a credit facility or surety for any reserve fund with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds. The fees payable with respect to any credit facility or surety acquired for any reserve fund for the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds shall be payable out of the proceeds of the applicable Refunding Bonds as a cost of issuance.

Section Twelve. Interest Rate Exchange Agreement.

Upon the recommendation of the applicable Managing Underwriter and the City's financial advisors with respect to the Series 2006 Refunding Bonds and/or the Series 2007 Refunding Bonds, based upon a cost-benefit analysis, the Comptroller is hereby authorized to negotiate, approve the terms of, and execute and enter into one or more interest rate exchange agreements to provide debt service savings and to reduce interest rate risk for the term of any such agreements (the "Interest Rate Exchange Agreement") and to take such actions and execute such other documents in connection therewith as necessary to effect the purpose of the Interest Rate Exchange Agreement.

Section Thirteen. Authorized Officials; Further Authority.

The Mayor, the Comptroller, the Treasurer, the Register and other appropriate officers, agents and employees of the City, with the advice and concurrence of the City Counselor, are hereby authorized and empowered to execute and deliver the Series 2006 Refunding Bonds, the Series 2007 Refunding Bonds, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, a Tax and Non-Arbitrage Certificate with respect to the Series 2006 Refunding Bonds (the "2006 Tax Certificate"), a Tax and Non-Arbitrage Certificate with respect to the 2007 Refunding Bonds (the "2007 Tax Certificate"), the 2006 Bond Purchase Agreement, the 2007 Bond Purchase Agreement, the 2006 Escrow Agreement, the 2007 Escrow Agreement, the 2006 Continuing Disclosure Agreement, the 2007 Continuing Disclosure Agreement, any Interest Rate Exchange Agreement, any investment or related agreements, any agreement for credit enhancement and/or a credit facility or surety or other documents in connection therewith as necessary to obtain credit enhancement and/or a credit facility or surety (collectively, the "Refunding Bond Documents"), and all documents and other instruments which may be required under the terms of the Indenture or the Refunding Bond Documents, and this Ordinance, including, without limitation, applications, notices and other forms required to qualify the Refunding Bonds for sale under state securities or "Blue Sky" laws. The Mayor, the Comptroller, the Treasurer, the Register and other appropriate officers, agents and employees of the City, with the advice and concurrence of the City Counselor, are hereby authorized and empowered to execute such documents and to take such actions as are necessary or appropriate in connection with the issuance and sale of the Refunding Bonds and the consummation of the transactions contemplated hereby, including, but not limited to (i) the negotiation, execution and delivery of agreements and documents associated with the issuance of all or a portion of the Refunding Bonds as bonds bearing interest at variable rates, if any, (ii) the establishment of a liquidity facility or facilities, if any, in connection with the issuance of any bonds bearing interest at variable rates, if any, and (iii) the amendment or termination of existing forward delivery agreements, reserve fund agreements and investment contracts, as the Mayor and the Comptroller may deem necessary or desirable; provided, however, that any forward delivery agreements, reserve fund agreements, and investment contracts shall be authorized, negotiated, and approved by the Treasurer.

Section Fourteen. Repeal of Conflicting Ordinances.

Subject to the rights of the holders of the Outstanding Obligations to a prior pledge of the revenues of the Airport, all provisions of other Ordinances of the City which are in conflict with this Ordinance, the Fourteenth Supplemental Indenture approved hereby (as executed and delivered), the Fifteenth Supplemental Indenture approved hereby (as executed and delivered) or the Indenture shall be of no further force or effect on the City upon issuance and sale of the Refunding Bonds.

Section Fifteen. Severability.

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

**DRAFT 10/17/06**

**FOURTEENTH SUPPLEMENTAL INDENTURE OF TRUST**

**between  
THE CITY OF ST. LOUIS, MISSOURI,  
as Grantor  
and  
UMB BANK, N.A.  
as Trustee**

**§ \_\_\_\_\_  
THE CITY OF ST. LOUIS, MISSOURI**

**AIRPORT REVENUE REFUNDING BONDS,  
SERIES 2006  
LAMBERT— ST. LOUIS INTERNATIONAL AIRPORT**

**Dated as of [December 1, 2006]**

**TABLE OF CONTENTS**

<b>ARTICLE I</b>	<b>DEFINITIONS AND INTERPRETATIONS</b> .....	4
	Section 1.01 Definitions .....	4
	Section 1.02 Rules of Interpretation .....	7
<b>ARTICLE II</b>	<b>AUTHORIZATION OF SERIES 2006 REFUNDING BONDS</b> .....	8
	Section 2.01 Authorization and Purpose .....	8
	Section 2.02 Principal Amount, Designation and Series .....	8
	Section 2.03 Date, Maturities and Interest .....	8
	Section 2.04 Sale, Denominations, Numbers and Letters .....	9
	Section 2.05 Places of Payment .....	9
	Section 2.06 [Optional Redemption] .....	9
	Section 2.07 [Mandatory Sinking Fund Redemption] .....	9
	Section 2.08 Notice of Redemption .....	10
	Section 2.09 Conditions Precedent .....	10
	Section 2.10 Execution and Forms of Series 2006 Refunding Bonds and Authentication Certificate .....	10
<b>ARTICLE III</b>	<b>BOOK ENTRY SYSTEM FOR SERIES 2006 REFUNDING BONDS</b> .....	11
	Section 3.01 Book-Entry Bonds; Securities Depository .....	11
<b>ARTICLE IV</b>	<b>CREATION OF ACCOUNTS; APPLICATION OF FUNDS; DEBT SERVICE RESERVE REQUIREMENT</b> .....	12
	Section 4.01 Creation of Accounts .....	12
	Section 4.02 Application of Proceeds of Series 2006 Refunding Bonds .....	13
	Section 4.03 Transfers of Amounts held Under the Indenture .....	13
	Section 4.04 Series 2006 Refunding Bond Debt Service Reserve Requirement; Deposit of 2006 Surety .....	14
<b>ARTICLE V</b>	<b>[SUPPLEMENTS AND AMENDMENTS TO THE RESTATED INDENTURE]</b> .....	14
<b>ARTICLE VI</b>	<b>MISCELLANEOUS</b> .....	14
	Section 6.01 Provisions of Indenture .....	14
	Section 6.02 Counterparts .....	14
	Section 6.03 Supplemental Indenture .....	14
	Section 6.04 Continuing Disclosure .....	14
	Section 6.05 Tax Covenant of the City .....	15
<b>ARTICLE VII</b>	<b>[MATTERS RELATING TO SERIES 2006 REFUNDING BOND INSURANCE]</b> .....	15
	Section 7.01 [Payments Under the Series 2006 Refunding Bond Insurance Policy] .....	15
Exhibit A:	Form of Series 2006 Refunding Bonds	
Exhibit B:	Refunded Bonds	
Exhibit C:	Permissible Investment Securities for Indentured Funds	

**FOURTEENTH SUPPLEMENTAL INDENTURE OF TRUST**

THIS FOURTEENTH SUPPLEMENTAL INDENTURE OF TRUST (this “Fourteenth Supplemental Indenture”) dated as of [December 1, 2006] is made by and between the City of St. Louis, Missouri, a constitutional charter city and political subdivision of the State of Missouri (the “City”), and UMB Bank, N.A., a national banking association organized and existing under the laws of the United States of America, having a place of business in the City and duly authorized to exercise corporate trust powers, as trustee (in such capacity herein, and as successor in interest to Mercantile Trust Company National Association and State Street Bank and Trust Company of Missouri, N.A., together with any successor in such capacity referred to herein as the “Trustee”):

**WITNESSETH:**

WHEREAS, Lambert-St. Louis International Airport (the “Airport”) is owned by the City and operated by the Airport

Authority of the City (the "Airport Authority");

WHEREAS, pursuant to Article VI, Section 27 of the Constitution of the State of Missouri, as amended, the City has heretofore financed the purchase, construction, extension and improvement of the Airport by the issuance of its negotiable interest bearing airport revenue bonds;

WHEREAS, the City executed and delivered to the Trustee an Indenture of Trust dated as of October 15, 1984 between the City and the Trustee (the "Original Indenture") providing for the issuance from time to time of series of bonds of the City, unlimited in aggregate principal amount, except as in the Original Indenture provided or as limited by law;

WHEREAS, the Original Indenture has been amended and supplemented pursuant to the following supplemental indentures between the City and the Trustee: (i) the First Supplemental Indenture of Trust, dated as of July 1, 1987, (ii) the Second Supplemental Indenture of Trust, dated as of November 15, 1992, (iii) the Third Supplemental Indenture of Trust, dated as of August 1, 1993, (iv) the Fourth Supplemental Indenture of Trust, dated as of December 1, 1993, (v) the Fifth Supplemental Indenture of Trust, dated as of April 1, 1996, and (vi) the Sixth Supplemental Indenture of Trust, dated as of August 1, 1997 (collectively, the "Prior Supplemental Indentures");

WHEREAS, the Original Indenture was further amended and restated by the Amended and Restated Indenture of Trust dated as of September 10, 1997, between the City and the Trustee (the "1997 Amended Indenture") which amended, restated and superseded the Original Indenture;

WHEREAS, the 1997 Amended Indenture has been amended and supplemented pursuant to the following supplemental indentures between the City and the Trustee: (i) the Seventh Supplemental Indenture of Trust (the "Seventh Supplemental Indenture"), dated as of December 1, 1998, (ii) the Eighth Supplemental Indenture of Trust (the "Eighth Supplemental Indenture"), dated as of May 1, 2001, (iii) the Ninth Supplemental Indenture of Trust (the "Ninth Supplemental Indenture"), dated as of December 1, 2002, (iv) the Tenth Supplemental Indenture of Trust (the "Tenth Supplemental Indenture"), dated as of February 1, 2003, (v) the Eleventh Supplemental Indenture of Trust (the "Eleventh Supplemental Indenture"), dated as of May 1, 2003, (vi) the Twelfth Supplemental Indenture of Trust (the "Twelfth Supplemental Indenture"), dated as of May 1, 2004, and (vii) the Thirteenth Supplemental Indenture of Trust (the "Thirteenth Supplemental Indenture"), dated as of June 1, 2005 (collectively, the "Revised Indenture" and together with this Fourteenth Supplemental Indenture, is referred to collectively herein as the "Indenture");

WHEREAS, pursuant to a special election held on November 5, 1991, the qualified voters of the City approved the issuance by the City of airport revenue bonds in the aggregate principal amount of One Billion Five Hundred Million Dollars (\$1,500,000,000) for the purpose of paying the costs of purchasing, constructing, extending and improving the airports of the City (the "1991 Voter Approval");

WHEREAS, pursuant to a special election held on April 8, 2003, the qualified voters of the City approved the issuance by the City of airport revenue bonds in the aggregate principal amount of Two Billion Dollars (\$2,000,000,000) for the purpose of paying the costs of purchasing, constructing, extending and improving the airports of the City (the "2003 Voter Approval", and together with the 1991 Voter Approval, the "Voter Approval"), thereby establishing a total Voter Approval of Three Billion Five Hundred Million Dollars (\$3,500,000,000);

WHEREAS, pursuant to the Voter Approval, the City has heretofore issued revenue bonds for the purpose of paying the costs of purchasing, constructing, extending and improving airports to be owned by the City, the cost of the operation and the maintenance of which, and the principal and interest on the bonds to be payable solely from the revenues derived by the City from the operation of the airports;

WHEREAS, pursuant to the Indenture, the City has previously issued various series of general airport revenue bonds currently outstanding in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_);

WHEREAS, the City desires to issue its Series 2006 Refunding Bonds (hereinafter defined) to refund certain of the City's outstanding airport revenue bonds, as hereinafter specified, and in connection therewith to provide for the funding of a debt service reserve account, to make certain transfers of funds, and to pay costs of issuing the Series 2006 Refunding Bonds;

WHEREAS, pursuant to Ordinance number \_\_\_\_\_, adopted by the Board of Aldermen on \_\_\_\_\_, 2006 and approved by the Mayor on \_\_\_\_\_, 2006 (the "Ordinance"), the City is authorized to issue its Airport Revenue Refunding Bonds, Series 2006 (the "Series 2006 Refunding Bonds") under authority of Article VI, Sections 27(a) and 28 of the Missouri Constitution (the "Constitution"), as amended and the statutes of the State of Missouri;

[WHEREAS, also pursuant to the Ordinance, the City is authorized to enter into amendments to the Indenture to provide for \_\_\_\_\_;]

WHEREAS, pursuant to Section 1101(5) of the Restated Indenture, a Supplemental Indenture may be executed to provide for the issuance of a Series of Bonds;

[WHEREAS, pursuant to Sections 1101(2), 1101(3), and 1101(6) of the Restated Indenture, a Supplemental Indenture may be executed to add to the Indenture covenants and agreements of the City, to place limitations and restrictions upon the City, and to subject other funds to the pledge created by the Indenture;]

WHEREAS, the Series 2006 Refunding Bonds and any Additional Bonds issued pursuant to the Indenture shall state that the principal of, premium, if any, and interest thereon are payable solely from the Net Revenues to be derived by the City from the operation of the Airport and certain funds pledged therefor under the Indenture and that such Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment thereof, either as to principal, premium or interest;

WHEREAS, this Fourteenth Supplemental Indenture is to provide for (i) the issuance of the Series 2006 Refunding Bonds in the form, having the characteristics and being secured and entitled to the benefits as provided in the Indenture, including certain related transfers of funds, [and (ii) the amendments of the Indenture as set forth herein];

WHEREAS, the Trustee agrees to accept and administer the trusts created hereby;

WHEREAS, all things necessary to make the Series 2006 Refunding Bonds, when issued, executed and delivered by the City and authenticated by the Trustee, to the extent required pursuant to the Indenture, the valid, binding and legal limited obligations of the City and to constitute this Fourteenth Supplemental Indenture as a valid assignment and pledge of the revenues herein pledged to the payment of the principal, Redemption Price and interest on the Series 2006 Refunding Bonds, as described herein, and a valid assignment and pledge of certain rights of the City have been done and performed; and the creation, execution and delivery of this Fourteenth Supplemental Indenture, and the execution, issuance and delivery of the Series 2006 Refunding Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the rights of the Owners of the Bonds, and any other bonds issued under the Indenture, to the Revenues of the Airport and other funds pledged therefor pursuant to the Indenture are subject to the rights of the holders of the City's outstanding negotiable interest bearing obligations described in Schedule I to the Restated Indenture (the "Outstanding Obligations").

NOW, THEREFORE, THIS FOURTEENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH:

That as security for payment of the principal, Redemption Price of and interest on the Bonds, including the Series 2006 Refunding Bonds, and any Additional Bonds issued from time to time under the Indenture and any additional Supplemental Indentures authorized and executed pursuant to the Restated Indenture, and for any funds which may be advanced by the Trustee pursuant hereto, the City does hereby pledge to the Trustee a security interest in and to the proceeds of the sale of the Series 2006 Refunding Bonds issued hereunder, all the property described in the granting clauses of the Indenture and all proceeds of any of the foregoing (collectively, the "Trust Estate") and does hereby by these presents pledge, assign, grant, bargain and sell, convey and confirm to the Trustee a security interest in and to the same.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended to be, conveyed to the Trustee and its successors in such trust and their assigns forever.

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Bonds issued under and secured by the Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others upon the terms and conditions hereinafter stated and except as otherwise herein expressly provided or provided in the Indenture.

[SUBJECT TO the application of the proceeds of sale of the Series 2006 Refunding Bonds and the Revenues to the purposes and on the conditions permitted by the Indenture and the rights of the Owners of the Outstanding Bonds to the Revenues of the Airport.]

The City hereby covenants and agrees with the Trustee and with the Owners of the Series 2006 Refunding Bonds, as follows:

#### **ARTICLE I DEFINITIONS AND INTERPRETATIONS**

Section 1.01 Definitions. Capitalized terms used and not defined herein shall have the following meanings, unless a different meaning clearly appears from the context, and terms not defined herein shall retain the meanings given to such terms in the Indenture:

"2006 Costs of Issuance Sub-Account" means the account by that name established pursuant to Section 4.01(a)(iii).

"2006 Debt Service Reserve Sub-Account" means the account by that name established pursuant to Section 4.01(a)(ii).

"2006 Debt Service Sub-Account" means the account by that name established pursuant to Section 4.01(a)(i).

"2006 Surety" means the surety policy issued by the Series 2006 Refunding Bond Insurer for deposit into the 2006 Debt Service Reserve Sub-Account and attached as Annex A to the Financial Guaranty Agreement made as of [December \_\_, 2006], between the 2006 Bond Insurer and the City.]

"Airport Authority" means the entity that was created by the City's Board of Aldermen pursuant to an ordinance in 1968 and that operates the Airport and consists of the Airport Commission, the Airport Authority's Chief Executive Officer and other

managers and personnel required to operate the Airport, or any subsequent entity created by the City's Board of Aldermen to operate the Airport.

*"Beneficial Owner"* means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

*"Bond"* or *"Bonds"* means the Series 2006 Refunding Bonds and any other bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Indenture.

*"Bond Counsel"* means Nixon Peabody LLP, New York, New York, and the Hardwick Law Firm, LLC, Kansas City, Missouri, or any other attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City and acceptable to the Trustee.

*"Business Day"* means any day of the year other than (a) a Saturday or Sunday or (b) any day on which banks located in New York, New York, St. Louis, Missouri or Kansas City, Missouri are required or authorized by law to remain closed.

*"Continuing Disclosure Agreement"* means that certain Continuing Disclosure Agreement executed and delivered by the City and the Dissemination Agent with respect to the Series 2006 Refunding Bonds.

*"Dissemination Agent"* means \_\_\_\_\_, and any successor dissemination agent under the Continuing Disclosure Agreement.

*"DTC"* means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, as amended, a "banking organization" within the meaning of the New York Banking Law, as amended, a member of the Federal Reserve System, a "clearing corporation," within the meaning of the New York Commercial Code, as amended, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended, and its successors and assigns.

*"Escrow Fund"* means the fund established under the Escrow Agreement.

*"Escrow Agreement"* means the Escrow Agreement dated as of [December 1, 2006] between the City and the Escrow Trustee entered into in connection with the refunding of the Refunded Bonds.

*"Escrow Trustee"* means the UMB Bank, N.A., as escrow trustee under the Escrow Agreement.

*"Fitch"* means Fitch Ratings, Inc.

*"Indenture"* has the meaning given to such term in the sixth Whereas clause of this Fourteenth Supplemental Indenture.

*"Interest Payment Date"* means January 1 and July 1 of each year beginning January 1, 2007.

*"Moody's"* means Moody's Investors Service, Inc.

*"Original Indenture"* has the meaning given to such term in the third Whereas clause hereof.

*"Principal Payment Date"* means July 1 of each year.

*"Prior Supplemental Indentures"* has the meaning given to such term in the fourth Whereas clause hereof.

*"Rating Agency"* or *"Rating Agencies"* means, with respect to the Bonds or any Series of Bonds, Moody's, S&P and Fitch, to the extent that any of such rating services have issued a credit rating on the Bonds which is in effect at the time in question or, upon discontinuance of any of such rating services, such other nationally recognized rating service or services, if any such rating service has issued a credit rating on the Bonds at the request of the City and such credit rating is in effect at the time in question.

*"Record Date"* means the 15th day of the month preceding an Interest Payment Date.

*"Redemption Price"* means, with respect to any Series 2006 Refunding Bond, the amount payable upon redemption thereof pursuant to Article II of this Fourteenth Supplemental Indenture.

*"Refunded Bonds"* means the Bonds being refunded pursuant to this Fourteenth Supplemental Indenture as described on Exhibit B hereto.

*"Revised Indenture"* means the Amended and Restated Indenture of Trust between the City and the Trustee, dated as of October 15, 1984, as amended and restated as of September 10, 1997, as amended and supplemented as described in the sixth Whereas clause hereof.

*"Series 2006 Refunding Bonds"* means the Airport Revenue Refunding Bonds, Series 2006 (Lambert-St. Louis International Airport).

[“*Series 2006 Refunding Bond Insurance Policy*” means the insurance policy issued by the Series 2006 Refunding Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2006 Refunding Bonds when due.]

[“*Series 2006 Refunding Bond Insurer*” means [\_\_\_\_\_] or any successor thereto or assignee thereof.]

“*S&P*” means Standard & Poor’s Ratings Services.

“*Tax Certificate*” means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended, to be delivered by the City to evidence compliance with the provisions of Sections 103 and 141-150 of the Code.

“*Trust Estate*” has the meaning given to such term in the granting clause of this Fourteenth Supplemental Indenture.

“*Trustee*” means UMB Bank, N.A., a national banking association, and any successor trustee under the Indenture, acting in its trust capacity.

“*Underwriters*” means those underwriters identified in the bond purchase agreement relating to the sale, purchase and delivery of the Series 2006 Refunding Bonds.

“*Use Agreements*” means the commercial airlines/airport use agreements between the principal certificated air carriers and the City, as in effect from time to time.

Section 1.02 Rules of Interpretation. For purposes of this Fourteenth Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to the Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural and words importing person shall include firms, partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.

(c) All accounting terms which are not defined in the Indenture have the meanings assigned to them in accordance with then applicable generally accepted accounting principles.

(d) Any pronouns used in this Fourteenth Supplemental Indenture include both the singular and the plural and cover both genders and the neuter.

(e) Any terms defined elsewhere in this Fourteenth Supplemental Indenture have the meanings attributed to them where defined.

(f) Words referring to the redemption or calling for redemption of Series 2006 Refunding Bonds shall not be deemed to refer to the payment of Series 2006 Refunding Bonds at their stated maturity.

(g) The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(h) The Section numbers are those of this Fourteenth Supplemental Indenture unless stated otherwise.

(i) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

## **ARTICLE II AUTHORIZATION OF SERIES 2006 REFUNDING BONDS**

Section 2.01 Authorization and Purpose. The City hereby authorizes the issuance of an additional Series of Bonds pursuant to the Indenture, consisting of the Series 2006 Refunding Bonds. The purpose for which the Series 2006 Refunding Bonds are being issued is to refund the Refunded Bonds, to provide for the funding of a debt service reserve account, and to pay costs of issuing the Series 2006 Refunding Bonds.

Section 2.02 Principal Amount, Designation and Series. The Series 2006 Refunding Bonds are entitled to the benefit, protection and security of the Indenture. The Series 2006 Refunding Bonds are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_. The Series 2006 Refunding Bonds shall be designated and distinguished from the Bonds of all other Series by the title “Airport Revenue Refunding Bonds, Series 2006 (Lambert-St. Louis International Airport)”.

Section 2.03 Date, Maturities and Interest. The Series 2006 Refunding Bonds issued under this Fourteenth Supplemental Indenture and pursuant to the Indenture shall be issued, transferred and exchanged only in fully registered form and shall be dated the date of their original issuance and delivery. The Series 2006 Refunding Bonds shall mature on July 1 in the years

and in the principal amounts (subject to prior redemption as hereinafter provided) and shall bear interest at the rates per annum, as follows:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
--------------------------	-------------------------	----------------------	--------------

The Series 2006 Refunding Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year, beginning January 1, 2007.

Section 2.04 Sale, Denominations, Numbers and Letters. The Series 2006 Refunding Bonds shall be sold to the Underwriters through a negotiated sale or sales. The Series 2006 Refunding Bonds shall be issued in the denominations of \$5,000 and integral multiples thereof. The Series 2006 Refunding Bonds shall be substantially in the form set forth in Exhibit A to this Fourteenth Supplemental Indenture. The Series 2006 Refunding Bonds shall be numbered from one consecutively upward in order of issuance, with the number on each Series 2006 Refunding Bond preceded by the letter "R-".

Section 2.05 Places of Payment. The principal and Redemption Price of the Series 2006 Refunding Bonds shall be payable by check or draft at maturity or when otherwise due upon presentment and surrender thereof at the principal payment office of the Trustee or at the office of any Paying Agent, to the persons in whose names the Series 2006 Refunding Bonds are registered on the registration books maintained by the Trustee as Bond Registrar. Interest on the Series 2006 Refunding Bonds will be paid by check or draft drawn upon the Trustee payable to the Owners thereof in accordance with Section 401(E) of the Revised Indenture. Registered owners of Series 2006 Refunding Bonds of at least \$1,000,000 may receive payments of interest by electronic transfer upon written notice provided by the registered Owner to the Trustee of the relevant instructions not later than five (5) days prior to the Record Date for such interest payment, such instructions to include the name of the bank (which shall be in the continental United States), its address, ABA routing number and the account number to which such payments shall be directed.

Section 2.06 [Optional Redemption.] The Series 2006 Refunding Bonds maturing on July 1, \_\_\_\_ through July 1, \_\_\_\_, inclusive, are subject to the right of the City to redeem such Series 2006 Refunding Bonds prior to maturity from any source, in whole or in part at any time, of such maturity as shall be selected by the City (and within a maturity as selected by the Trustee in such equitable manner as it shall determine), on and after \_\_\_\_ 1, \_\_\_\_ at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2006 Refunding Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

The City shall, not less than forty-five (45) days prior to any redemption date, notify the Trustee in writing of the redemption date, the principal amount of Series 2006 Refunding Bonds to be redeemed and any other necessary particulars under the optional redemption provisions of this Section 2.06.]

Section 2.07 [Mandatory Sinking Fund Redemption.] The Series 2006 Refunding Bonds maturing on July 1, \_\_\_\_ are subject to mandatory redemption prior to maturity, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, at the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
-------------	--

\_\_\_\_\_  
\*Final Maturity]

Section 2.08 Notice of Redemption. Notice of redemption for any or all of the Series 2006 Refunding Bonds shall be provided by the Trustee in the manner set forth in Section 605 of the Revised Indenture. In accordance with Section 606 of the Revised Indenture, if, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2006 Refunding Bonds called for redemption, the notice may state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Such notice will be of no effect and the redemption price for such optional redemption will not be due and payable unless such moneys are so deposited.

Section 2.09 Conditions Precedent. The Series 2006 Refunding Bonds shall be executed by the City and delivered to the Trustee and shall thereupon be authenticated by the Trustee and delivered to the City or upon its order but only upon the receipt by the Trustee of the documents and monies required by the provisions of this Article II and Sections 302 and 305 of the Revised Indenture.

Section 2.10 Execution and Forms of Series 2006 Refunding Bonds and Authentication Certificate.

(a) The Series 2006 Refunding Bonds and the Certificate of Authentication and Form of Assignment thereon shall be in substantially the forms set forth in Exhibit A attached hereto, with such insertions or omissions, endorsements, modifications and variations as may be necessary or advisable to reflect the details and purpose of issuance of the Series 2006 Refunding Bonds and the provisions of the Indenture.

(b) CUSIP identification numbers may be included herein and printed on the Series 2006 Refunding Bonds, but such numbers shall not be deemed to be a part of the Series 2006 Refunding Bonds or a part of the contract evidenced thereby and no

liability shall hereafter attach to the City, the Trustee or any of the officers or agents thereof because of or on account of said CUSIP identification numbers.

**ARTICLE III  
BOOK ENTRY SYSTEM FOR SERIES 2006 REFUNDING BONDS**

Section 3.01 Book-Entry Bonds; Securities Depository. The Series 2006 Refunding Bonds shall initially be registered to Cede & Co., the nominee for The Depository Trust Company, New York, New York (the "Securities Depository"), and no beneficial owner will receive certificates representing its respective interest in the Series 2006 Refunding Bonds, except in the event the Trustee issues replacement bonds as provided in this Section. It is anticipated that during the term of the Series 2006 Refunding Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Series 2006 Refunding Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the beneficial owners as described in the following paragraph.

(a) If the City determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system (to the exclusion of any Series 2006 Refunding Bonds being issued to any bondowner other than Cede & Co.) is no longer in the best interests of the beneficial owners of the Series 2006 Refunding Bonds, or if the Trustee receives written notice from Participants representing interests in not less than 50% of the Series 2006 Refunding Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system (to the exclusion of any Series 2006 Refunding Bonds being issued to any bondowner other than Cede & Co.) is no longer in the best interests of the beneficial owners of the Series 2006 Refunding Bonds, then the Trustee shall notify the bondowners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver replacement bonds to the beneficial owners or their nominees in principal amounts representing the interest of each; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the City, with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when at least one Series 2006 Refunding Bond is registered in the name of the Securities Depository or its nominee. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the City, the Trustee or bondowners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of replacement bonds to bondowners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names and addresses of and principal amounts owned by of the beneficial owners of the Series 2006 Refunding Bonds. The cost of printing, registration, authentication, and delivery of replacement bonds shall be paid for by the City.

(b) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. Upon receipt of a Series 2006 Refunding Bond or Series 2006 Refunding Bonds for cancellation the Trustee shall cause the delivery of Series 2006 Refunding Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**ARTICLE IV  
CREATION OF ACCOUNTS; APPLICATION OF FUNDS; DEBT SERVICE RESERVE REQUIREMENT**

Section 4.01 Creation of Accounts.

(a) The following accounts and sub-accounts are hereby created within the specified Funds established by the Revised Indenture:

- (i) the 2006 Debt Service Sub-Account (the "2006 Debt Service Sub-Account") of the Debt Service Account of the Airport Bond Fund;
- (ii) the 2006 Debt Service Reserve Sub-Account (the "2006 Debt Service Reserve Sub-Account") of the Debt Service Reserve Account of the Airport Bond Fund; and
- (iii) the 2006 Costs of Issuance Sub-Account (the "2006 Costs of Issuance Sub-Account") of the 2006 Construction Account of the Airport Construction Fund.

(b) The Escrow Fund established under the Escrow Agreement is hereby acknowledged by the City and the Trustee.

(c) The accounts and sub-accounts created pursuant to Section 4.01(a) are hereinafter referred to collectively as the 2006 Accounts. Each of the 2006 Accounts shall be used for the same purposes as the respective fund or account to which it relates. Moneys on deposit in each of the 2006 Accounts pursuant to Section 4.01(a) shall be held and used for purposes and on the conditions

specified in the Indenture. Money credited to the 2006 Accounts may be held by the City, in the case of funds deposited with the City under the Indenture, or by the Trustee, in the case of funds deposited with the Trustee under the Indenture. However, the investment of monies with respect to each of the 2006 Accounts shall be separately made and maintained. The investment earnings of any of the 2006 Accounts shall be transferred to the Revenue Fund as provided for in the Indenture.

(d) The City and the Trustee, as the case may be, may eliminate any of the aforementioned 2006 Accounts and transfer all amounts therein to the related Fund if both receive the written opinion of Bond Counsel that the failure to maintain such account will not adversely affect the tax-exempt status of interest on the Series 2006 Refunding Bonds.

**Section 4.02      Application of Proceeds of Series 2006 Refunding Bonds.**

On the date of delivery of the Series 2006 Refunding Bonds, the net proceeds of the Series 2006 Refunding Bonds in the aggregate amount of \$\_\_\_\_\_ (which amount excludes the [insurance premium in the amount of \$\_\_\_\_\_ and the 2006 Surety premium in the amount of \$\_\_\_\_\_]) shall be delivered or caused to be delivered by the City to the Trustee for application as follows:

(a) \$\_\_\_\_\_ shall be transferred to the Escrow Trustee for deposit into the respective accounts of the Escrow Fund established under the Escrow Agreement, in the respective amounts specified therein, for the defeasance, payment and redemption of the Refunded Bonds;

(b) \$\_\_\_\_\_ shall be deposited into the 2006 Costs of Issuance Sub-Account to be used to pay the costs of issuance of the Series 2006 Refunding Bonds[, (which excludes funds transferred directly by the underwriter to the Series 2006 Refunding Bond Insurer in the amount of \$\_\_\_\_\_ as bond insurance premium and \$\_\_\_\_\_ as surety premium)]; and

(c) \$\_\_\_\_\_ shall be deposited into the 2006 Debt Service Reserve Sub-Account.

**Section 4.03      Transfers of Amounts held Under the Indenture.**

On the date of the issuance of the Series 2006 Refunding Bonds, the Trustee shall transfer the following amounts held under the Indenture:

[(a) \$\_\_\_\_\_ of the funds on deposit in the 2001A ADP Debt Service Sub-Account shall be transferred to the Escrow Fund;

(b) \$\_\_\_\_\_ of the funds on deposit in the 2001A ADP Debt Service Sub-Account shall be transferred to the 2006 Debt Service Sub-Account to pay interest on the Series 2006 Refunding Bonds;

(c) \$\_\_\_\_\_ of the funds on deposit in the 2002A Debt Service Sub-Account shall be transferred to the Escrow Fund; and

(d) \$\_\_\_\_\_ of the funds on deposit in the 2002A Debt Service Reserve Sub-Account shall be transferred to the 2006 Debt Service Reserve Sub-Account.]

**Section 4.04      Series 2006 Refunding Bond Debt Service Reserve Requirement; Deposit of 2006 Surety.**

(a) The Debt Service Reserve Requirement for the Series 2006 Refunding Bonds shall initially be \$\_\_\_\_\_, which is the amount which shall equal the least of (a) 10% of the proceeds of the Series 2006 Refunding Bonds, (b) 125% of the average annual debt service on the Series 2006 Refunding Bonds, or (c) the maximum annual debt service on the Series 2006 Refunding Bonds; and such amount will be funded by the deposit specified in Section 4.02(c) (in the amount of \$\_\_\_\_\_) [plus the 2006 Surety in the amount of \$\_\_\_\_\_].

(b) [The Trustee and the City acknowledge and agree that the 2006 Debt Service Reserve Sub-Account will be funded by the deposit of the amount set forth in Sections 4.02(c) and 4.03(d) [and the 2006 Surety].]

**ARTICLE V  
[SUPPLEMENTS AND AMENDMENTS TO THE REVISED INDENTURE]**

Include any conforming or clarifying amendments as appropriate.

**ARTICLE VI  
MISCELLANEOUS**

**Section 6.01      Provisions of Indenture.** Except as otherwise provided by this Fourteenth Supplemental Indenture, all of the provisions, terms and conditions of the Indenture shall continue in full force and effect.

**Section 6.02      Counterparts.** This Fourteenth Supplemental Indenture may be executed in several counterparts, all or any of which may be treated for all purposes as an original and shall constitute and be one and the same instrument. In addition, the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies,

facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.03 Supplemental Indenture. This Fourteenth Supplemental Indenture is being executed and delivered pursuant to Sections 1101(2), 1101(3), 1101(5), 1101(6) and 1101(9) of the Revised Indenture.

Section 6.04 Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and that such Continuing Disclosure Agreement is intended to be for the benefit of the holders of the Series 2006 Refunding Bonds and the Beneficial Owners thereof. Notwithstanding any other provision of the Indenture, failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may, and, upon receipt of satisfactory indemnity at the request of any of the Underwriters or any Bondholder of 25% or more of the Series 2006 Refunding Bonds then Outstanding, shall (or any Bondholder of Series 2006 Refunding Bonds may) take such actions as may be necessary and appropriate, including seeking a mandamus for specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with their obligations under this Section. A default under the Continuing Disclosure Agreement shall not be a default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Section 6.05 Tax Covenant of the City. The City covenants that it will comply with the Tax Certificate and the applicable requirements of the Code throughout the term of the Bonds. The City also covenants that it will neither make nor direct the Trustee to make any investment or other use of the proceeds of the Series 2006 Refunding Bonds that would (a) cause the Series 2006 Refunding Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code or (b) cause interest paid on the Series 2006 Refunding Bonds to not be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. The Trustee covenants that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

The City covenants that it (a) will take, or use its best efforts to require to be taken, all actions that may be required of the City for the interest on the Series 2006 Refunding Bonds to be and remain not included in gross income for federal income tax purposes and (b) will not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

**ARTICLE VII  
[MATTERS RELATING TO SERIES 2006 REFUNDING BOND INSURANCE]**

Section 7.01 [Payments Under the Series 2006 Refunding Bond Insurance Policy].

IN WITNESS WHEREOF, the City has caused this Fourteenth Supplemental Indenture to be signed in its name by its Mayor, Comptroller and Treasurer and attested by its Register, and the Trustee, in acceptance of the trusts created hereunder, has caused this Fourteenth Supplemental Indenture to be signed in its corporate name by its officer thereunder duly authorized, all as of the day and year first above written.

THE CITY OF ST. LOUIS, MISSOURI

[SEAL]:

By: \_\_\_\_\_  
Register

By: \_\_\_\_\_  
Mayor

Approved as to form:

By: \_\_\_\_\_  
Comptroller

By: \_\_\_\_\_  
City Counselor

By: \_\_\_\_\_  
Treasurer

UMB BANK, N.A., as Trustee

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

[SEAL]

Attest:

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

**EXHIBIT A**

**(FORM OF FULLY REGISTERED SERIES 2006 REFUNDING BOND)**

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Registered  
No. R-\_\_\_\_\_ \$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MISSOURI  
THE CITY OF ST. LOUIS  
AIRPORT REVENUE REFUNDING BOND, SERIES 2006  
(LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT)

<u>Interest Rate</u> <u>Per Annum</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____ %	July 1, _____	December _____, 2006	_____

REGISTERED OWNER: CEDE & CO.  
PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF ST. LOUIS (the “City”), a municipal corporation in the State of Missouri (the “State”), hereby acknowledges itself indebted to, and for value received hereby promises to pay, solely from the revenues and funds pledged therefor as hereinafter provided, the registered owner specified above, or registered assigns, on the maturity date specified above, the principal sum specified above, and to pay solely from such revenues and funds pledged therefor, to the registered owner hereof interest on such principal sum from the dated date specified above at the rate of interest specified above, payable on January 1 and July 1 in each year commencing January 1, 2007, and semi-annually thereafter until such principal sums shall be discharged as provided in the Indenture hereinafter mentioned. The principal of and premium, if any, on this Series 2006 Refunding Bond shall be payable by check or draft in lawful money of the United States of America upon presentation at the principal payment office of UMB Bank, N.A., St. Louis, Missouri or at the office of any other Paying Agent appointed pursuant to an Indenture of Trust between the City and UMB Bank, N.A. (as successor to Mercantile Trust Company National Association and State Street Bank and Trust Company of Missouri, N.A.), as trustee (the “Trustee”), dated as of October 15, 1984, as amended and supplemented by the First Supplemental Indenture of Trust between the City and the Trustee dated as of July 1, 1987, the Second Supplemental Indenture of Trust between the City and the Trustee dated as of November 15, 1992, the Third Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1993, the Fourth Supplemental Indenture of Trust dated as of December 1, 1993, the Fifth Supplemental Indenture of Trust between the City and the Trustee dated as of April 1, 1996, and the Sixth Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1997, as amended and restated by the Amended and Restated Indenture of Trust between the City and the Trustee, dated as of October 15, 1984, and amended and restated as of September 10, 1997, as amended and supplemented by the following supplemental indentures between the City and the Trustee: Seventh Supplemental Indenture of Trust (the “Seventh Supplemental Indenture”) dated as of December 1, 1998, the Eighth Supplemental Indenture of Trust (the “Eighth Supplemental Indenture”) dated as of May 1, 2001, the Ninth Supplemental Indenture of Trust (the “Ninth Supplemental Indenture”) dated as of December 1, 2002, the Tenth Supplemental Indenture of Trust (the “Tenth Supplemental Indenture”), dated as of February 1, 2003, the Eleventh Supplemental Indenture of Trust (the “Eleventh Supplemental Indenture”), dated as of May 1, 2003, the Twelfth Supplemental Indenture of Trust (the “Twelfth Supplemental Indenture”), dated as of May 1, 2004 and the Thirteenth Supplemental Indenture of Trust (the “Thirteenth Supplemental Indenture” and collectively, the “Revised Indenture”), dated as of June 1, 2005, as amended and supplemented by the Fourteenth Supplemental Indenture of Trust (the “Fourteenth Supplemental Indenture”), dated as of [December 1, 2006], are collectively referred to herein as the “Indenture”). Interest on this Bond is payable to the registered owner hereof as of the fifteenth day of the month, whether or not a business day, next preceding the applicable interest payment date (the “Record Date”) by check or draft in lawful money of the United States of America mailed to the address of such Owner shown on the Series 2006 Refunding Bond registration books maintained by the Trustee, as Bond Registrar or by electronic transfer to registered owners of at least \$1,000,000 in Series 2006 Refunding Bonds upon written notice provided by such Owners to the Trustee of the relevant instructions not later than five (5) days prior to the Record Date for such interest payment. Capitalized terms used and not defined herein have the meanings set forth in the Indenture.

Notwithstanding any other provision hereof, this Series 2006 Refunding Bond is initially issued in book-entry form and is registered in the name of Cede & Co., as the nominee of The Depository Trust Company (“DTC”), and the payment of principal and interest and the providing of notices and other matters will be made as described in the City’s Blanket Letter of Representation to DTC.

Unless this Series 2006 Refunding Bond is presented by an authorized representative of DTC to the City or its agent for

registration of transfer, exchange or payment, and any Series 2006 Refunding Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and payment is made to Cede & Co., any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful since the Registered Owner hereof, Cede & Co., has an interest herein.

This Series 2006 Refunding Bond is one of a duly authorized issue of bonds of the City designated "The City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2006 (Lambert-St. Louis International Airport)" (the "Series 2006 Refunding Bonds") in the aggregate principal amount of \$\_\_\_\_\_ issued under and pursuant to the Indenture. As provided in the Indenture and any additional Supplemental Indentures authorized and executed pursuant to the Indenture, the principal of, premium, if any, and interest on the Series 2006 Refunding Bonds and any other bonds issued under the Indenture are payable solely from and secured by a pledge of the Revenues of the Airport and certain other funds held or set aside under the Indenture. The rights of the owners of the Series 2006 Refunding Bonds, and any other bonds issued under the Indenture, to the Revenues of the Airport and other funds pledged therefor pursuant to the Indenture are subject to the rights of the holders of the City's outstanding negotiable interest bearing obligations described in Schedule I to the Restated Indenture (the "Outstanding Obligations"). Copies of the Indenture are on file at the offices of the City and at the corporate trust office of the Trustee in the City of St. Louis, Missouri or its successor as trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing this Series 2006 Refunding Bond, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owner of this Series 2006 Refunding Bond with respect thereto and the terms and conditions upon which bonds are issued and may be issued thereunder.

The Series 2006 Refunding Bonds and the interest thereon are limited obligations of the City payable solely from a pledge of Revenues, except to the extent payable from the proceeds of the Series 2006 Refunding Bonds, income from investments and certain reserves and other moneys which have been pledged as provided in the Indenture to secure payment thereof. The Series 2006 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment hereof, either as to principal, premium or interest. The Series 2006 Refunding Bonds are without recourse to the City or the State. The Series 2006 Refunding Bonds are not general obligations of the City or the State, are not a pledge and do not involve the faith and credit or the taxing power of the City or the State, do not constitute a debt of the City or the State, and do not constitute lending of the public credit for private undertakings.

As provided in the Indenture, bonds of the City may be issued from time to time pursuant to Supplemental Indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and otherwise may vary as provided in the Indenture. The aggregate principal amount of bonds which may be issued under the Indenture is not limited except as provided in the Indenture or as limited by applicable law, and all bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, subject to the prior rights of the holders of the Outstanding Obligations and except as otherwise expressly provided or permitted in the Indenture.

The Indenture grants to any Bond Insurer (as defined therein), that has issued a municipal bond insurance policy insuring bonds issued thereunder, certain rights with respect to the bonds covered by the policy. For purposes of Article IX (Remedies of Bondholders) and Article XII (Amendments) of the Restated Indenture, certain actions required by the owners of any bonds insured by a Bond Insurer may be taken by such Bond Insurer without any action being taken by the Owner thereof. Any action taken by such Bond Insurer shall be deemed to be the action taken by such Owner. Reference is made to the Indenture for a complete statement of the rights of such Bond Insurers to which the Owner of this Series 2006 Refunding Bond may be subject.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any supplemental indenture, may be modified or amended by the City, with the written consent of the Owners of at least fifty-one percent (51%) in principal amount of the bonds then outstanding under the Indenture, and, in case less than all of the series of bonds would be affected thereby, with such consent of at least fifty-one percent (51%) in principal amount of the bonds of each series so affected then outstanding under the Indenture; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Indenture, the consent of the owners of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. The Indenture further provides that certain changes may be made to the Indenture or any supplemental indenture without the consent of the Owners of the bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding bond or of any installment of interest thereof or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the Owner of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the Owners of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written consent thereto.

This Series 2006 Refunding Bond is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in person, or by his or her duly authorized attorney, upon surrender of this Series 2006 Refunding Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his or her duly authorized attorney at the office of the Trustee and thereupon a new Series 2006 Refunding Bond or Series 2006 Refunding Bonds, and in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the person in whose name this Series 2006 Refunding Bond is registered on the registration books maintained by the Trustee as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Series 2006 Refunding Bonds of the issue of which this Series 2006 Refunding Bond is one are issuable in the form of registered bonds without coupons in the denominations of \$5,000 or any integral multiple of \$5,000. Subject to such conditions and upon the payment of such charges, the owner of any Series 2006 Refunding Bond or Series 2006 Refunding Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Series 2006 Refunding Bonds of any other authorized denominations of the same issue.

[The Series 2006 Refunding Bonds maturing on \_\_\_\_ 1, \_\_\_\_ through \_\_\_\_ 1, \_\_\_\_ inclusive, are subject to the right of the City to redeem such Series 2006 Refunding Bonds prior to maturity from any source, in whole or in part at any time, of such maturity as shall be selected by the City (and within a maturity as selected by the Trustee in such equitable manner as it shall determine), on and after \_\_\_\_ 1, \_\_\_\_ at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2006 Refunding Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.]

[The Series 2006 Refunding Bonds maturing on \_\_\_\_ 1, \_\_\_\_ are subject to mandatory redemption prior to maturity, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on \_\_\_\_ 1 of each of the years set forth below, at the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
_____	
*Final Maturity]	

With respect to the mandatory sinking fund redemption of the Series 2006 Refunding Bonds maturing \_\_\_\_ 1, \_\_\_\_\_, amounts accumulated in the Debt Service Account for such purpose may be applied prior to the 60th day preceding a sinking fund payment date to purchase Series 2006 Refunding Bonds. After the 60th day but on or prior to the 40th day preceding a sinking fund payment date, amounts on deposit in the Debt Service Account may be applied to purchase Series 2006 Refunding Bonds in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of the payment requirement for such sinking fund payment date. All such purchases of Series 2006 Refunding Bonds shall be at prices not exceeding the applicable sinking fund payment price.

The Series 2006 Refunding Bonds of the issue of which this Bond is one are payable upon redemption at the above-mentioned office of the Trustee and any Paying Agents. Notice of redemption shall be mailed to each owner of a Series 2006 Refunding Bond subject to redemption not less than thirty (30) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Indenture. If notice of redemption shall have been mailed as aforesaid, the Series 2006 Refunding Bonds or portions thereof specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date, and if moneys for the payment of the Redemption Price of all the Series 2006 Refunding Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2006 Refunding Bonds shall cease to accrue and become payable to the owners entitled to payment thereof on such redemption.

As provided in the Indenture, until any termination of the system of book-entry-only transfers through the Depository Trust Company (together with any successor securities depository appointed pursuant to the Indenture, "DTC"), and notwithstanding any other provision of the Indenture to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the paying agent. DTC or a nominee, transferee or assignee of DTC as owner of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Indenture.

Unless this Series 2006 Refunding Bond is presented by an authorized officer of DTC (a) to the Paying Agent for registration of transfer or exchange or (b) to the Paying Agent for payment of principal, and any Series 2006 Refunding Bond issued in replacement thereof or substitution therefor is registered in the name of DTC or its nominee, Cede & Co., or such other name as requested by an authorized representative of DTC and any payment is made to DTC, any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful since the registered owner hereof, DTC or its nominee, Cede & Co., has an interest herein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and by the laws of the State of Missouri or the Indenture to exist, to have happened or to have been performed precedent to or contemporaneously with the issuance of this Series 2006 Refunding Bond, exist, have happened and have been performed.

This Series 2006 Refunding Bond shall not be entitled to any security, right or benefit under the Indenture or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, The City of St. Louis has caused this Series 2006 Refunding Bond to be executed in its name and on its behalf by the manual or facsimile signatures of the Mayor and the Comptroller and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Register, all as of the date of authentication specified below.

THE CITY OF ST. LOUIS

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST

By: \_\_\_\_\_  
Register

By: \_\_\_\_\_  
Comptroller

Approved as to form:

By: \_\_\_\_\_  
City Counselor

[STATEMENT OF INSURANCE]

CERTIFICATE OF AUTHENTICATION

This Series 2006 Refunding Bond is one of the bonds described in the within-mentioned Indenture. The date of authentication of this Series 2006 Refunding Bond is \_\_\_\_\_.

UMB BANK, N.A.,  
As Trustee  
By: \_\_\_\_\_  
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE: \_\_\_\_\_

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution (as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 AD-15))

\_\_\_\_\_  
(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B

REFUNDED BONDS

EXHIBIT C

PERMISSIBLE INVESTMENT SECURITIES FOR INDENTURED FUNDS  
[INSURANCE REQUIREMENTS]

DRAFT 10/17/06

FIFTEENTH SUPPLEMENTAL INDENTURE OF TRUST  
between  
THE CITY OF ST. LOUIS, MISSOURI,  
as Grantor

and  
UMB BANK, N.A.,  
as Trustee

§ \_\_\_\_\_  
THE CITY OF ST. LOUIS, MISSOURI

**AIRPORT REVENUE REFUNDING BONDS,  
SERIES 2007  
LAMBERT— ST. LOUIS INTERNATIONAL AIRPORT**

Dated as of [\_\_\_\_], 2007

**TABLE OF CONTENTS**

**ARTICLE I** DEFINITIONS AND INTERPRETATIONS ..... 4

    Section 1.01 Definitions ..... 4

    Section 1.02 Rules of Interpretation ..... 7

**ARTICLE II** AUTHORIZATION OF SERIES 2007 REFUNDING BONDS ..... 8

    Section 2.01 Authorization and Purpose ..... 8

    Section 2.02 Principal Amount, Designation and Series ..... 8

    Section 2.03 Date, Maturities and Interest ..... 8

    Section 2.04 Sale, Denominations, Numbers and Letters ..... 9

    Section 2.05 Places of Payment ..... 9

    Section 2.06 [Optional Redemption ..... 9

    Section 2.07 [Mandatory Sinking Fund Redemption ..... 9

    Section 2.08 Notice of Redemption ..... 10

    Section 2.09 Conditions Precedent ..... 10

    Section 2.10 Execution and Forms of Series 2007 Refunding Bonds and Authentication Certificate ..... 10

**ARTICLE III** BOOK ENTRY SYSTEM FOR SERIES 2007 REFUNDING BONDS ..... 11

    Section 3.01 Book-Entry Bonds; Securities Depository ..... 11

**ARTICLE IV** CREATION OF ACCOUNTS; APPLICATION OF FUNDS; DEBT SERVICE RESERVE REQUIREMENT ..... 12

    Section 4.01 Creation of Accounts ..... 12

    Section 4.02 Application of Proceeds of Series 2007 Refunding Bonds ..... 13

    Section 4.03 Transfers of Amounts held Under the Indenture ..... 13

    Section 4.04 Series 2007 Refunding Bond Debt Service Reserve Requirement; [Deposit of 2007 Surety] ..... 13

**ARTICLE V** [SUPPLEMENTS AND AMENDMENTS TO THE REVISED INDENTURE] ..... 14

**ARTICLE VI** MISCELLANEOUS ..... 14

    Section 6.01 Provisions of Indenture ..... 14

    Section 6.02 Counterparts ..... 14

    Section 6.03 Supplemental Indenture ..... 14

    Section 6.04 Continuing Disclosure ..... 14

    Section 6.05 Tax Covenant of the City ..... 15

**ARTICLE VII** [MATTERS RELATING TO SERIES 2007 REFUNDING BOND INSURANCE] ..... 15

    Section 7.01 [Payments Under the Series 2007 Refunding Bond Insurance Policy] ..... 15

Exhibit A: Form of Series 2007 Refunding Bonds

Exhibit B: Refunded Bonds

Exhibit C: Permissible Investment Securities for Indentured Funds

**FIFTEENTH SUPPLEMENTAL INDENTURE OF TRUST**

THIS FIFTEENTH SUPPLEMENTAL INDENTURE OF TRUST (this “Fifteenth Supplemental Indenture”), dated as of [\_\_\_\_], 2007, is made by and between the City of St. Louis, Missouri, a constitutional charter city and political subdivision of the

State of Missouri (the "City"), and UMB Bank, N.A., a national banking association organized and existing under the laws of the United States of America, having a place of business in the City and duly authorized to exercise corporate trust powers, as trustee (in such capacity herein, and as successor in interest to Mercantile Trust Company National Association and State Street Bank and Trust Company of Missouri, N.A., together with any successor in such capacity referred to herein as the "Trustee");

**WITNESSETH:**

WHEREAS, Lambert-St. Louis International Airport (the "Airport") is owned by the City and operated by the Airport Authority of the City (the "Airport Authority");

WHEREAS, pursuant to Article VI, Section 27 of the Constitution of the State of Missouri, as amended, the City has heretofore financed the purchase, construction, extension and improvement of the Airport by the issuance of its negotiable interest bearing airport revenue bonds;

WHEREAS, the City executed and delivered to the Trustee an Indenture of Trust dated as of October 15, 1984 between the City and the Trustee (the "Original Indenture") providing for the issuance from time to time of series of bonds of the City, unlimited in aggregate principal amount, except as in the Original Indenture provided or as limited by law;

WHEREAS, the Original Indenture has been amended and supplemented pursuant to the following supplemental indentures between the City and the Trustee: (i) the First Supplemental Indenture of Trust, dated as of July 1, 1987, (ii) the Second Supplemental Indenture of Trust, dated as of November 15, 1992, (iii) the Third Supplemental Indenture of Trust, dated as of August 1, 1993, (iv) the Fourth Supplemental Indenture of Trust, dated as of December 1, 1993, (v) the Fifth Supplemental Indenture of Trust, dated as of April 1, 1996, and (vi) the Sixth Supplemental Indenture of Trust, dated as of August 1, 1997 (collectively, the "Prior Supplemental Indentures");

WHEREAS, the Original Indenture was further amended and restated by the Amended and Restated Indenture of Trust dated as of September 10, 1997, between the City and the Trustee (the "1997 Amended Indenture") which amended, restated and superseded the Original Indenture;

WHEREAS, the 1997 Amended Indenture has been amended and supplemented pursuant to the following supplemental indentures between the City and the Trustee: (i) the Seventh Supplemental Indenture of Trust (the "Seventh Supplemental Indenture"), dated as of December 1, 1998, (ii) the Eighth Supplemental Indenture of Trust (the "Eighth Supplemental Indenture"), dated as of May 1, 2001, (iii) the Ninth Supplemental Indenture of Trust (the "Ninth Supplemental Indenture"), dated as of December 1, 2002, (iv) the Tenth Supplemental Indenture of Trust (the "Tenth Supplemental Indenture"), dated as of February 1, 2003, (v) the Eleventh Supplemental Indenture of Trust (the "Eleventh Supplemental Indenture"), dated as of May 1, 2003, (vi) the Twelfth Supplemental Indenture of Trust (the "Twelfth Supplemental Indenture"), dated as of May 1, 2004, (vii) the Thirteenth Supplemental Indenture of Trust (the "Thirteenth Supplemental Indenture"), dated as of June 1, 2005 and (viii) the Fourteenth Supplemental Indenture of Trust (the "Fourteenth Supplemental Indenture"), dated as of [December 1, 2006] (collectively, the "Revised Indenture" and together with this Fifteenth Supplemental Indenture, is referred to collectively herein as the "Indenture");

WHEREAS, pursuant to a special election held on November 5, 1991, the qualified voters of the City approved the issuance by the City of airport revenue bonds in the aggregate principal amount of One Billion Five Hundred Million Dollars (\$1,500,000,000) for the purpose of paying the costs of purchasing, constructing, extending and improving the airports of the City (the "1991 Voter Approval");

WHEREAS, pursuant to a special election held on April 8, 2003, the qualified voters of the City approved the issuance by the City of airport revenue bonds in the aggregate principal amount of Two Billion Dollars (\$2,000,000,000) for the purpose of paying the costs of purchasing, constructing, extending and improving the airports of the City (the "2003 Voter Approval", and together with the 1991 Voter Approval, the "Voter Approval"), thereby establishing a total Voter Approval of Three Billion Five Hundred Million Dollars (\$3,500,000,000);

WHEREAS, pursuant to the Voter Approval, the City has heretofore issued revenue bonds for the purpose of paying the costs of purchasing, constructing, extending and improving airports to be owned by the City, the cost of the operation and the maintenance of which, and the principal and interest on the bonds to be payable solely from the revenues derived by the City from the operation of the airports;

WHEREAS, pursuant to the Indenture, the City has previously issued various series of general airport revenue bonds currently outstanding in the aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_);

WHEREAS, the City desires to issue its Series 2007 Refunding Bonds (hereinafter defined) to refund certain of the City's outstanding airport revenue bonds, as hereinafter specified, and in connection therewith to provide for the funding of a debt service reserve account, to make certain transfers of funds, and to pay costs of issuing the Series 2007 Refunding Bonds;

WHEREAS, pursuant to Ordinance number \_\_\_\_\_, adopted by the Board of Aldermen on \_\_\_\_\_, 2006 and approved by the Mayor on \_\_\_\_\_, 2006 (the "Ordinance"), the City is authorized to issue its Airport Revenue Refunding Bonds, Series 2007 (the "Series 2007 Refunding Bonds") under authority of Article VI, Sections 27(a) and 28, of the Missouri Constitution (the "Constitution"), as amended and the statutes of the State of Missouri;

[WHEREAS, also pursuant to the Ordinance, the City is authorized to enter into amendments to the Indenture to provide for \_\_\_\_\_;]

WHEREAS, pursuant to Section 1101(5) of the Revised Indenture, a Supplemental Indenture may be executed to provide for the issuance of a Series of Bonds;

[WHEREAS, pursuant to Sections 1101(2), 1101(3), and 1101(6) of the Revised Indenture, a Supplemental Indenture may be executed to add to the Indenture covenants and agreements of the City, to place limitations and restrictions upon the City, and to subject other funds to the pledge created by the Indenture;]

WHEREAS, the Series 2007 Refunding Bonds and any Additional Bonds issued pursuant to the Indenture shall state that the principal of, premium, if any, and interest thereon are payable solely from the Net Revenues to be derived by the City from the operation of the Airport and certain funds pledged therefor under the Indenture and that such Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment thereof, either as to principal, premium or interest;

WHEREAS, this Fifteenth Supplemental Indenture is to provide for (i) the issuance of the Series 2007 Refunding Bonds in the form, having the characteristics and being secured and entitled to the benefits as provided in the Indenture, including certain related transfers of funds, [and (ii) the amendments of the Indenture as set forth herein];

WHEREAS, the Trustee agrees to accept and administer the trusts created hereby;

WHEREAS, all things necessary to make the Series 2007 Refunding Bonds, when issued, executed and delivered by the City and authenticated by the Trustee, to the extent required pursuant to the Indenture, the valid, binding and legal limited obligations of the City and to constitute this Fifteenth Supplemental Indenture as a valid assignment and pledge of the revenues herein pledged to the payment of the principal, Redemption Price and interest on the Series 2007 Refunding Bonds, as described herein, and a valid assignment and pledge of certain rights of the City have been done and performed; and the creation, execution and delivery of this Fifteenth Supplemental Indenture, and the execution, issuance and delivery of the Series 2007 Refunding Bonds, subject to the terms hereof, have in all respects been duly authorized; and

WHEREAS, the rights of the Owners of the Bonds, and any other bonds issued under the Indenture, to the Revenues of the Airport and other funds pledged therefor pursuant to the Indenture are subject to the rights of the holders of the City's outstanding negotiable interest bearing obligations described in Schedule I to the Revised Indenture (the "Outstanding Obligations").

NOW, THEREFORE, THIS FIFTEENTH SUPPLEMENTAL INDENTURE FURTHER WITNESSETH:

That as security for payment of the principal, Redemption Price of and interest on the Bonds, including the Series 2007 Refunding Bonds, and any Additional Bonds issued from time to time under the Indenture and any additional Supplemental Indentures authorized and executed pursuant to the Revised Indenture, and for any funds which may be advanced by the Trustee pursuant hereto, the City does hereby pledge to the Trustee a security interest in and to the proceeds of the sale of the Series 2007 Refunding Bonds issued hereunder, all the property described in the granting clauses of the Indenture and all proceeds of any of the foregoing (collectively, the "Trust Estate") and does hereby by these presents pledge, assign, grant, bargain and sell, convey and confirm to the Trustee a security interest in and to the same.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned or agreed or intended to be, conveyed to the Trustee and its successors in such trust and their assigns forever.

IN TRUST, however, for the equal and proportionate benefit and security of the Owners from time to time of the Bonds issued under and secured by the Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the others upon the terms and conditions hereinafter stated and except as otherwise herein expressly provided or provided in the Indenture.

[SUBJECT TO the application of the proceeds of sale of the Series 2007 Refunding Bonds and the Revenues to the purposes and on the conditions permitted by the Indenture and the rights of the Owners of the Outstanding Bonds to the Revenues of the Airport.]

The City hereby covenants and agrees with the Trustee and with the Owners of the Series 2007 Refunding Bonds, as follows:

#### **ARTICLE I DEFINITIONS AND INTERPRETATIONS**

Section 1.01 Definitions. Capitalized terms used and not defined herein shall have the following meanings, unless a different meaning clearly appears from the context, and terms not defined herein shall retain the meanings given to such terms in the Indenture:

"2007 Costs of Issuance Sub-Account" means the account by that name established pursuant to Section 4.01(a)(iii).

“2007 Debt Service Reserve Sub-Account” means the account by that name established pursuant to Section 4.01(a)(ii).

“2007 Debt Service Sub-Account” means the account by that name established pursuant to Section 4.01(a)(i).

[“2007 Surety” means the surety policy issued by the Series 2007 Refunding Bond Insurer for deposit into the 2007 Debt Service Reserve Sub-Account and attached as Annex A to the Financial Guaranty Agreement made as of [\_\_\_\_], 2007, between the 2007 Bond Insurer and the City.]

“Airport Authority” means the entity that was created by the City’s Board of Aldermen pursuant to an ordinance in 1968 and that operates the Airport and consists of the Airport Commission, the Airport Authority’s Chief Executive Officer and other managers and personnel required to operate the Airport, or any subsequent entity created by the City’s Board of Aldermen to operate the Airport.

“Beneficial Owner” means, for any Bond which is held by a nominee, the beneficial owner of such Bond.

“Bond” or “Bonds” means the Series 2007 Refunding Bonds and any other bond or bonds, as the case may be, authenticated and delivered under and pursuant to the Indenture.

“Bond Counsel” means Nixon Peabody LLP, New York, New York, and the Hardwick Law Firm, LLC, Kansas City, Missouri, or any other attorney or firm of attorneys nationally recognized on the subject of municipal bonds selected by the City and acceptable to the Trustee.

“Business Day” means any day of the year other than (a) a Saturday or Sunday or (b) any day on which banks located in New York, New York, St. Louis, Missouri or Kansas City, Missouri are required or authorized by law to remain closed.

“Continuing Disclosure Agreement” means that certain Continuing Disclosure Agreement executed and delivered by the City and \_\_\_\_\_, as Dissemination Agent (the “Dissemination Agent”) with respect to the Series 2007 Refunding Bonds.

“Dissemination Agent” means \_\_\_\_\_, and any successor dissemination agent under the Continuing Disclosure Agreement.

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the New York Banking Law, as amended, a “banking organization” within the meaning of the New York Banking Law, as amended, a member of the Federal Reserve System, a “clearing corporation,” within the meaning of the New York Commercial Code, as amended, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities and Exchange Act of 1934, as amended, and its successors and assigns.

“Escrow Fund” means the fund established under the Escrow Agreement.

“Escrow Agreement” means the Escrow Agreement dated as of [\_\_\_\_], 2007 between the City and the Escrow Trustee entered into in connection with the refunding of the Refunded Bonds.

“Escrow Trustee” means the UMB Bank, N.A., as escrow trustee under the Escrow Agreement.

“Fitch” means Fitch Ratings, Inc.

“Indenture” has the meaning given to such term in the sixth Whereas clause of this Fifteenth Supplemental Indenture.

“Interest Payment Date” means January 1 and July 1 of each year beginning July 1, 2007.

“Moody’s” means Moody’s Investors Service, Inc.

“Original Indenture” has the meaning given to such term in the third Whereas clause hereof.

“Principal Payment Date” means July 1 of each year.

“Prior Supplemental Indentures” has the meaning given to such term in the fourth Whereas clause hereof.

“Rating Agency” or “Rating Agencies” means, with respect to the Bonds or any Series of Bonds, Moody’s, S&P and Fitch, to the extent that any of such rating services have issued a credit rating on the Bonds which is in effect at the time in question or, upon discontinuance of any of such rating services, such other nationally recognized rating service or services, if any such rating service has issued a credit rating on the Bonds at the request of the City and such credit rating is in effect at the time in question.

“Record Date” means the 15th day of the month preceding an Interest Payment Date.

“Redemption Price” means, with respect to any Series 2007 Refunding Bond, the amount payable upon redemption thereof pursuant to Article II of this Fifteenth Supplemental Indenture.

“*Refunded Bonds*” means the Bonds being refunded pursuant to this Fifteenth Supplemental Indenture as described on Exhibit B hereto.

“*Revised Indenture*” means the Amended and Restated Indenture of Trust between the City and the Trustee, dated as of October 15, 1984, as amended and restated as of September 10, 1997, as amended and supplemented as described in the sixth Whereas clause hereof.

“*Series 2007 Refunding Bonds*” means the Airport Revenue Refunding Bonds, Series 2007 (Lambert-St. Louis International Airport).

[“*Series 2007 Refunding Bond Insurance Policy*” means the insurance policy issued by the Series 2007 Refunding Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2007 Refunding Bonds when due.]

[“*Series 2007 Refunding Bond Insurer*” means [\_\_\_\_\_] or any successor thereto or assignee thereof.]

“*S&P*” means Standard & Poor’s Ratings Services.

“*Tax Certificate*” means the Tax Certificate as to Arbitrage and the Provisions of Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended, to be delivered by the City to evidence compliance with the provisions of Sections 103 and 141-150 of the Code.

“*Trust Estate*” has the meaning given to such term in the granting clause of this Fifteenth Supplemental Indenture.

“*Trustee*” means UMB Bank, N.A., a national banking association, and any successor trustee under the Indenture, acting in its trust capacity.

“*Underwriters*” means those underwriters identified in the bond purchase agreement relating to the sale, purchase and delivery of the Series 2007 Refunding Bonds.

“*Use Agreements*” means the commercial airlines/airport use agreements between the principal certificated air carriers and the City, as in effect from time to time.

Section 1.02 Rules of Interpretation. For purposes of this Fifteenth Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) The words “herein,” “hereof” and “hereunder” and other similar words refer to the Indenture as a whole and not to any particular Article, Section or other subdivision.

(b) The definitions in this Article are applicable whether the terms defined are used in the singular or the plural and words importing person shall include firms, partnerships, limited liability companies, associations and corporations, including public bodies, as well as natural persons.

(c) All accounting terms which are not defined in the Indenture have the meanings assigned to them in accordance with then applicable generally accepted accounting principles.

(d) Any pronouns used in this Fifteenth Supplemental Indenture include both the singular and the plural and cover both genders and the neuter.

(e) Any terms defined elsewhere in this Fifteenth Supplemental Indenture have the meanings attributed to them where defined.

(f) Words referring to the redemption or calling for redemption of Series 2007 Refunding Bonds shall not be deemed to refer to the payment of Series 2007 Refunding Bonds at their stated maturity.

(g) The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(h) The Section numbers are those of this Fifteenth Supplemental Indenture unless stated otherwise.

(i) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

## **ARTICLE II AUTHORIZATION OF SERIES 2007 REFUNDING BONDS**

Section 2.01 Authorization and Purpose. The City hereby authorizes the issuance of an additional Series of Bonds pursuant to the Indenture, consisting of the Series 2007 Refunding Bonds. The purpose for which the Series 2007 Refunding Bonds are being issued is to refund the Refunded Bonds, to provide for the funding of a debt service reserve account, and to pay costs of

issuing the Series 2007 Refunding Bonds.

Section 2.02 Principal Amount, Designation and Series. The Series 2007 Refunding Bonds are entitled to the benefit, protection and security of the Indenture. The Series 2007 Refunding Bonds are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_. The Series 2007 Refunding Bonds shall be designated and distinguished from the Bonds of all other Series by the title "Airport Revenue Refunding Bonds, Series 2007 (Lambert-St. Louis International Airport)".

Section 2.03 Date, Maturities and Interest. The Series 2007 Refunding Bonds issued under this Fifteenth Supplemental Indenture and pursuant to the Indenture shall be issued, transferred and exchanged only in fully registered form and shall be dated the date of their original issuance and delivery. The Series 2007 Refunding Bonds shall mature on July 1 in the years and in the principal amounts (subject to prior redemption as hereinafter provided) and shall bear interest at the rates per annum, as follows:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
--------------------------	-------------------------	----------------------	--------------

The Series 2007 Refunding Bonds shall bear interest (computed on the basis of a 360-day year of twelve 30-day months) from their date or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semiannually on January 1 and July 1 in each year, beginning January 1, 2007.

Section 2.04 Sale, Denominations, Numbers and Letters. The Series 2007 Refunding Bonds shall be sold to the Underwriters through a negotiated sale or sales. The Series 2007 Refunding Bonds shall be issued in the denominations of \$5,000 and integral multiples thereof. The Series 2007 Refunding Bonds shall be substantially in the form set forth in Exhibit A to this Fifteenth Supplemental Indenture. The Series 2007 Refunding Bonds shall be numbered from one consecutively upward in order of issuance, with the number on each Series 2007 Refunding Bond preceded by the letter "R-".

Section 2.05 Places of Payment. The principal and Redemption Price of the Series 2007 Refunding Bonds shall be payable by check or draft at maturity or when otherwise due upon presentment and surrender thereof at the principal payment office of the Trustee or at the office of any Paying Agent, to the persons in whose names the Series 2007 Refunding Bonds are registered on the registration books maintained by the Trustee as Bond Registrar. Interest on the Series 2007 Refunding Bonds will be paid by check or draft drawn upon the Trustee payable to the Owners thereof in accordance with Section 401(E) of the Revised Indenture. Registered owners of Series 2007 Refunding Bonds of at least \$1,000,000 may receive payments of interest by electronic transfer upon written notice provided by the registered Owner to the Trustee of the relevant instructions not later than five (5) days prior to the Record Date for such interest payment, such instructions to include the name of the bank (which shall be in the continental United States), its address, ABA routing number and the account number to which such payments shall be directed.

Section 2.06 [Optional Redemption. The Series 2007 Refunding Bonds maturing on July 1, \_\_\_\_ through July 1, \_\_\_\_, inclusive, are subject to the right of the City to redeem such Series 2007 Refunding Bonds prior to maturity from any source, in whole or in part at any time, of such maturity as shall be selected by the City (and within a maturity as selected by the Trustee in such equitable manner as it shall determine), on and after July 1, \_\_\_\_ at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2007 Refunding Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.

The City shall, not less than forty-five (45) days prior to any redemption date, notify the Trustee in writing of the redemption date, the principal amount of Series 2007 Refunding Bonds to be redeemed and any other necessary particulars under the optional redemption provisions of this Section 2.06.]

Section 2.07 [Mandatory Sinking Fund Redemption. The Series 2007 Refunding Bonds maturing on July 1, \_\_\_\_ are subject to mandatory redemption prior to maturity, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, at the principal amounts set forth below:

<u>Year</u>	<u>Principal Amount to be Redeemed</u>
-------------	--

\_\_\_\_\_  
\*Final Maturity]

Section 2.08 Notice of Redemption. Notice of redemption for any or all of the Series 2007 Refunding Bonds shall be provided by the Trustee in the manner set forth in Section 605 of the Revised Indenture. In accordance with Section 606 of the Revised Indenture, if, at the time of mailing of the notice of any optional redemption, there has not been deposited with the Trustee moneys sufficient to redeem all the Series 2007 Refunding Bonds called for redemption, the notice may state that it is conditional on the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date. Such notice will be of no effect and the redemption price for such optional redemption will not be due and payable unless such moneys are so deposited.

Section 2.09 Conditions Precedent. The Series 2007 Refunding Bonds shall be executed by the City and delivered to the Trustee and shall thereupon be authenticated by the Trustee and delivered to the City or upon its order but only upon the receipt by the Trustee of the documents and monies required by the provisions of this Article II and Sections 302 and 305 of the Revised Indenture.

Section 2.10 Execution and Forms of Series 2007 Refunding Bonds and Authentication Certificate.

(a) The Series 2007 Refunding Bonds and the Certificate of Authentication and Form of Assignment thereon shall be in substantially the forms set forth in Exhibit A attached hereto, with such insertions or omissions, endorsements, modifications and variations as may be necessary or advisable to reflect the details and purpose of issuance of the Series 2007 Refunding Bonds and the provisions of the Indenture.

(b) CUSIP identification numbers may be included herein and printed on the Series 2007 Refunding Bonds, but such numbers shall not be deemed to be a part of the Series 2007 Refunding Bonds or a part of the contract evidenced thereby and no liability shall hereafter attach to the City, the Trustee or any of the officers or agents thereof because of or on account of said CUSIP identification numbers.

**ARTICLE III  
BOOK ENTRY SYSTEM FOR SERIES 2007 REFUNDING BONDS**

Section 3.01 Book-Entry Bonds; Securities Depository. The Series 2007 Refunding Bonds shall initially be registered to Cede & Co., the nominee for The Depository Trust Company, New York, New York (the "Securities Depository"), and no beneficial owner will receive certificates representing its respective interest in the Series 2007 Refunding Bonds, except in the event the Trustee issues replacement bonds as provided in this Section. It is anticipated that during the term of the Series 2007 Refunding Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Series 2007 Refunding Bonds to the Participants until and unless the Trustee authenticates and delivers replacement bonds to the beneficial owners as described in the following paragraph.

(a) If the City determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system (to the exclusion of any Series 2007 Refunding Bonds being issued to any bondowner other than Cede & Co.) is no longer in the best interests of the beneficial owners of the Series 2007 Refunding Bonds, or if the Trustee receives written notice from Participants representing interests in not less than 50% of the Series 2007 Refunding Bonds Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system (to the exclusion of any Series 2007 Refunding Bonds being issued to any bondowner other than Cede & Co.) is no longer in the best interests of the beneficial owners of the Series 2007 Refunding Bonds, then the Trustee shall notify the bondowners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Trustee shall register in the name of and authenticate and deliver replacement bonds to the beneficial owners or their nominees in principal amounts representing the interest of each; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the City, with the consent of the Trustee, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when at least one Series 2007 Refunding Bond is registered in the name of the Securities Depository or its nominee. Upon the issuance of replacement bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such replacement bonds. If the Securities Depository resigns and the City, the Trustee or bondowners are unable to locate a qualified successor of the Securities Depository in accordance with the following paragraph, then the Trustee shall authenticate and cause delivery of replacement bonds to bondowners, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names and addresses of and principal amounts owned by of the beneficial owners of the Series 2007 Refunding Bonds. The cost of printing, registration, authentication, and delivery of replacement bonds shall be paid for by the City.

(b) In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the City may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. Upon receipt of a Series 2007 Refunding Bond or Series 2007 Refunding Bonds for cancellation the Trustee shall cause the delivery of Series 2007 Refunding Bonds to the successor Securities Depository in appropriate denominations and form as provided herein.

**ARTICLE IV  
CREATION OF ACCOUNTS; APPLICATION OF FUNDS; DEBT SERVICE RESERVE REQUIREMENT**

Section 4.01 Creation of Accounts.

(a) The following accounts and sub-accounts are hereby created within the specified Funds established by the Revised Indenture:

- (i) the 2007 Debt Service Sub-Account (the "2007 Debt Service Sub-Account") of the Debt Service Account of the Airport Bond Fund;
- (ii) the 2007 Debt Service Reserve Sub-Account (the "2007 Debt Service Reserve Sub-Account") of the Debt Service Reserve Account of the Airport Bond Fund; and

(iii) the 2007 Costs of Issuance Sub-Account (the "2007 Costs of Issuance Sub-Account") of the 2007 Construction Account of the Airport Construction Fund.

(b) The Escrow Fund established under the Escrow Agreement is hereby acknowledged by the City and the Trustee.

(c) The accounts and sub-accounts created pursuant to Section 4.01(a) are hereinafter referred to collectively as the 2007 Accounts. Each of the 2007 Accounts shall be used for the same purposes as the respective fund or account to which it relates. Moneys on deposit in each of the 2007 Accounts pursuant to Section 4.01(a) shall be held and used for purposes and on the conditions specified in the Indenture. Money credited to the 2007 Accounts may be held by the City, in the case of funds deposited with the City under the Indenture, or by the Trustee, in the case of funds deposited with the Trustee under the Indenture. However, the investment of monies with respect to each of the 2007 Accounts shall be separately made and maintained. The investment earnings of any of the 2007 Accounts shall be transferred to the Revenue Fund as provided for in the Indenture.

(d) The City and the Trustee, as the case may be, may eliminate any of the aforementioned 2007 Accounts and transfer all amounts therein to the related Fund if both receive the written opinion of Bond Counsel that the failure to maintain such account will not adversely affect the tax-exempt status of interest on the Series 2007 Refunding Bonds.

Section 4.02 Application of Proceeds of Series 2007 Refunding Bonds.

On the date of delivery of the Series 2007 Refunding Bonds, the net proceeds of the Series 2007 Refunding Bonds in the aggregate amount of \$\_\_\_\_\_ (which amount excludes the [insurance premium in the amount of \$\_\_\_\_\_ and the 2007 Surety premium in the amount of \$\_\_\_\_\_]) shall be delivered or caused to be delivered by the City to the Trustee for application as follows:

(a) \$\_\_\_\_\_ shall be transferred to the Escrow Trustee for deposit into the respective accounts of the Escrow Fund established under the Escrow Agreement, in the respective amounts specified therein, for the defeasance, payment and redemption of the Refunded Bonds;

(b) \$\_\_\_\_\_ shall be deposited into the 2007 Costs of Issuance Sub-Account to be used to pay the costs of issuance of the Series 2007 Refunding Bonds[, (which excludes funds transferred directly by the underwriter to the Series 2007 Refunding Bond Insurer in the amount of \$\_\_\_\_\_ as bond insurance premium and \$\_\_\_\_\_ as surety premium)]; and

(c) \$\_\_\_\_\_ shall be deposited into the 2007 Debt Service Reserve Sub-Account.

Section 4.03 Transfers of Amounts held Under the Indenture.

On the date of the issuance of the Series 2007 Refunding Bonds, the Trustee shall transfer the following amounts held under the Indenture:

[(a) \$\_\_\_\_\_ of the funds on deposit in the 1997B Debt Service Sub-Account shall be transferred to the Escrow Fund; and

(b) \$\_\_\_\_\_ of the funds on deposit in the 1997B Debt Service Sub-Account shall be transferred to the 2007 Debt Service Sub-Account to pay interest on the Series 2007 Refunding Bonds].

Section 4.03 Series 2007 Refunding Bond Debt Service Reserve Requirement; Deposit of 2007 Surety.

(a) The Debt Service Reserve Requirement for the Series 2007 Refunding Bonds shall initially be \$\_\_\_\_\_, which is the amount which shall equal the least of (a) 10% of the proceeds of the Series 2007 Refunding Bonds, (b) 125% of the average annual debt service on the Series 2007 Refunding Bonds, or (c) the maximum annual debt service on the Series 2007 Refunding Bonds; and such amount will be funded by the deposit specified in Section 4.02(c) (in the amount of \$\_\_\_\_\_) [plus the 2007 Surety in the amount of \$\_\_\_\_\_].

(b) [The Trustee and the City acknowledge and agree that the 2007 Debt Service Reserve Sub-Account will be funded by the deposit of the amount set forth in Section 4.02(c) [and the 2007 Surety].]

**ARTICLE V**  
**[SUPPLEMENTS AND AMENDMENTS TO THE REVISED INDENTURE]**

Include any conforming or clarifying amendments as appropriate.

**ARTICLE VI**  
**MISCELLANEOUS**

Section 6.01 Provisions of Indenture. Except as otherwise provided by this Fifteenth Supplemental Indenture, all of the provisions, terms and conditions of the Indenture shall continue in full force and effect.

Section 6.02 Counterparts. This Fifteenth Supplemental Indenture may be executed in several counterparts, all or

any of which may be treated for all purposes as an original and shall constitute and be one and the same instrument. In addition, the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 6.03 Supplemental Indenture. This Fifteenth Supplemental Indenture is being executed and delivered pursuant to Sections 1101(2), 1101(3), 1101(5), 1101(6) and 1101(9) of the Revised Indenture.

Section 6.04 Continuing Disclosure. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement and that such Continuing Disclosure Agreement is intended to be for the benefit of the holders of the Series 2007 Refunding Bonds and the Beneficial Owners thereof. Notwithstanding any other provision of the Indenture, failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may, and, upon receipt of satisfactory indemnity at the request of any of the Underwriters or any Bondholder of 25% or more of the Series 2007 Refunding Bonds then Outstanding, shall (or any Bondholder of Series 2007 Refunding Bonds may) take such actions as may be necessary and appropriate, including seeking a mandamus for specific performance by court order, to cause the City or the Trustee, as the case may be, to comply with their obligations under this Section. A default under the Continuing Disclosure Agreement shall not be a default under the Indenture, and the sole remedy under the Continuing Disclosure Agreement in the event of any failure of the City or the Dissemination Agent to comply with the Continuing Disclosure Agreement shall be an action to compel performance.

Section 6.05 Tax Covenant of the City. The City covenants that it will comply with the Tax Certificate and the applicable requirements of the Code throughout the term of the Bonds. The City also covenants that it will neither make nor direct the Trustee to make any investment or other use of the proceeds of the Series 2007 Refunding Bonds that would (a) cause the Series 2007 Refunding Bonds to be "arbitrage bonds" as that term is defined in Section 148(a) of the Code or (b) cause interest paid on the Series 2007 Refunding Bonds to not be excludable from gross income for federal income tax purposes pursuant to Section 103(a) of the Code. The Trustee covenants that in those instances where it exercises discretion over the investment of funds, it shall not knowingly make any investment inconsistent with the foregoing covenants.

The City covenants that it (a) will take, or use its best efforts to require to be taken, all actions that may be required of the City for the interest on the Series 2007 Refunding Bonds to be and remain not included in gross income for federal income tax purposes and (b) will not take or authorize to be taken any actions within its control that would adversely affect that status under the provisions of the Code.

**ARTICLE VII  
[MATTERS RELATING TO SERIES 2007 REFUNDING BOND INSURANCE]**

Section 7.01 [Payments Under the Series 2007 Refunding Bond Insurance Policy].

IN WITNESS WHEREOF, the City has caused this Fifteenth Supplemental Indenture to be signed in its name by its Mayor, Comptroller and Treasurer and attested by its Register, and the Trustee, in acceptance of the trusts created hereunder, has caused this Fifteenth Supplemental Indenture to be signed in its corporate name by its officer thereunder duly authorized, all as of the day and year first above written.

THE CITY OF ST. LOUIS, MISSOURI

[SEAL]

By: \_\_\_\_\_  
Register

By: \_\_\_\_\_  
Mayor

Approved as to form:

By: \_\_\_\_\_  
Comptroller

By: \_\_\_\_\_  
City Counselor

By: \_\_\_\_\_  
Treasurer

UMB BANK, N.A., as Trustee

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

[SEAL]

Attest:

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

## EXHIBIT A

## (FORM OF FULLY REGISTERED SERIES 2007 REFUNDING BOND)

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

Registered  
No. R-\_\_\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF MISSOURI  
THE CITY OF ST. LOUIS  
AIRPORT REVENUE REFUNDING BOND, SERIES 2007  
(LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT)

<u>Interest Rate</u> <u>Per Annum</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____%	July 1, _____	_____, 2007	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THE CITY OF ST. LOUIS (the “City”), a municipal corporation in the State of Missouri (the “State”), hereby acknowledges itself indebted to, and for value received hereby promises to pay, solely from the revenues and funds pledged therefor as hereinafter provided, the registered owner specified above, or registered assigns, on the maturity date specified above, the principal sum specified above, and to pay solely from such revenues and funds pledged therefor, to the registered owner hereof interest on such principal sum from the dated date specified above at the rate of interest specified above, payable on January 1 and July 1 in each year commencing July 1, 2007, and semi-annually thereafter until such principal sums shall be discharged as provided in the Indenture hereinafter mentioned. The principal of and premium, if any, on this Series 2007 Refunding Bond shall be payable by check or draft in lawful money of the United States of America upon presentation at the principal payment office of UMB Bank, N.A., St. Louis, Missouri or at the office of any other Paying Agent appointed pursuant to an Indenture of Trust between the City and UMB Bank, N.A. (as successor to Mercantile Trust Company National Association and State Street Bank and Trust Company of Missouri, N.A.), as trustee (the “Trustee”), dated as of October 15, 1984, as amended and supplemented by the First Supplemental Indenture of Trust between the City and the Trustee dated as of July 1, 1987, the Second Supplemental Indenture of Trust between the City and the Trustee dated as of November 15, 1992, the Third Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1993, the Fourth Supplemental Indenture of Trust dated as of December 1, 1993, the Fifth Supplemental Indenture of Trust between the City and the Trustee dated as of April 1, 1996, and the Sixth Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1997, as amended and restated by the Amended and Restated Indenture of Trust between the City and the Trustee, dated as of October 15, 1984, as amended and supplemented by the First Supplemental Indenture of Trust between the City and the Trustee dated as of July 1, 1987, the Second Supplemental Indenture of Trust between the City and the Trustee dated as of November 15, 1992, the Third Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1993, the Fourth Supplemental Indenture of Trust dated as of December 1, 1993, the Fifth Supplemental Indenture of Trust between the City and the Trustee dated as of April 1, 1996, and the Sixth Supplemental Indenture of Trust between the City and the Trustee dated as of August 1, 1997, as amended and restated by the Amended and Restated Indenture of Trust between the City and the Trustee, dated as of October 15, 1984, and amended and restated as of September 10, 1997, as amended and supplemented by the following supplemental indentures between the City and the Trustee: Seventh Supplemental Indenture of Trust (the “Seventh Supplemental Indenture”) dated as of December 1, 1998, the Eighth Supplemental Indenture of Trust (the “Eighth Supplemental Indenture”) dated as of May 1, 2001, the Ninth Supplemental Indenture of Trust (the “Ninth Supplemental Indenture”) dated as of December 1, 2002, the Tenth Supplemental Indenture of Trust (the “Tenth Supplemental Indenture”), dated as of February 1, 2003, the Eleventh Supplemental Indenture of Trust (the “Eleventh Supplemental Indenture”), dated as of May 1, 2003, the Twelfth Supplemental Indenture of Trust (the “Twelfth Supplemental Indenture”), dated as of May 1, 2004, the Thirteenth Supplemental Indenture of Trust (the “Thirteenth Supplemental Indenture”), dated as of June 1, 2005, the Fourteenth Supplemental Indenture of Trust (the “Fourteenth Supplemental Indenture”) and collectively, the “Revised Indenture”), dated as of [December 1, 2006], as amended and supplemented by the Fifteenth Supplemental Indenture of Trust (the “Fifteenth Supplemental Indenture”), dated as of \_\_\_\_\_, 2007, are collectively referred to herein as the “Indenture”). Interest on this Bond is payable to the registered owner hereof as of the fifteenth day of the month, whether or not a business day, next preceding the applicable interest payment date (the “Record Date”) by check or draft in lawful money of the United States of America mailed to the address of such Owner shown on the Series 2007 Refunding Bond registration books maintained by the Trustee, as Bond Registrar or by electronic transfer to registered owners of at least \$1,000,000 in Series 2007 Refunding Bonds upon written notice provided by such Owners to the Trustee of the relevant instructions not later than five (5) days prior to the Record Date for such interest payment. Capitalized terms used and not defined herein have

the meanings set forth in the Indenture.

Notwithstanding any other provision hereof, this Series 2007 Refunding Bond is initially issued in book-entry form and is registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"), and the payment of principal and interest and the providing of notices and other matters will be made as described in the City's Blanket Letter of Representation to DTC.

Unless this Series 2007 Refunding Bond is presented by an authorized representative of DTC to the City or its agent for registration of transfer, exchange or payment, and any Series 2007 Refunding Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC and payment is made to Cede & Co., any transfer, pledge, or other use hereof for value or otherwise by or to any person is wrongful since the Registered Owner hereof, Cede & Co., has an interest herein.

This Series 2007 Refunding Bond is one of a duly authorized issue of bonds of the City designated "The City of St. Louis, Missouri, Airport Revenue Refunding Bonds, Series 2007 (Lambert-St. Louis International Airport)" (the "Series 2007 Refunding Bonds") in the aggregate principal amount of \$\_\_\_\_\_ issued under and pursuant to the Indenture. As provided in the Indenture and any additional Supplemental Indentures authorized and executed pursuant to the Indenture, the principal of, premium, if any, and interest on the Series 2007 Refunding Bonds and any other bonds issued under the Indenture are payable solely from and secured by a pledge of the Revenues of the Airport and certain other funds held or set aside under the Indenture. The rights of the owners of the Series 2007 Refunding Bonds, and any other bonds issued under the Indenture, to the Revenues of the Airport and other funds pledged therefor pursuant to the Indenture are subject to the rights of the holders of the City's outstanding negotiable interest bearing obligations described in Schedule I to the Revised Indenture (the "Outstanding Obligations"). Copies of the Indenture are on file at the offices of the City and at the corporate trust office of the Trustee in the City of St. Louis, Missouri or its successor as trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing this Series 2007 Refunding Bond, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the owner of this Series 2007 Refunding Bond with respect thereto and the terms and conditions upon which bonds are issued and may be issued thereunder.

The Series 2007 Refunding Bonds and the interest thereon are limited obligations of the City payable solely from a pledge of Revenues, except to the extent payable from the proceeds of the Series 2007 Refunding Bonds, income from investments and certain reserves and other moneys which have been pledged as provided in the Indenture to secure payment thereof. The Series 2007 Refunding Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory limitation or provision, and the taxing power of the City is not pledged to the payment hereof, either as to principal, premium or interest. The Series 2007 Refunding Bonds are without recourse to the City or the State. The Series 2007 Refunding Bonds are not general obligations of the City or the State, are not a pledge and do not involve the faith and credit or the taxing power of the City or the State, do not constitute a debt of the City or the State, and do not constitute lending of the public credit for private undertakings.

As provided in the Indenture, bonds of the City may be issued from time to time pursuant to Supplemental Indentures in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and otherwise may vary as provided in the Indenture. The aggregate principal amount of bonds which may be issued under the Indenture is not limited except as provided in the Indenture or as limited by applicable law, and all bonds issued and to be issued under the Indenture are and will be equally secured by the pledge and covenants made therein, subject to the prior rights of the holders of the Outstanding Obligations and except as otherwise expressly provided or permitted in the Indenture.

The Indenture grants to any Bond Insurer (as defined therein), that has issued a municipal bond insurance policy insuring bonds issued thereunder, certain rights with respect to the bonds covered by the policy. For purposes of Article IX (Remedies of Bondholders) and Article XII (Amendments) of the Revised Indenture, certain actions required by the owners of any bonds insured by a Bond Insurer may be taken by such Bond Insurer without any action being taken by the Owner thereof. Any action taken by such Bond Insurer shall be deemed to be the action taken by such Owner. Reference is made to the Indenture for a complete statement of the rights of such Bond Insurers to which the Owner of this Series 2007 Refunding Bond may be subject.

To the extent and in the manner permitted by the terms of the Indenture, the provisions of the Indenture or any supplemental indenture, may be modified or amended by the City, with the written consent of the Owners of at least fifty-one percent (51%) in principal amount of the bonds then outstanding under the Indenture, and, in case less than all of the series of bonds would be affected thereby, with such consent of at least fifty-one percent (51%) in principal amount of the bonds of each series so affected then outstanding under the Indenture; provided, however, that, if such modification or amendment will, by its terms, not take effect so long as any bonds of any specified like series and maturity remain outstanding under the Indenture, the consent of the owners of such bonds shall not be required and such bonds shall not be deemed to be outstanding for the purpose of the calculation of outstanding bonds. The Indenture further provides that certain changes may be made to the Indenture or any supplemental indenture without the consent of the Owners of the bonds. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any outstanding bond or of any installment of interest thereof or a reduction in the principal amount or redemption price thereof or in the rate of interest thereon without the consent of the Owner of such bond, or shall reduce the percentages or otherwise affect the classes of bonds the consent of the Owners of which is required to effect any such modification or amendment or shall change or modify any of the rights or obligations of the Trustee or of any Paying Agent without its written consent thereto.

This Series 2007 Refunding Bond is transferable, as provided in the Indenture, only upon the books of the City kept for that purpose at the above-mentioned office of the Trustee by the Owner hereof in person, or by his or her duly authorized attorney,

upon surrender of this Series 2007 Refunding Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his or her duly authorized attorney at the office of the Trustee and thereupon a new Series 2007 Refunding Bond or Series 2007 Refunding Bonds, and in the same aggregate principal amounts, shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City, the Trustee and any Paying Agent may deem and treat the person in whose name this Series 2007 Refunding Bond is registered on the registration books maintained by the Trustee as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

The Series 2007 Refunding Bonds of the issue of which this Series 2007 Refunding Bond is one are issuable in the form of registered bonds without coupons in the denominations of \$5,000 or any integral multiple of \$5,000. Subject to such conditions and upon the payment of such charges, the owner of any Series 2007 Refunding Bond or Series 2007 Refunding Bonds may surrender the same (together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his duly authorized attorney), in exchange for an equal aggregate principal amount of registered Series 2007 Refunding Bonds of any other authorized denominations of the same issue.

[The Series 2007 Refunding Bonds maturing on July 1, \_\_\_\_\_ through July 1, \_\_\_\_\_ inclusive, are subject to the right of the City to redeem such Series 2007 Refunding Bonds prior to maturity from any source, in whole or in part at any time, of such maturity as shall be selected by the City (and within a maturity as selected by the Trustee in such equitable manner as it shall determine), on and after July 1, \_\_\_\_\_ at a Redemption Price equal to one hundred percent (100%) of the principal amount of the Series 2007 Refunding Bonds or portions thereof to be redeemed, together with accrued interest to the redemption date.]

[The Series 2007 Refunding Bonds maturing on July 1, \_\_\_\_\_ are subject to mandatory redemption prior to maturity, in part, as selected by lot by the Trustee in such manner as it shall deem fair and appropriate, at par, plus accrued interest to the date of redemption on July 1 of each of the years set forth below, at the principal amounts set forth below:

Year

Principal Amount to be Redeemed

\_\_\_\_\_  
\*Final Maturity]

With respect to the mandatory sinking fund redemption of the Series 2007 Refunding Bonds maturing July 1, \_\_\_\_\_, amounts accumulated in the Debt Service Account for such purpose may be applied prior to the 60th day preceding a sinking fund payment date to purchase Series 2007 Refunding Bonds. After the 60th day but on or prior to the 40th day preceding a sinking fund payment date, amounts on deposit in the Debt Service Account may be applied to purchase Series 2007 Refunding Bonds in an amount not exceeding that necessary to complete the retirement of the unsatisfied balance of the payment requirement for such sinking fund payment date. All such purchases of Series 2007 Refunding Bonds shall be at prices not exceeding the applicable sinking fund payment price.

The Series 2007 Refunding Bonds of the issue of which this Bond is one are payable upon redemption at the above-mentioned office of the Trustee and any Paying Agents. Notice of redemption shall be mailed to each owner of a Series 2007 Refunding Bond subject to redemption not less than thirty (30) days prior to the redemption date, all in the manner and upon the terms and conditions set forth in the Indenture. If notice of redemption shall have been mailed as aforesaid, the Series 2007 Refunding Bonds or portions thereof specified in said notice shall become due and payable at the applicable Redemption Price on the redemption date, and if moneys for the payment of the Redemption Price of all the Series 2007 Refunding Bonds to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, then from and after the redemption date interest on such Series 2007 Refunding Bonds shall cease to accrue and become payable to the owners entitled to payment thereof on such redemption.

As provided in the Indenture, until any termination of the system of book-entry-only transfers through the Depository Trust Company (together with any successor securities depository appointed pursuant to the Indenture, "DTC"), and notwithstanding any other provision of the Indenture to the contrary, a portion of the principal amount of this Bond may be paid or redeemed without surrender hereof to the paying agent. DTC or a nominee, transferee or assignee of DTC as owner of this Bond may not rely upon the principal amount indicated hereon as the principal amount hereof outstanding and unpaid. The principal amount hereof outstanding and unpaid shall for all purposes be the amount determined in the manner provided in the Indenture.

Unless this Series 2007 Refunding Bond is presented by an authorized officer of DTC (a) to the Paying Agent for registration of transfer or exchange or (b) to the Paying Agent for payment of principal, and any Series 2007 Refunding Bond issued in replacement thereof or substitution therefor is registered in the name of DTC or its nominee, Cede & Co., or such other name as requested by an authorized representative of DTC and any payment is made to DTC, any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful since the registered owner hereof, DTC or its nominee, Cede & Co., has an interest herein.

It is hereby certified and recited that all conditions, acts and things required by the Constitution and by the laws of the State of Missouri or the Indenture to exist, to have happened or to have been performed precedent to or contemporaneously with the issuance of this Series 2007 Refunding Bond, exist, have happened and have been performed.

This Series 2007 Refunding Bond shall not be entitled to any security, right or benefit under the Indenture or be valid or obligatory for any purpose, unless the certificate of authentication hereon has been duly executed by the Trustee.

IN WITNESS WHEREOF, The City of St. Louis has caused this Series 2007 Refunding Bond to be executed in its name and on its behalf by the manual or facsimile signatures of the Mayor and the Comptroller and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Register, all as of the date of authentication specified below.

THE CITY OF ST. LOUIS

(SEAL)

By: \_\_\_\_\_  
Mayor

ATTEST

By: \_\_\_\_\_  
Register

By: \_\_\_\_\_  
Comptroller

Approved as to form:

By: \_\_\_\_\_  
City Counselor

[STATEMENT OF INSURANCE]

CERTIFICATE OF AUTHENTICATION

This Series 2007 Refunding Bond is one of the bonds described in the within-mentioned Indenture. The date of authentication of this Series 2007 Refunding Bond is \_\_\_\_\_.

UMB BANK, N.A.,  
As Trustee  
By: \_\_\_\_\_  
Authorized Signature

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

\_\_\_\_\_  
\_\_\_\_\_

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF TRANSFEREE: \_\_\_\_\_  
the within Bond and all rights thereunder, hereby irrevocably constituting and appointing \_\_\_\_\_, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_  
Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution (as defined by SEC Rule 17 Ad-15 (17 CFR 240.17 AD-15))

\_\_\_\_\_  
(Signature of Registered Owner)

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B  
REFUNDED BONDS

EXHIBIT C  
PERMISSIBLE INVESTMENT SECURITIES  
FOR INDENTURED FUNDS  
[INSURANCE REQUIREMENTS]

Approved: November 27, 2006

**ORDINANCE #67318**  
**Board Bill No. 269**

**AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI, AS A REDEVELOPMENT AREA KNOWN AS THE GEW LOFTS REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE GEW LOFTS SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.**

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

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

**WHEREAS**, the TIF Commission is duly constituted according to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865 of the Revised Statutes of Missouri (2000), as amended (the "TIF Act"), and is authorized to hold public hearings with respect to proposed redevelopment areas and redevelopment plans and to make recommendations thereon to the City; and

**WHEREAS**, staff and consultants of the City and The George E. Walsh Building, L.L.C., a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled "GEW Lofts TIF Redevelopment Plan" dated August 18, 2006 (the "Redevelopment Plan"), for an area located generally at 2615 Washington Avenue in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

**WHEREAS**, the Redevelopment Plan proposes to redevelop the Redevelopment Area by acquiring, renovating and rehabilitating the structure that currently exists in the Area into a mixed use of commercial and residential space and other improvements, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

**WHEREAS**, on October 11, 2006 after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

**WHEREAS**, on October 11, 2006, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the creation of new jobs, the elimination of blight, the preservation of historic structures, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, and facilitation of economic stability for the City as a whole, and further found that without the assistance of tax increment financing in accordance with the TIF Act, the Redevelopment Project is not financially feasible and would not otherwise be completed; and

**WHEREAS**, on October 11, 2006, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iv) approving the Redevelopment Project as described within the Redevelopment Plan, and (v) approving the issuance of tax increment financing revenue notes in the amount as specified in the Redevelopment Plan; and

**WHEREAS**, the Developer has demonstrated that the Redevelopment Project would not reasonably be anticipated to be developed without the adoption of tax increment financing and, therefore, redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not feasible and would not otherwise be completed; and

**WHEREAS**, the Board of Aldermen has received the recommendations of the TIF Commission regarding the Redevelopment Area and the Redevelopment Plan and finds that it is desirable and in the best interests of the City to designate the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, adopt the Redevelopment Plan and Redevelopment Project in order to encourage and facilitate the redevelopment of the Redevelopment Area; and

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

**WHEREAS**, it is necessary and desirable and in the best interest of the City to adopt tax increment allocation financing within the Redevelopment Area and to establish a special allocation fund for the Redevelopment Area in order to provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, providing for a stabilized population and plan for the optimal growth of the City of St. Louis, encouragement of a sense of

community identity, safety and civic pride, preservation and restoration of property of historical and architectural value and significance and the elimination of impediments to land disposition and development in the City of St. Louis.

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

**SECTION ONE.** The Board of Aldermen hereby makes the following findings:

A. The Redevelopment Area on the whole is a “blighted area,” as defined in Section 99.805 of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “blighted area” and (ii) an affidavit, signed by the Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met, which description and affidavit are incorporated herein as if set forth herein.

B. The Redevelopment Plan conforms to the comprehensive plan for the development of the City as a whole.

C. In accordance with the TIF Act, the Redevelopment Plan states the estimated dates of completion of the Redevelopment Project and retirement of the financial obligations issued to pay for certain redevelopment project costs and these dates are twenty three (23) years or less from the date of approval of the Redevelopment Project.

D. A plan has been developed for relocation assistance for businesses and residences in Ordinance No. 62481 adopted December 20, 1991.

E. A cost-benefit analysis showing the economic impact of the Redevelopment Plan on each taxing district which is at least partially within the boundaries of the Redevelopment Area is on file with the St. Louis Development Corporation, which cost-benefit analysis shows the impact on the economy if the Redevelopment Project is not built, and is built pursuant to the Redevelopment Plan.

F. Redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the assistance of tax increment financing and would not otherwise be completed.

G. The Redevelopment Plan does not include the initial development or redevelopment of any “gambling establishment” as that term is defined in Section 99.805(6) of the TIF Act.

H. The Redevelopment Area includes only those parcels of real property and improvements thereon directly and substantially benefited by the proposed Redevelopment Project.

**SECTION TWO.** The Redevelopment Area described in the Redevelopment Plan is hereby designated as a “redevelopment area” as defined in Section 99.805(11) of the TIF Act.

**SECTION THREE.** The Redevelopment Plan as reviewed and recommended by the TIF Commission on October 11, 2006, including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

**SECTION FOUR.** There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the “GEW Lofts Special Allocation Fund.” To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the GEW Lofts Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

**SECTION FIVE.** Tax increment allocation financing is hereby adopted within the Redevelopment Area. After the total equalized assessed valuation of the taxable real property in the Redevelopment Area exceeds the certified total initial equalized assessed valuation of the taxable real property in the Redevelopment Area, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in the Redevelopment Area by taxing districts and tax rates determined in the manner provided in Section 99.855.2 of the TIF Act each year after the effective date of this Ordinance until redevelopment costs have been paid shall be divided as follows:

A. That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid by the City Collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payment in lieu of taxes into the GEW Lofts Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from

which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

**SECTION SIX.** In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the GEW Lofts Special Allocation Fund.

**SECTION SEVEN.** The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the GEW Lofts Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

**SECTION EIGHT.** The City Register is hereby directed to submit a certified copy of this Ordinance to the City Assessor, who is directed to determine the total equalized assessed value of all taxable real property within the Redevelopment Area as of the date of this Ordinance, by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract or parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area.

**SECTION NINE.** The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated representatives.

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

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

#### EXHIBIT A

#### GEW LOFTS TIF REDEVELOPMENT PLAN

DRAFT

#### GEW LOFTS

#### TIF REDEVELOPMENT PLAN

Submitted to  
the City of St. Louis

**Tax Increment Financing Commission  
August 18, 2006**

**GEW LOFTS  
TIF REDEVELOPMENT PLAN**

**TABLE OF CONTENTS**

- I. INTRODUCTION**
- II. OVERVIEW OF TAX INCREMENT FINANCING**
- III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS**
  - 1. LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA
  - 2. REDEVELOPMENT PLAN OBJECTIVES
  - 3. REDEVELOPMENT PROJECT
  - 4. GENERAL LAND USES TO APPLY
  - 5. REDEVELOPMENT SCHEDULE AND ESTIMATED DATES OF COMPLETION
  - 6. MOST RECENT EQUALIZED ASSESSED VALUE OF PARCELS WITHIN REDEVELOPMENT AREA
  - 7. ESTIMATED EQUALIZED ASSESSED VALUE AFTER REDEVELOPMENT
  - 8. ACQUISITION
  - 9. BLIGHTED AREA
  - 10. CONFORMS WITH THE COMPREHENSIVE PLAN OF THE CITY
  - 11. PLAN FOR RELOCATION ASSISTANCE
  - 12. COST BENEFIT ANALYSIS
  - 13. DOES NOT INCLUDE GAMBLING ESTABLISHMENT
  - 14. REPORTS TO DED
  - 15. HISTORICAL LAND USE
- IV. FINANCING PLAN**
  - 1. ELIGIBLE REDEVELOPMENT PROJECT COSTS
  - 2. ANTICIPATED SOURCES OF FUNDS TO PAY REDEVELOPMENT PROJECT COSTS
  - 3. TIF NOTE FUNDING
  - 4. EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

**GEW LOFTS TIF REDEVELOPMENT PLAN  
APPENDICES**

- 1. LEGAL DESCRIPTION AND MAP OF THE REDEVELOPMENT AREA
- 2. ANTICIPATED SOURCES AND USES OF FUNDS
- 3. ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE GEW LOFTS REDEVELOPMENT AREA
- 4. REDEVELOPMENT PROJECT SCHEDULE
- 5. CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE OF AND ECONOMIC ACTIVITY TAXES (EATS) WITHIN THE REDEVELOPMENT AREA
- 6. DEVELOPER'S AFFIDAVIT
- 7. EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS
- 8. GENERAL LAND USES TO APPLY
- 9. REAL PROPERTY TAX INCREMENT ALLOCATION ACT
- I. INTRODUCTION**

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of one property, which currently includes seven attached structures (the "Building"), in City Block 930 (the "Redevelopment Area" or "Area"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

The Redevelopment Area qualifies as a blighted area under Missouri's Real Property Tax Increment Allocation Redevelopment Act, Section 99.800-99.865 of the Revised Statutes of Missouri (2000) (the "TIF Act"). This Redevelopment Plan contemplates the complete redevelopment of the Area into a mix of commercial and residential uses (the "Redevelopment Project" or "Project").

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Notes") in an amount up to Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes issued shall be reimbursed solely from the revenue stream of Payments In Lieu of Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period. Up to one hundred percent of PILOTS within the Redevelopment Area and up to fifty percent of EATS will be allocated to retire the TIF Notes. After completion of the Redevelopment Project, the City may issue TIF Note(s) or other TIF obligations to the developer of the Project ("Developer") or a third party to evidence the City's obligation to reimburse the Developer for a portion of the costs of the Redevelopment Project. Such TIF Note(s) will be paid solely from revenues on deposit in the GEW Lofts Special Allocation Fund, in accordance with and pursuant to the TIF Act. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria agreed upon by the City and Developer in a Redevelopment Agreement, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds ("TIF Bonds") to repay the TIF Note.

The TIF Notes may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these TIF Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these TIF Notes or other financial obligations, in any year, solely with money legally available for such purpose within the City's Special Allocation Fund.

## **II. OVERVIEW OF TAX INCREMENT FINANCING**

In order to promote the redevelopment of a declining area or to induce new activity in an area that has been lacking in growth and development, the State of Missouri has provided statutory tools to counties and municipalities to assist private and initiate public, investment. One such tool is the TIF Act, a copy of which is attached hereto as **Appendix 9**.

The TIF Act allows cities and counties to (1) identify and designate redevelopment areas that qualify as Blighted Areas, Conservation Areas, or Economic Development Areas as each are defined in the TIF Act; (2) adopt a redevelopment plan that designates the redevelopment area and states the objectives to be attained and the program to be undertaken; (3) approve a redevelopment project(s) for implementation of the redevelopment plan; and (4) utilize the tools set forth in the TIF Act to assist in reducing or eliminating those conditions that cause the area to qualify as a redevelopment area. Generally, the TIF Act allows municipalities to foster economic and physical improvements in a redevelopment or project area and to enhance the tax base of all taxing districts that levy taxes in such area. Within redevelopment areas, municipalities may use the power of eminent domain to provide necessary property acquisition for the implementation of a redevelopment plan and redevelopment project.

The concept of tax increment financing is outlined as follows: implementation of a redevelopment project within the redevelopment area will produce increased real estate assessments attributable to the redevelopment within the area. The project then makes PILOTS on the increased assessed value of the improved property. The project also generates new EATS resulting from operations within the redevelopment or project area. The TIF Act authorizes the capture of certain PILOTS and EATS in the redevelopment or project area over and above such levels within that area in the year prior to the approval of the redevelopment project. New development is made possible within the redevelopment area through the municipality's use of incremental revenues to finance certain costs of developing or redeveloping the area.

The municipality segregates these incremental revenues into a special account, the "special allocation fund," during the period of time in which the incremental revenues are dedicated to the purposes identified in the redevelopment plan. The municipality is further authorized to pledge additional net new revenues from the project to the purposes identified in the redevelopment plan. All taxing districts that levy taxes on property within the redevelopment or project area continue to receive tax revenues based upon property values which existed prior to the adoption of ordinances establishing the redevelopment or project area. Taxing districts also benefit from the increase in certain other taxes resulting from the increased economic activity in the redevelopment or project area. These taxes resulting from development of the redevelopment project are not deposited in the special allocation fund pursuant to the provisions of the TIF Act.

The TIF Act requires that, prior to establishing a redevelopment area or approving or amending TIF redevelopment plans and projects, a municipality must create a TIF Commission. A TIF Commission is comprised of six individuals appointed by the chief elected official of the municipality, with the consent of its governing body, and three individuals who are appointed by the other taxing districts within the proposed redevelopment area. Two of these three members are to represent the school district(s) that tax property within the proposed redevelopment area; the other member is appointed by all the remaining taxing districts. The TIF Commission's role is to review, consider, and make recommendations to the municipality's governing body concerning the adoption of redevelopment plans and redevelopment projects and the designation of redevelopment areas, and to exercise such other powers as are available to it under the TIF Act.

## **III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS**

### **1. Legal Description of the Redevelopment Area**

A legal description and map of the Redevelopment Area are included herein as **Appendix 1**.

The Redevelopment Area consists generally of the property located at the northwest corner of the intersection of Jefferson Avenue and Washington Boulevard.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the GEW Lofts TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

- To reduce or eliminate the conditions that cause the Redevelopment Area to be a “blighted area” as defined by Section 99.805(1) of the TIF Act and as described in this Redevelopment Plan;
- To enhance the public health, safety, and welfare of the community by curing blighting conditions and encouraging other improvements necessary for insuring the Area’s stability and existing and future redevelopment consistent with this Redevelopment Plan;
- To enhance the tax base by inducing development of the Redevelopment Area to its highest and best use, benefitting taxing districts and encouraging private investment in surrounding areas;
- To promote the health, safety, order, convenience, prosperity and the general welfare, as well as efficiency and economy in the process of development;
- To further objectives outlined in the City of St. Louis Strategic Land Use Plan;
- To increase property values of the Area;
- To provide development opportunities in the Redevelopment Area and surrounding areas; and
- To stimulate construction and permanent employment opportunities and increased demand for services for the Area.
- To extend redevelopment along Washington Boulevard west of Jefferson Avenue, serving as a catalyst for redevelopment west of Jefferson Avenue.
- To create a bridge between redevelopment in Downtown and Midtown.

3. Redevelopment Project

To satisfy the above objectives, the Redevelopment Project consists of:

- Mixed Uses Rehabilitation and renovation of the existing building into a mix of commercial and residential uses.

The Redevelopment Project is generalized to leave room for design creativity and owner specifications as needed, so that the Developer can respond to prospective residents’ and tenants’ needs as well as market conditions as redevelopment of the Redevelopment Project progresses.

It is expected that the Redevelopment Project will serve as a bridge for redevelopment efforts in the Downtown and Midtown neighborhoods, and will enhance the perception of this portion of St. Louis as a safe and active environment. In addition, it is expected that the Project will encourage an increase in other commercial and residential redevelopment efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$19.2 million, excluding developer fees, as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimated based on the knowledge of the Redevelopment Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

4. General Land Uses to Apply

The general land uses proposed for the Area include residential and a variety of commercial uses. A map profiling the general land uses to apply is attached hereto as **Appendix 8** and incorporated herein by this reference.

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within forty-five (45) months from the execution of a redevelopment agreement between the City and the Developer of this Redevelopment Project as contemplated herein. The estimated date for retirement of obligations incurred to finance the Redevelopment Project shall not be more than twenty-three (23) years from approval of the Redevelopment Project. The anticipated Redevelopment Program Schedule for the TIF Project is included herein as **Appendix 4**.

6. Recent Equalized Assessed Value of Parcels within the Redevelopment Area

The current Equalized Assessed Value of all property in the Redevelopment Area is attached as **Appendix 5**. These values are established and will be confirmed by the Assessor of the City of St. Louis. **Appendix 5** also includes historical information concerning the Equalized Assessed Value of the Redevelopment Area.

7. Estimated Equalized Assessed Value After Redevelopment

The total estimated Equalized Assessed Value of all property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$3,422,520 (2009).

8. Acquisition

The Developer or a related entity is currently the owner of record of the parcel within the Area necessary for the Redevelopment Project.

9. Blighted Area

As described in greater detail in the Analysis of Conditions Representing a Blighted Area for the GEW Lofts Redevelopment Area attached hereto as **Appendix 3** and incorporated herein by this reference, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions, which affidavit is included herein as **Appendix 6**.

The cost of redevelopment precludes private enterprise from developing the Redevelopment Area to its highest and best use without public assistance. The cost of curing the existing conditions of blight and rehabilitation of improvements as contemplated in this Redevelopment Plan is not economically viable if fully borne by the Developer.

10. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the development of the City as set forth in the "Strategic Land Use Plan" (2005).

11. Plan for Relocation Assistance

The relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project. To the extent relocation becomes necessary, this Redevelopment Plan adopts the City St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

12. Cost Benefit Analysis

A cost benefit analysis showing the fiscal impact of the Project on each taxing district impacted by this Redevelopment Plan and sufficient information to determine the financial feasibility of the Project is on file with the St. Louis Development Corporation, 1015 Locust Street, Suite 1200, St. Louis, MO 63101.

If the TIF Redevelopment Project is completed, then each of the taxing districts will continue to receive all of the tax revenues currently received from the Redevelopment Area. Additionally, they will benefit from the additional property taxes and economic activity taxes which will be paid and not contributed to the TIF. The TIF Act allows for the collection of only 50% of the EATS for payment of project costs. The other 50% are distributed to the appropriate taxing authorities.

13. Does Not Include Gambling Establishment

The Redevelopment Plan does not include the initial development or redevelopment of any gambling establishment.

14. Reports to DED

As required by the TIF Act, the City shall report to the Department of Economic Development by the last day of February each year, the name, phone number, and primary line of business of any business which locates within the Redevelopment Area.

15. Historical Land Use of Property Within the Redevelopment Area

Construction began on the seven-building Edwin F. Guth Company Complex in 1896, and from early as 1907 Guth Lighting invented, designed, manufactured, and distributed lighting products worldwide from the Washington Boulevard location. The complex was recently vacated by Guth Lighting and is currently vacant.

**IV. FINANCING PLAN**

1. Eligible Redevelopment Project Costs

The TIF Act provides for the use of tax increment revenues generated by a designated redevelopment area to pay all reasonable or necessary costs incurred, estimated to be incurred, or incidental to a redevelopment plan or redevelopment project within a designated TIF redevelopment area. A municipality may pledge all or any part of the funds in and to be deposited in the special allocation fund established for a redevelopment project area to the payment of redevelopment project costs and obligations within the redevelopment area, including the retention of funds for the payment of future redevelopment costs.

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$19.2 million, excluding developer fees, and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues; such Project Costs, in accordance with the TIF Act, may include, but are not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;
- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligation issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district’s capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Project, to the extent the City, by written agreement, accepts and approves such costs.

The costs shown on **Appendix 2** represent the total approximate costs of the project regardless of the source of funding. This table does not include all custom finishes over and above Developer-supplied finishes, which are unknown at this time. Typical plan implementation and financing costs are based on the experience of the Developer. It should be noted that these costs are based on the knowledge of the Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Plan and the Redevelopment Project may vary from these estimates.

The following table illustrates the anticipated categories costs that will be funded in part by TIF, assuming the funding of up to \$3,200,000 in Redevelopment Project Costs.

<b>CATEGORY</b>	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).

	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
<b>\$ 3,200,000</b>	<b>TOTAL</b>

It is not the intent of **Appendix 2**, the table provided above, or this Redevelopment Plan to restrict the City or the Developer to the cost amounts, categories or allocations as outlined. During the life of the Redevelopment Area, Plan, and Project, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 2** and additional categories may be added to the extent allowed by the TIF Act, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are five (5) principal sources of potential funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project previously described. These sources are:

- State Historic Tax Credits;
- Federal Historic Tax Credits;
- Owner equity;
- Private financing;
- Funds available through the issuance of TIF notes, bonds, loans, or other certificates of indebtedness (herein collectively referred to as "TIF Note or other financial obligations").

The anticipated type and term of the sources of funds are set forth in **Appendix 2**. It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the sources or source amounts as outlined. During the life of the Redevelopment Agreement, Plan, and Project, other sources may be found or adjustments may be made within or in addition to the sources specified in **Appendix 2**.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount up to Three Million Two Hundred Thousand and No/100 Dollars (\$3,200,000.00) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2**, which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the GEW Lofts Special Allocation Fund.

The GEW Lofts Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

1. The "PILOTS Account" will contain all payments in lieu of taxes derived from all taxable lots, blocks, tracts, and parcels of real property (or any interest therein) within the Redevelopment Area as contemplated by this Redevelopment Plan and in accordance with the TIF Act; and
2. The "Economic Activity Taxes ("EATS") Account" will contain fifty percent (50%) of the total funds from taxes imposed by the City which are generated by the operations and activities within the Redevelopment Area, excluding licenses, fees or special assessments, and excluding personal property taxes and payments to the PILOTS Account, in accordance with the TIF Act.

Funds on deposit in the PILOTS Account and EATS Account will be pledged to the payment of the Redevelopment Project Costs. Such payment obligations shall not constitute debts or liabilities of the City, the State of Missouri, or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction and neither the City nor the State of Missouri shall be liable thereon except from the PILOTS Account, and, to the extent appropriated by the City on an annual basis,

the EATS Account, from funds derived from other taxes deposited into the Special Allocation Fund.

4. Evidence of Commitment to Finance Redevelopment Project Costs

**Appendix 7** contains a preliminary commitment letter provided by Enterprise Bank & Trust, which has made a preliminary review of the development proposal and has expressed a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

**APPENDIX 1  
GEW LOFTS TIF REDEVELOPMENT PLAN  
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA**

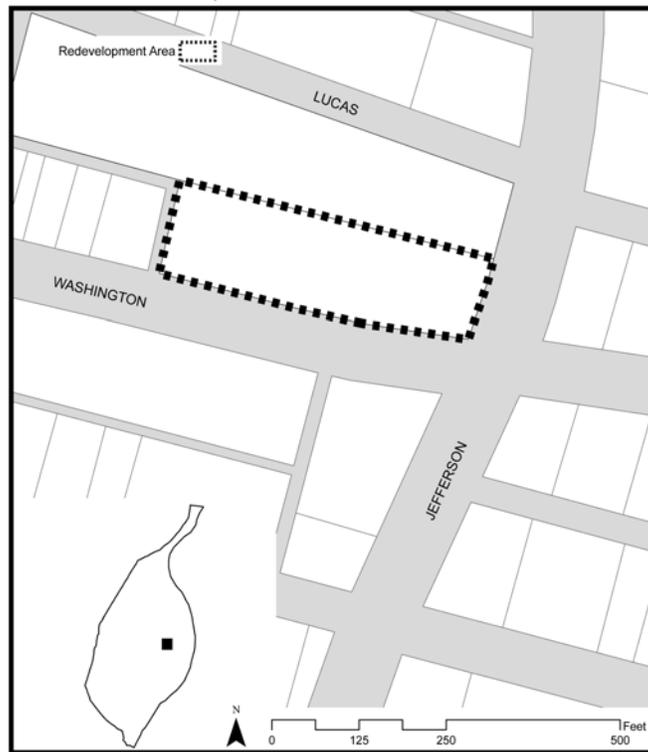
Parcel 1:

Lot "B" of Guth Subdivision, according to plat recorded in Plat Book 69 page 41 and the Affidavit recorded November 4,2002 in Book 1807 page 84; and in Block 930 of the City of St. Louis, Missouri; and

Parcel 2:

A parcel of land being Lots 50,51 and part of Lot 52, Block 2 of Adam L. Mill's First Addition and in Block 93 1 of the City of St. Louis, Missouri and being more particularly described as follows: Beginning at the intersection of the West line of Jefferson Avenue, 100.00 feet wide, as widened per Ordinance No. 47242, and the North line of said Lucas Avenue, Westwardly 172.24 feet (field) 172.37 feet, more or less, (records) to the Southwestern corner of said Lot 50; thence along the Western line of said Lot 50, Northwardly 133.27 feet (field) 133.25 feet (record) to the Southern line of an alley, 15.00 feet wide; thence along the Southern line of said alley, Eastwardly 148.90 feet (field) 149.07 feet (record) to the Western line of said Jefferson Avenue; thence along the Western line of said Jefferson Avenue a curve to the right, having a radius of 11 17.607 feet, Southwardly 142.17 feet (field) 142.13 feet (record) to the point of beginning.

**BOUNDARY  
GEW Lofts  
Redevelopment Area  
City of St. Louis, Missouri**



**APPENDIX 2  
ANTICIPATED SOURCES AND USES OF FUNDS**

**GEW LOFTS  
Anticipated Sources and Uses of Funds  
(excluding Developer Fees)**

**SOURCES OF FUNDS**

Tax credit investor equity-federal historic tax credits	\$ 1,174,700
Bridge loan - state historic tax credits	\$ 3,844,800
TIF proceeds	\$ 3,200,000
Construction Loan	\$ 11,019,631
	<u>\$ 19,239,131</u>
<b>Total Sources Of Funds</b>	<b>\$ 19,239,131</b>

**USES OF FUNDS**

<b>Direct Construction Costs</b>	
Property acquisition	\$ 1,390,000
Site improvements/landscape	\$ 62,500
Construction Costs	\$ 13,684,005
Display Unit and Lobby Furnishings	\$ 100,000
Architect fee - design (\$1.75/sf)	\$ 305,000
Engineering	\$ 60,000
Builders risk insurance	\$ 75,000
<b>Third Party Reports</b>	
Environmental assessment and consulting	\$ 10,000
Appraisal/Survey	\$ 25,000
<b>Financing Costs</b>	
Construction loan interest	\$ 1,199,900
Construction and bridge loan fee (.075%)	\$ 124,200
Title, escrow, recording, closing	\$ 75,000
TIF related fees & expenses	\$ 85,000
Permanent loan fee	\$ 18,326
<b>Other Costs</b>	
Taxes, insurance	\$ 67,500
Disbursement advisor	\$ 25,000
Marketing	\$ 300,000
Legal and accounting	\$ 195,000
State historic tax credit fee	\$ 110,400
Historic tax credit expenses / cost certification	\$ 17,500
Project contingency	\$ 1,309,800
	<u>\$ 19,239,131</u>
<b>Total Uses Of Funds</b>	<b>\$ 19,239,131</b>

**APPENDIX 3  
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE  
GEW LOFTS REDEVELOPMENT AREA**

**ANALYSIS OF CONDITIONS  
REPRESENTING A BLIGHTED AREA**

for the

**GEW LOFTS  
TIF REDEVELOPMENT AREA**

**GEW LOFTS  
TIF REDEVELOPMENT PLAN**

**August 18, 2006**

**City of St. Louis, Missouri  
Tax Increment Financing Commission**

**TIF ELIGIBILITY**

The Redevelopment Area (the "Area") established in the GEW Lofts TIF Redevelopment Plan (the "TIF Redevelopment Plan") is a blighted area based upon the fact that it exhibits the factors set in the TIF Act (Section 99.805(1). MO. REV. STAT.).

As defined, a "blighted area" is:

*An area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use.*

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
  - a) Building interior and exterior;
  - b) Systems and components.
- 2) Unsanitary and unsafe conditions resulting from:
  - a) Inadequate utilities;
  - b) Trash and debris; and
  - c) Exterior site conditions.
- 3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes;
- 4) Menace to the Public Health, Safety, Morals, or Welfare;
- 5) Economic and Social Liability:
  - a) Deferred maintenance and lack of investment;
  - b) Excessive Vacancy; and
  - c) Uncompetitive position.

The factors listed above will persist and continue to decline until the comprehensive redevelopment of the Area is undertaken.

A map providing an overview of such conditions is attached hereto as Exhibit 1, along with Photographs of Conditions in the Area attached hereto as Exhibit 2.

## DATA COLLECTION METHODS

This study has been designed and conducted to comply with the specific requirements of Section 99.805 (1) RSMo. The study and the requisite fieldwork were performed during the month of August 2006. Observations and conclusions are based upon on-site inspections of the Redevelopment Area and familiarity with the local market.

In determining if the proposed Redevelopment Area meets the eligibility requirements for TIF per the TIF Act, a number of sources of information were utilized. These include, but are not limited to, the following:

- a. Survey of the condition and use of the Redevelopment Area;
- b. Public documents relating to the history and/or condition of the Area;
- c. Professional assessments of the condition of the Area; and
- d. Analysis of existing uses and their relationships.

## OVERVIEW OF REDEVELOPMENT AREA

The Redevelopment Area consists of one parcel in City Block 930, as shown on [Appendix 1](#) to the TIF Redevelopment Plan. The Area contains the Building, which is comprised of seven attached vacant structures.

## DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA

- 1) Deterioration of Site Improvements. In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling panes, or holes and cracks over limited areas. Deterioration which is not easily curable, however, and which cannot be accomplished in the course of normal maintenance, includes buildings with defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc. Deterioration of streets and alleys includes evidence of pot holes, cracks, depressions, overgrowth, and poor drainage. Deterioration of sidewalks is evidenced by settled areas, cracks, overgrowth, or depressed curb areas.

The Area suffers from deterioration of several interior building components. Leaking roofs have caused interior water damage as floors and walls exhibit signs of significant degeneration with rot, holes, cracks, and discoloration. Portions of the exposed ceilings suffer from rotted truss supports, holes, cracks, and chips, while closed ceilings are warped and broken with missing tiles and fixtures.

More significantly, due to the Building's age and lack of maintenance or updating, several important building components are outmoded and insufficient for their intended use, including heating, plumbing, and electric systems. Throughout the Building there are signs of substantial filth, neglect, trash, and debris, while it also exhibits potential safety and environmental issues with various abandoned components such as a freight elevator. Finally, there may be evidence of contaminated lead-based paint, and the age of the Building indicates that insulation and floor and ceiling components could be constructed with asbestos containing materials.

Many of the windows of the Building are missing, shattered, or significantly discolored with grime, or are opaque.

The exterior condition of the Area also exhibits clear evidence of deterioration of building components. The Building's fascia materials, including paneling, door and window frames, are degraded, missing, and skewed with peeling paint. Furthermore, some portions of the exterior brick walls will require tuckpointing, and door and window frames, along with awnings, are degraded in various places with rust, discoloration, and rot. Finally, HVAC and circulation system components on the exterior of the Building are rusted and/or dented, while signs of graffiti have left noticeable blemishes.

In addition, significant deterioration is evident in many of the secondary components of the Building and site improvements in the Area. The utilities are outdated and substandard and storm water components on the Building are missing, broken, or out of date as evidenced by sediments from ponding water. Furthermore, wiring and plumbing fixtures are exposed in places. There is an accumulation of dirt and dust due to a lack of regular maintenance throughout the Area. Finally, HVAC and circulation system components on the exterior of the Building are rusted and/or dented. Finally, the exterior of the Area also suffers from the presence of debris and refuse, as deleterious conditions have not been remedied, evidencing a general lack of maintenance.

- 2) Unsanitary or Unsafe Conditions. In addition to the general physical deterioration stated above, the Area contains unsanitary or unsafe conditions.

The outdated mechanical and utilities infrastructure in the Area is unsafe, especially with respect to electrical and fire prevention systems. The existence of refuse and debris inside the Building and on the exterior portions of the Area are clearly detrimental and unsanitary. The accumulation of dirt and dust in the Area due to deferred maintenance, together

with the littering of the property with garbage, increases the risk of illness and creates an unsanitary environment for living or working. These unsanitary conditions pose a serious risk of illness or disease to any modern inhabitants, and contribute to the vacancy, underutilization, and blight of the Area.

- 3) Existence of Conditions which Endanger Lives or Property by Fire and Other Causes. Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, housing, property maintenance, fire, environmental, or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation. The deteriorated structures and site improvements within the Area are not only below minimum code standards but are also beyond repair. Such conditions pose a significant safety hazard and endanger lives or property within the Area by fire or other causes.

Due to the deterioration of site improvements of the Redevelopment Area, the Area suffers from endangerment by fire and/or other causes. The Area lacks contemporary safety, access, and other security measures in several places. These unsafe conditions endanger life and property and render the vast majority of the Area uninhabitable for modern commercial or residential uses.

- 4) Menace to the Public Health, Safety, Morals or Welfare. As discussed above, the Redevelopment Area exhibits many factors which constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe building conditions as illustrated above represent a menace to the public health and safety; the economic liability of the deteriorated structures also represent a menace to the public welfare. The above factors hamper efforts to continue redevelopment along Washington Boulevard west of Jefferson Avenue. Furthermore, properties near the Area are known for high crime, including prostitution, and lack of investment and activity has allowed such conditions to persist.

#### **ECONOMIC AND SOCIAL LIABILITY**

Due to the predominance of blighting factors discussed above, the Area in its current condition is a significant liability to the social welfare and economic independence of the City. As noted above, the Area suffers from obvious neglect and a clear lack of investment. This disparity has fostered a state of economic obsolescence as the property is no longer marketable because of its condition and location, and has become an economic burden to the City. Deterioration and subsequent obsolescence of the Area has contributed to the lack of physical maintenance, abandonment, and excessive vacancy.

The Area in its current condition hampers the economic vitality and independence of the City by failing to generate tax revenue and discouraging reinvestment in or maintenance of this property. The Area's physical condition and level of underutilization, combined with the vacancy of the building, diminishes its potential to generate property tax revenues for the City up to its full potential. Without the comprehensive renovation and redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will continue to decrease.

The Redevelopment Area has been vacated, and it has become further blighted with deferred maintenance. The physical condition of and resulting lack of reinvestment in the Area have resulted in its vacancy and economic underutilization. The type of economic underutilization seen in the Redevelopment Area has been recognized as a blighting condition by the Missouri Supreme Court case Tierney v. Planned Industrial Expansion Authority of Kansas City, Missouri, 742 S.W. 2d 146, 151 (Mo. 1987).

In Tierney at 151, the Court stated:

*...(10) The owners, finally, attack the concept of "economic underutilization"... They suggest that almost all land could be put to a higher and better use, and argue that the concept of economic under-utilization is so broad...*

*We do not find the fault or the danger perceived. The concept of urban redevelopment has gone far beyond "slum clearance" and the concept of economic underutilization is a valid one. This is explicit in State ex rel. Atkinson v. Planned Industrial Expansion Authority of St. Louis, 517 S.W.2d 36 (Mo. Banc 1975), sustaining the statutes governing this case. Centrally located urban land is scarce. The problems of assembling tracts of sufficient size to attract developers, and of clearing uneconomic structures, are substantial and serious... We need not repeat all of the evidence which has before the city council tending to show that redevelopment of this area would promote a higher level of economic activity, increased employment, and greater services to the public...*

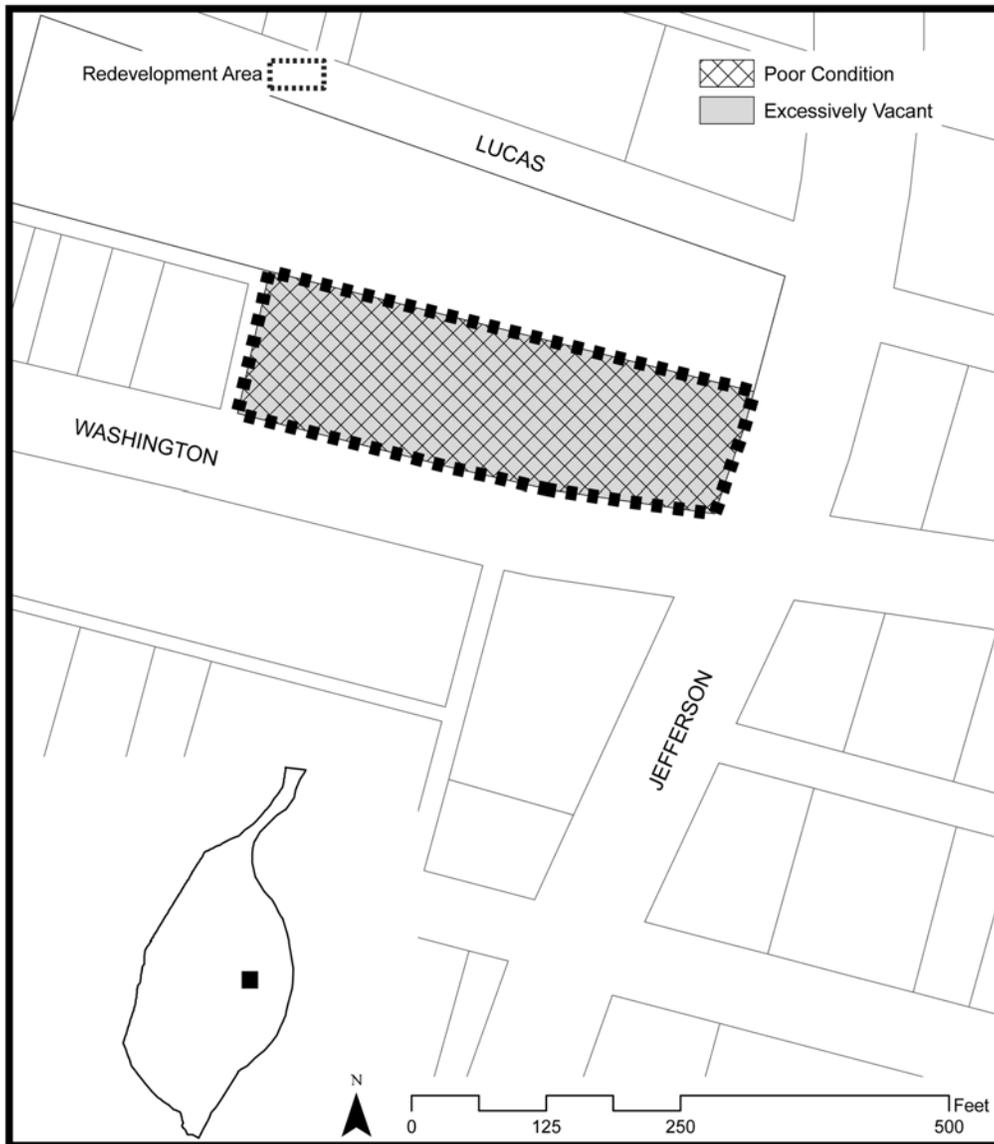
The economic underutilization of the property contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity and add to the success of this portion of the City.

Indeed, the Area is now in an especially precarious position as it has been vacated. This vacancy has resulted in the continued lack of maintenance and corresponding physical deterioration of the Area, which problems can only be remediated by the type of comprehensive redevelopment as is a part of the Redevelopment Project. If such physical deterioration is allowed to continue, the Area, in addition to failing to generate tax revenue and economic activity anywhere near its potential, will become an increased economic liability to the City. In addition, the condition of the Area, constitutes

a social liability as these properties pose a barrier to the westward expansion of redevelopment initiatives along Washington Avenue into Midtown St. Louis. Because of the blighting conditions that are present, the Area represents an economic and social liability to the City.

**Exhibit 1**  
**Blight Analysis**

**BLIGHT ANALYSIS**  
GEW Lofts  
Redevelopment Area  
City of St. Louis, Missouri



**Exhibit 2**  
**Photographs of Conditions in the Area**











**APPENDIX 4  
GEW LOFTS TIF REDEVELOPMENT PLAN ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

<b>First TIF Commission Meeting</b>	8/10/06
<b>Submit Redevelopment Plan to TIF Commission</b> (at least 45 days prior to public hearing)	8/18/06
<b>Mailing of Notice of TIF Commission Public Hearing to Taxing Districts</b> (not less than 45 days prior to hearing) (RSMo. 99.830.3)	8/25/06
<b>First Publication of Notice of TIF Commission Public Hearing</b> (not more than 30 days prior to hearing) (RSMo. 99.830.1)	9/18/06
<b>Written Notice to Property Owners</b> (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	9/18/06
<b>Second Publication of Notice of TIF Commission Public Hearing</b> (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	10/02/06
<b>Public Hearing by TIF Commission</b> (RSMO. '99.825)	10/11/06
<b>TIF Commission Recommendation to Board of Aldermen</b> (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	10/11/06
<b>TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes</b> (between 14 and 90 days after hearing) (RSMo. 99.820.1[1])	11/03/06
<b>HUDZ Committee Hearing on TIF Ordinances</b>	11/08/06
<b>Second Reading of TIF Ordinances</b>	11/10/06
<b>Perfection of Board Bill(s)</b>	11/17/06
<b>Third Reading and Final Passage of TIF Ordinances</b>	11/17/06
<b>Mayor Signs Bills</b>	12/04/06
<b>Full Construction Commences</b>	1/01/07
<b>Construction Complete</b>	10/01/10

**APPENDIX 5  
GEW LOFTS TIF REDEVELOPMENT PLAN  
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE  
OF REDEVELOPMENT AREA AND ECONOMIC ACTIVITY TAXES  
WITHIN THE REDEVELOPMENT AREA**

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value</u>
2615 Washington Avenue	09300000160	\$ 427,800

**HISTORY OF ASSESSED VALUE**

TERM	AV	% CHANGE
2001	\$ 129,500	
2002	\$ 129,500	0.0%
2003	\$ 129,500	0.0%
2004	\$ 129,500	0.0%
2005	\$ 427,800	230.3%

2006 | \$ 427,800 | 0.0%

Information concerning Economic Activity Taxes (EATs) is non-public and thus, not available at this time.

APPENDIX 6
GEW LOFTS TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI )
City OF ST. LOUIS )

AFFIDAVIT

I, the undersigned, am over the age of 18 years and have personal knowledge of matters stated herein.

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the GEW Lofts Tax Increment Financing Redevelopment Plan, initially dated August 18, 2006 (the "Redevelopment Plan").

1. I am a duly authorized representative of The George E. Walsh Building, L.L.C. (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

2. I am familiar with the Redevelopment Area described in the Redevelopment Plan. In my opinion, based on the factors set forth in the Redevelopment Plan, the Redevelopment Area, on the whole, qualifies as a "blighted area" as defined in Section 99.805(3) of the Missouri Revised Statutes (2000), and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing.

And Further Affiant Sayeth Not.

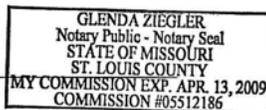
The George E. Walsh Building,
L.L.C.
a Missouri limited liability company

By: [Signature]
Name: KEVIN X. MCGOWAN
Title: Manager

Subscribe and sworn to before me this 17th day of August, 2006.

[Signature]
Notary Public

My Commission Expires:



APPENDIX 7  
GEW LOFTS TIF REDEVELOPMENT PLAN  
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS



+ T-839 P.02/02 F-541

Mitchell L. Baris  
Senior Vice President

July 21, 2006

Mr. Nathaniel Walsh  
The George E. Walsh Building, L.L.C.  
1221 Locust Street, Suite 1200  
St. Louis, Missouri 63103

Re: GEW Lofts - 2615 Washington Avenue

Dear Mr. Walsh:

The purpose of this letter is to evidence Enterprise Bank & Trust's initial commitment to provide financing for your proposed project involving the redevelopment and rehabilitation of the property within the proposed GEW Lofts TIF Redevelopment Area, commonly known as the GEW Lofts, in the City of St. Louis, Missouri (the "Project"), subject to review and approval by the Bank's Loan Committee.

As we have discussed, financing of this Project would not be feasible without the assistance of tax increment financing. Therefore, please be advised that we are excited to provide financing for the Project should the City of St. Louis issue the necessary tax increment financing.

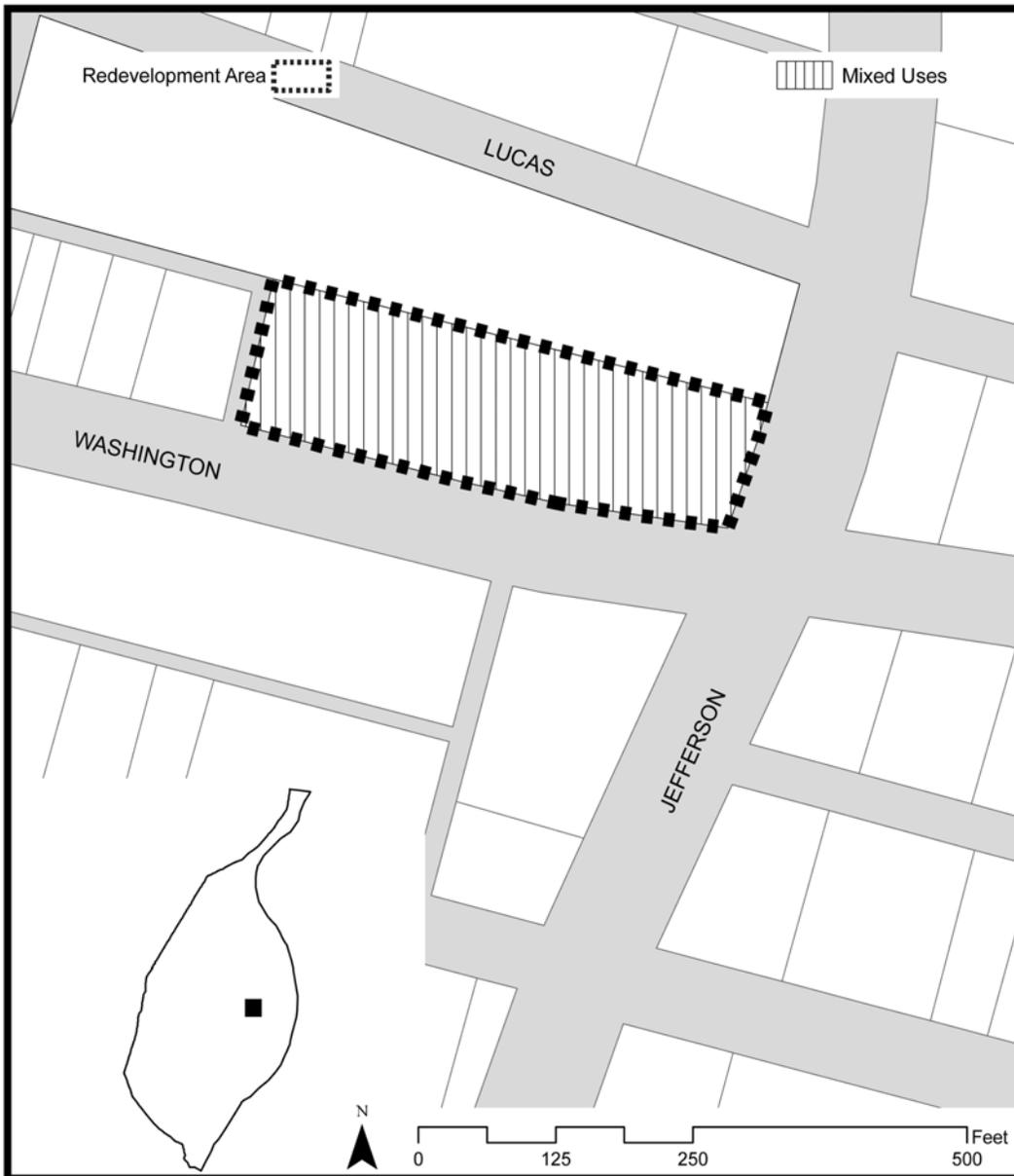
Sincerely,



Mitchell L. Baris  
Senior Vice President

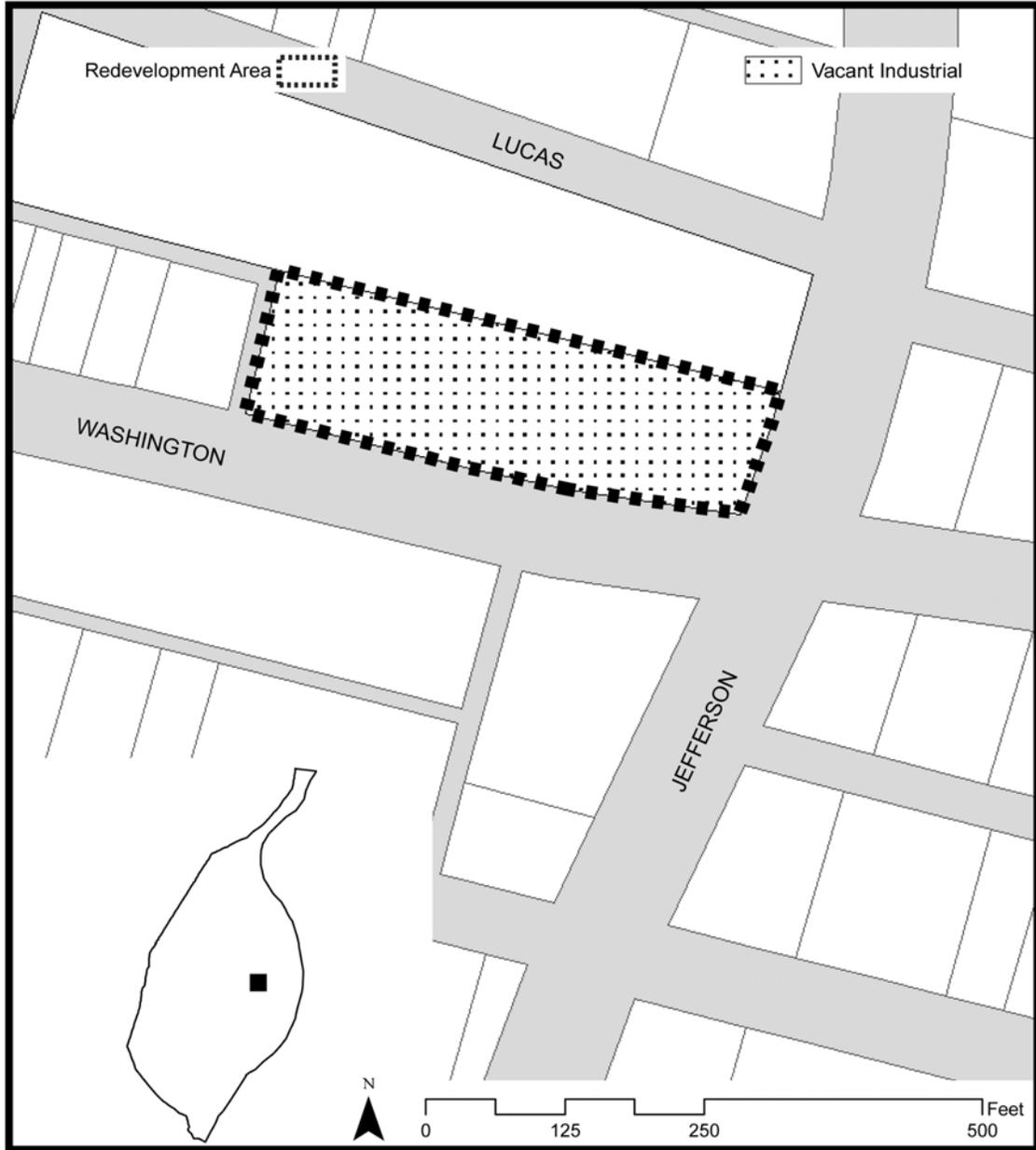
APPENDIX 8  
GEW LOFTS TIF REDEVELOPMENT PLAN  
GENERAL LAND USES TO APPLY

**GENERAL LAND USE**  
GEW Lofts  
Redevelopment Area  
City of St. Louis, Missouri



# EXISTING LAND USE

## GEW Lofts Redevelopment Area City of St. Louis, Missouri



**APPENDIX 9  
GEW LOFTS TIF REDEVELOPMENT PLAN  
REAL PROPERTY TAX INCREMENT ALLOCATION ACT**

**SECTIONS 99.800 to 99.865, MISSOURI REVISED STATUTES**

**Law, how cited.**

99.800. Sections 99.800 to 99.865 shall be known and may be cited as the "Real Property Tax Increment Allocation Redevelopment Act".

(L. 1982 H.B. 1411 & 1587 § 1)

**Definitions.**

99.805. As used in sections 99.800 to 99.865, unless the context clearly requires otherwise, the following terms shall mean:

(1) "Blighted area", an area which, by reason of the predominance of defective or inadequate street layout, unsanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors, retards the provision of housing accommodations or constitutes an economic or social liability or a menace to the public health, safety, morals, or welfare in its present condition and use;

(2) "Collecting officer", the officer of the municipality responsible for receiving and processing payments in lieu of taxes or economic activity taxes from taxpayers or the department of revenue;

(3) "Conservation area", any improved area within the boundaries of a redevelopment area located within the territorial limits of a municipality in which fifty percent or more of the structures in the area have an age of thirty-five years or more. Such an area is not yet a blighted area but is detrimental to the public health, safety, morals, or welfare and may become a blighted area because of any one or more of the following factors: dilapidation; obsolescence; deterioration; illegal use of individual structures; presence of structures below minimum code standards; abandonment; excessive vacancies; overcrowding of structures and community facilities; lack of ventilation, light or sanitary facilities; inadequate utilities; excessive land coverage; deleterious land use or layout; depreciation of physical maintenance; and lack of community planning. A conservation area shall meet at least three of the factors provided in this subdivision for projects approved on or after December 23, 1997;

(4) "Economic activity taxes", the total additional revenue from taxes which are imposed by a municipality and other taxing districts, and which are generated by economic activities within a redevelopment area over the amount of such taxes generated by economic activities within such redevelopment area in the calendar year prior to the adoption of the ordinance designating such a redevelopment area, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments. For redevelopment projects or redevelopment plans approved after December 23, 1997, if a retail establishment relocates within one year from one facility to another facility within the same county and the governing body of the municipality finds that the relocation is a direct beneficiary of tax increment financing, then for purposes of this definition, the economic activity taxes generated by the retail establishment shall equal the total additional revenues from economic activity taxes which are imposed by a municipality or other taxing district over the amount of economic activity taxes generated by the retail establishment in the calendar year prior to its relocation to the redevelopment area;

(5) "Economic development area", any area or portion of an area located within the territorial limits of a municipality, which does not meet the requirements of subdivisions (1) and (3) of this section, and in which the governing body of the municipality finds that redevelopment will not be solely used for development of commercial businesses which unfairly compete in the local economy and is in the public interest because it will:

- (a) Discourage commerce, industry or manufacturing from moving their operations to another state; or
- (b) Result in increased employment in the municipality; or
- (c) Result in preservation or enhancement of the tax base of the municipality;

(6) "Gambling establishment", an excursion gambling boat as defined in section 313.800, RSMo, and any related business facility including any real property improvements which are directly and solely related to such business facility, whose sole purpose is to provide goods or services to an excursion gambling boat and whose majority ownership interest is held by a person licensed to conduct gambling games on an excursion gambling boat or licensed to operate an excursion gambling boat as provided in sections 313.800 to 313.850, RSMo. This subdivision shall be applicable only to a redevelopment area designated by ordinance adopted after December 23, 1997;

(7) "Municipality", a city, village, or incorporated town or any county of this state. For redevelopment areas or projects approved on or after December 23, 1997, "municipality" applies only to cities, villages, incorporated towns or counties established for at least one year prior to such date;

- (8) "Obligations", bonds, loans, debentures, notes, special certificates, or other evidences of indebtedness issued by a municipality to carry out a redevelopment project or to refund outstanding obligations;
- (9) "Ordinance", an ordinance enacted by the governing body of a city, town, or village or a county or an order of the governing body of a county whose governing body is not authorized to enact ordinances;
- (10) "Payment in lieu of taxes", those estimated revenues from real property in the area selected for a redevelopment project, which revenues according to the redevelopment project or plan are to be used for a private use, which taxing districts would have received had a municipality not adopted tax increment allocation financing, and which would result from levies made after the time of the adoption of tax increment allocation financing during the time the current equalized value of real property in the area selected for the redevelopment project exceeds the total initial equalized value of real property in such area until the designation is terminated pursuant to subsection 2 of section 99.850;
- (11) "Redevelopment area", an area designated by a municipality, in respect to which the municipality has made a finding that there exist conditions which cause the area to be classified as a blighted area, a conservation area, an economic development area, an enterprise zone pursuant to sections 135.200 to 135.256, RSMo, or a combination thereof, which area includes only those parcels of real property directly and substantially benefited by the proposed redevelopment project;
- (12) "Redevelopment plan", the comprehensive program of a municipality for redevelopment intended by the payment of redevelopment costs to reduce or eliminate those conditions, the existence of which qualified the redevelopment area as a blighted area, conservation area, economic development area, or combination thereof, and to thereby enhance the tax bases of the taxing districts which extend into the redevelopment area. Each redevelopment plan shall conform to the requirements of section 99.810;
- (13) "Redevelopment project", any development project within a redevelopment area in furtherance of the objectives of the redevelopment plan; any such redevelopment project shall include a legal description of the area selected for the redevelopment project;
- (14) "Redevelopment project costs" include the sum total of all reasonable or necessary costs incurred or estimated to be incurred, and any such costs incidental to a redevelopment plan or redevelopment project, as applicable. Such costs include, but are not limited to, the following:
- (a) Costs of studies, surveys, plans, and specifications;
  - (b) Professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services. Except the reasonable costs incurred by the commission established in section 99.820 for the administration of sections 99.800 to 99.865, such costs shall be allowed only as an initial expense which, to be recoverable, shall be included in the costs of a redevelopment plan or project;
  - (c) Property assembly costs, including, but not limited to, acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;
  - (d) Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
  - (e) Initial costs for an economic development area; (f) Costs of construction of public works or improvements;
  - (g) Financing costs, including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include payment of interest on any obligations issued pursuant to sections 99.800 to 99.865 accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto;
  - (h) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;
  - (i) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or are required to be paid by federal or state law;
  - (j) Payments in lieu of taxes;
- (15) "Special allocation fund", the fund of a municipality or its commission which contains at least two separate segregated accounts for each redevelopment plan, maintained by the treasurer of the municipality or the treasurer of the commission into which payments in lieu of taxes are deposited in one account, and economic activity taxes and other revenues are deposited in the other account;
- (16) "Taxing districts", any political subdivision of this state having the power to levy taxes;
- (17) "Taxing districts' capital costs", those costs of taxing districts for capital improvements that are found by the municipal

governing bodies to be necessary and to directly result from the redevelopment project; and

(18) "Vacant land", any parcel or combination of parcels of real property not used for industrial, commercial, or residential buildings.

(L. 1982 H.B. 1411 & 1587 § 2, A.L. 1986 H.B. 989 & 1390 merged with S.B. 664, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**Redevelopment plan, contents, adoption of plan, required findings --time limitations--reports by department of economic development, required when, contents.**

99.810. 1. Each redevelopment plan shall set forth in writing a general description of the program to be undertaken to accomplish the objectives and shall include, but need not be limited to, the estimated redevelopment project costs, the anticipated sources of funds to pay the costs, evidence of the commitments to finance the project costs, the anticipated type and term of the sources of funds to pay costs, the anticipated type and terms of the obligations to be issued, the most recent equalized assessed valuation of the property within the redevelopment area which is to be subjected to payments in lieu of taxes and economic activity taxes pursuant to section 99.845, an estimate as to the equalized assessed valuation after redevelopment, and the general land uses to apply in the redevelopment area. No redevelopment plan shall be adopted by a municipality without findings that:

- (1) The redevelopment area on the whole is a blighted area, a conservation area, or an economic development area, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. Such a finding shall include, but not be limited to, a detailed description of the factors that qualify the redevelopment area or project pursuant to this subdivision and an affidavit, signed by the developer or developers and submitted with the redevelopment plan, attesting that the provisions of this subdivision have been met;
- (2) The redevelopment plan conforms to the comprehensive plan for the development of the municipality as a whole;
- (3) The estimated dates, which shall not be more than twenty-three years from the adoption of the ordinance approving a redevelopment project within a redevelopment area, of completion of any redevelopment project and retirement of obligations incurred to finance redevelopment project costs have been stated, provided that no ordinance approving a redevelopment project shall be adopted later than ten years from the adoption of the ordinance approving the redevelopment plan under which such project is authorized and provided that no property for a redevelopment project shall be acquired by eminent domain later than five years from the adoption of the ordinance approving such redevelopment project;
- (4) A plan has been developed for relocation assistance for businesses and residences;
- (5) A cost-benefit analysis showing the economic impact of the plan on each taxing district which is at least partially within the boundaries of the redevelopment area. The analysis shall show the impact on the economy if the project is not built, and is built pursuant to the redevelopment plan under consideration. The cost-benefit analysis shall include a fiscal impact study on every affected political subdivision, and sufficient information from the developer for the commission established in section 99.820 to evaluate whether the project as proposed is financially feasible;
- (6) A finding that the plan does not include the initial development or redevelopment of any gambling establishment, provided however, that this subdivision shall be applicable only to a redevelopment plan adopted for a redevelopment area designated by ordinance after December 23, 1997.

2. By the last day of February each year, each commission shall report to the director of economic development the name, address, phone number and primary line of business of any business which relocates to the district. The director of the department of economic development shall compile and report the same to the governor, the speaker of the house and the president pro tempore of the senate on the last day of April each year.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1987 S.B. 367 Revision, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**County implementing project within boundaries of municipality, permission required--definition of municipality to include county.**

99.815. When a county of this state desires to implement a tax increment financing project within the boundaries of a municipality partially or totally within the county, such county shall first obtain the permission of the governing body of the municipality located within the county. When the term "municipality" is used within sections 99.800 to 99.865, such term may be interpreted to include a county implementing a tax incremental financing project.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 2)

**Municipalities' powers and duties--commission appointment and powers--public disclosure requirements--officials' conflict of interest, prohibited.**

99.820. 1. A municipality may:

(1) By ordinance introduced in the governing body of the municipality within fourteen to ninety days from the completion of the hearing required in section 99.825, approve redevelopment plans and redevelopment projects, and designate redevelopment project areas pursuant to the notice and hearing requirements of sections 99.800 to 99.865. No redevelopment project shall be approved unless a redevelopment plan has been approved and a redevelopment area has been designated prior to or concurrently with the approval of such redevelopment project and the area selected for the redevelopment project shall include only those parcels of real property and improvements thereon directly and substantially benefited by the proposed redevelopment project improvements;

(2) Make and enter into all contracts necessary or incidental to the implementation and furtherance of its redevelopment plan or project;

(3) Pursuant to a redevelopment plan, subject to any constitutional limitations, acquire by purchase, donation, lease or, as part of a redevelopment project, eminent domain, own, convey, lease, mortgage, or dispose of, land and other property, real or personal, or rights or interests therein, and grant or acquire licenses, easements and options with respect thereto, all in the manner and at such price the municipality or the commission determines is reasonably necessary to achieve the objectives of the redevelopment plan. No conveyance, lease, mortgage, disposition of land or other property, acquired by the municipality, or agreement relating to the development of the property shall be made except upon the adoption of an ordinance by the governing body of the municipality. Each municipality or its commission shall establish written procedures relating to bids and proposals for implementation of the redevelopment projects. Furthermore, no conveyance, lease, mortgage, or other disposition of land or agreement relating to the development of property shall be made without making public disclosure of the terms of the disposition and all bids and proposals made in response to the municipality's request. Such procedures for obtaining such bids and proposals shall provide reasonable opportunity for any person to submit alternative proposals or bids;

(4) Within a redevelopment area, clear any area by demolition or removal of existing buildings and structures;

(5) Within a redevelopment area, renovate, rehabilitate, or construct any structure or building;

(6) Install, repair, construct, reconstruct, or relocate streets, utilities, and site improvements essential to the preparation of the redevelopment area for use in accordance with a redevelopment plan;

(7) Within a redevelopment area, fix, charge, and collect fees, rents, and other charges for the use of any building or property owned or leased by it or any part thereof, or facility therein;

(8) Accept grants, guarantees, and donations of property, labor, or other things of value from a public or private source for use within a redevelopment area;

(9) Acquire and construct public facilities within a redevelopment area;

(10) Incur redevelopment costs and issue obligations;

(11) Make payment in lieu of taxes, or a portion thereof, to taxing districts;

(12) Disburse surplus funds from the special allocation fund to taxing districts as follows:

(a) Such surplus payments in lieu of taxes shall be distributed to taxing districts within the redevelopment area which impose ad valorem taxes on a basis that is proportional to the current collections of revenue which each taxing district receives from real property in the redevelopment area;

(b) Surplus economic activity taxes shall be distributed to taxing districts in the redevelopment area which impose economic activity taxes, on a basis that is proportional to the amount of such economic activity taxes the taxing district would have received from the redevelopment area had tax increment financing not been adopted;

(c) Surplus revenues, other than payments in lieu of taxes and economic activity taxes, deposited in the special allocation fund, shall be distributed on a basis that is proportional to the total receipt of such other revenues in such account in the year prior to disbursement;

(13) If any member of the governing body of the municipality, a member of a commission established pursuant to subsection 2 of this section, or an employee or consultant of the municipality, involved in the planning and preparation of a redevelopment plan, or redevelopment project for a redevelopment area or proposed redevelopment area, owns or controls an interest, direct or indirect, in any property included in any redevelopment area, or proposed redevelopment area, which property is designated to be acquired or improved pursuant to a redevelopment project, he or she shall disclose the same in writing to the clerk of the municipality, and shall also so disclose the dates, terms, and conditions of any disposition of any such interest, which disclosures shall be acknowledged by the governing body of the municipality and entered upon the minutes books of the governing body of the municipality. If an individual holds such an interest, then that individual shall refrain from any further official involvement in regard to such redevelopment plan, redevelopment project or redevelopment area, from voting on any matter pertaining to such redevelopment plan, redevelopment project or redevelopment area, or communicating with other members concerning any matter pertaining to that redevelopment plan, redevelopment project or redevelopment area. Furthermore, no such member or employee shall acquire any

interest, direct or indirect, in any property in a redevelopment area or proposed redevelopment area after either (a) such individual obtains knowledge of such plan or project, or (b) first public notice of such plan, project or area pursuant to section 99.830, whichever first occurs;

(14) Charge as a redevelopment cost the reasonable costs incurred by its clerk or other official in administering the redevelopment project. The charge for the clerk's or other official's costs shall be determined by the municipality based on a recommendation from the commission, created pursuant to this section.

2. Prior to adoption of an ordinance approving the designation of a redevelopment area or approving a redevelopment plan or redevelopment project, the municipality shall create a commission of nine persons if the municipality is a county or a city not within a county and not a first class county with a charter form of government with a population in excess of nine hundred thousand, and eleven persons if the municipality is not a county and not in a first class county with a charter form of government having a population of more than nine hundred thousand, and twelve persons if the municipality is located in or is a first class county with a charter form of government having a population of more than nine hundred thousand, to be appointed as follows:

(1) In all municipalities two members shall be appointed by the school boards whose districts are included within the redevelopment plan or redevelopment area. Such members shall be appointed in any manner agreed upon by the affected districts;

(2) In all municipalities one member shall be appointed, in any manner agreed upon by the affected districts, to represent all other districts levying ad valorem taxes within the area selected for a redevelopment project or the redevelopment area, excluding representatives of the governing body of the municipality;

(3) In all municipalities six members shall be appointed by the chief elected officer of the municipality, with the consent of the majority of the governing body of the municipality;

(4) In all municipalities which are not counties and not in a first class county with a charter form of government having a population in excess of nine hundred thousand, two members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(5) In a municipality which is a county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the cities in the county which have tax increment financing districts in a manner in which the cities shall agree;

(6) In a municipality which is located in the first class county with a charter form of government having a population in excess of nine hundred thousand, three members shall be appointed by the county of such municipality in the same manner as members are appointed in subdivision (3) of this subsection;

(7) At the option of the members appointed by the municipality, the members who are appointed by the school boards and other taxing districts may serve on the commission for a term to coincide with the length of time a redevelopment project, redevelopment plan or designation of a redevelopment area is considered for approval by the commission, or for a definite term pursuant to this subdivision. If the members representing school districts and other taxing districts are appointed for a term coinciding with the length of time a redevelopment project, plan or area is approved, such term shall terminate upon final approval of the project, plan or designation of the area by the governing body of the municipality. Thereafter the commission shall consist of the six members appointed by the municipality, except that members representing school boards and other taxing districts shall be appointed as provided in this section prior to any amendments to any redevelopment plans, redevelopment projects or designation of a redevelopment area. If any school district or other taxing jurisdiction fails to appoint members of the commission within thirty days of receipt of written notice of a proposed redevelopment plan, redevelopment project or designation of a redevelopment area, the remaining members may proceed to exercise the power of the commission. Of the members first appointed by the municipality, two shall be designated to serve for terms of two years, two shall be designated to serve for a term of three years and two shall be designated to serve for a term of four years from the date of such initial appointments. Thereafter, the members appointed by the municipality shall serve for a term of four years, except that all vacancies shall be filled for unexpired terms in the same manner as were the original appointments.

3. The commission, subject to approval of the governing body of the municipality, may exercise the powers enumerated in sections 99.800 to 99.865, except final approval of plans, projects and designation of redevelopment areas. The commission shall hold public hearings and provide notice pursuant to sections 99.825 and 99.830. The commission shall vote on all proposed redevelopment plans, redevelopment projects and designations of redevelopment areas, and amendments thereto, within thirty days following completion of the hearing on any such plan, project or designation and shall make recommendations to the governing body within ninety days of the hearing referred to in section 99.825 concerning the adoption of or amendment to redevelopment plans and redevelopment projects and the designation of redevelopment areas. The requirements of subsection 2 of this section and this subsection shall not apply to redevelopment projects upon which the required hearings have been duly held prior to August 31, 1991.

(L. 1982 H.B. 1411 & 1587 § 3 subsec. 3, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 11)

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

**Adoption of ordinance for redevelopment, public hearing required --objection procedure--hearing and notices not required, when --restrictions on certain projects.**

99.825. 1. Prior to the adoption of an ordinance proposing the designation of a redevelopment area, or approving a redevelopment plan or redevelopment project, the commission shall fix a time and place for a public hearing and notify each taxing district located wholly or partially within the boundaries of the proposed redevelopment area, plan or project. At the public hearing any interested person or affected taxing district may file with the commission written objections to, or comments on, and may be heard orally in respect to, any issues embodied in the notice. The commission shall hear and consider all protests, objections, comments and other evidence presented at the hearing. The hearing may be continued to another date without further notice other than a motion to be entered upon the minutes fixing the time and place of the subsequent hearing. Prior to the conclusion of the hearing, changes may be made in the redevelopment plan, redevelopment project, or redevelopment area, provided that each affected taxing district is given written notice of such changes at least seven days prior to the conclusion of the hearing. After the public hearing but prior to the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, changes may be made to the redevelopment plan, redevelopment projects or redevelopment areas without a further hearing, if such changes do not enlarge the exterior boundaries of the redevelopment area or areas, and do not substantially affect the general land uses established in the redevelopment plan or substantially change the nature of the redevelopment projects, provided that notice of such changes shall be given by mail to each affected taxing district and by publication in a newspaper of general circulation in the area of the proposed redevelopment not less than ten days prior to the adoption of the changes by ordinance. After the adoption of an ordinance approving a redevelopment plan or redevelopment project, or designating a redevelopment area, no ordinance shall be adopted altering the exterior boundaries, affecting the general land uses established pursuant to the redevelopment plan or changing the nature of the redevelopment project without complying with the procedures provided in this section pertaining to the initial approval of a redevelopment plan or redevelopment project and designation of a redevelopment area. Hearings with regard to a redevelopment project, redevelopment area, or redevelopment plan may be held simultaneously.

2. Tax incremental financing projects within an economic development area shall apply to and fund only the following infrastructure projects: highways, roads, streets, bridges, sewers, traffic control systems and devices, water distribution and supply systems, curbing, sidewalks and any other similar public improvements, but in no case shall it include buildings.

(L. 1982 H.B. 1411 & 1587 § 4, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**Notice of public hearings, publication and mailing requirements, contents.**

99.830. 1. Notice of the public hearing required by section 99.825 shall be given by publication and mailing. Notice by publication shall be given by publication at least twice, the first publication to be not more than thirty days and the second publication to be not more than ten days prior to the hearing, in a newspaper of general circulation in the area of the proposed redevelopment. Notice by mailing shall be given by depositing such notice in the United States mail by certified mail addressed to the person or persons in whose name the general taxes for the last preceding year were paid on each lot, block, tract, or parcel of land lying within the redevelopment project or redevelopment area which is to be subjected to the payment or payments in lieu of taxes and economic activity taxes pursuant to section 99.845. Such notice shall be mailed not less than ten days prior to the date set for the public hearing. In the event taxes for the last preceding year were not paid, the notice shall also be sent to the persons last listed on the tax rolls within the preceding three years as the owners of such property.

2. The notices issued pursuant to this section shall include the following:

- (1) The time and place of the public hearing;
- (2) The general boundaries of the proposed redevelopment area or redevelopment project by street location, where possible;
- (3) A statement that all interested persons shall be given an opportunity to be heard at the public hearing;
- (4) A description of the proposed redevelopment plan or redevelopment project and a location and time where the entire plan or project proposal may be reviewed by any interested party;
- (5) Such other matters as the commission may deem appropriate.

3. Not less than forty-five days prior to the date set for the public hearing, the commission shall give notice by mail as provided in subsection 1 of this section to all taxing districts from which taxable property is included in the redevelopment area, redevelopment project or redevelopment plan, and in addition to the other requirements pursuant to subsection 2 of this section, the notice shall include an invitation to each taxing district to submit comments to the commission concerning the subject matter of the hearing prior to the date of the hearing.

4. A copy of any and all hearing notices required by section 99.825 shall be submitted by the commission to the director of the department of economic development. Such submission of the copy of the hearing notice shall comply with the prior notice requirements pursuant to subsection 3 of this section.

(L. 1982 H.B. 1411 & 1587 § 5, A.L. 1991 H.B. 502, A.L. 1993 H.B. 566, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**Secured obligations authorized--interest rates--how retired--sale --approval by electors not required--surplus fund distribution**

**--exception--county collectors' and municipal treasurers' duties--no personal liability for commission, municipality or state.**

99.835. 1. Obligations secured by the special allocation fund set forth in sections 99.845 and 99.850 for the redevelopment area or redevelopment project may be issued by the municipality pursuant to section 99.820 or by the tax increment financing commission to provide for redevelopment costs. Such obligations, when so issued, shall be retired in the manner provided in the ordinance or resolution authorizing the issuance of such obligations by the receipts of payments in lieu of taxes as specified in section 99.855 and, subject to annual appropriation, other tax revenue as specified in section 99.845. A municipality may, in the ordinance or resolution, pledge all or any part of the funds in and to be deposited in the special allocation fund created pursuant to sections 99.845 and 99.850 to the payment of the redevelopment costs and obligations. Any pledge of funds in the special allocation fund may provide for distribution to the taxing districts of moneys not required for payment of redevelopment costs or obligations and such excess funds shall be deemed to be surplus funds, except that any moneys allocated to the special allocation fund as provided in subsection 4 of section 99.845, and which are not required for payment of redevelopment costs and obligations, shall not be distributed to the taxing districts but shall be returned to the department of economic development for credit to the general revenue fund. In the event a municipality only pledges a portion of the funds in the special allocation fund for the payment of redevelopment costs or obligations, any such funds remaining in the special allocation fund after complying with the requirements of the pledge, including the retention of funds for the payment of future redevelopment costs, if so required, shall also be deemed surplus funds. All surplus funds shall be distributed annually to the taxing districts in the redevelopment area by being paid by the municipal treasurer to the county collector who shall immediately thereafter make distribution as provided in subdivision (12) of section 99.820.

2. Without limiting the provisions of subsection 1 of this section, the municipality may, in addition to obligations secured by the special allocation fund, pledge any part or any combination of net new revenues of any redevelopment project, or a mortgage on part or all of the redevelopment project to secure its obligations or other redevelopment costs.

3. Obligations issued pursuant to sections 99.800 to 99.865 may be issued in one or more series bearing interest at such rate or rates as the issuing body of the municipality shall determine by ordinance or resolution. Such obligations shall bear such date or dates, mature at such time or times not exceeding twenty-three years from their respective dates, when secured by the special allocation fund, be in such denomination, carry such registration privileges, be executed in such manner, be payable in such medium of payment at such place or places, contain such covenants, terms and conditions, and be subject to redemption as such ordinance or resolution shall provide. Obligations issued pursuant to sections 99.800 to 99.865 may be sold at public or private sale at such price as shall be determined by the issuing body and shall state that obligations issued pursuant to sections 99.800 to 99.865 are special obligations payable solely from the special allocation fund or other funds specifically pledged. No referendum approval of the electors shall be required as a condition to the issuance of obligations pursuant to sections 99.800 to 99.865.

4. The ordinance authorizing the issuance of obligations may provide that the obligations shall contain a recital that they are issued pursuant to sections 99.800 to 99.865, which recital shall be conclusive evidence of their validity and of the regularity of their issuance.

5. Neither the municipality, its duly authorized commission, the commissioners or the officers of a municipality nor any person executing any obligation shall be personally liable for such obligation by reason of the issuance thereof. The obligations issued pursuant to sections 99.800 to 99.865 shall not be a general obligation of the municipality, county, state of Missouri, or any political subdivision thereof, nor in any event shall such obligation be payable out of any funds or properties other than those specifically pledged as security therefor. The obligations shall not constitute indebtedness within the meaning of any constitutional, statutory or charter debt limitation or restriction.

(L. 1982 H.B. 1411 & 1587 § 6, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**Obligation, refunded to pay redevelopment costs, requirements--other obligations of municipality pledged to redevelopment may qualify.**

99.840. 1. A municipality may also issue its obligations to refund, in whole or in part, obligations theretofore issued by such municipality under the authority of sections 99.800 to 99.865, whether at or prior to maturity; provided, however, that the last maturity of the refunding obligations shall not be expressed to mature later than the last maturity date of the obligations to be refunded.

2. In the event a municipality issues obligations under home rule powers or other legislative authority, the proceeds of which are pledged to pay for redevelopment project costs, the municipality may, if it has followed the procedures in conformance with sections 99.800 to 99.865, retire such obligations from funds in the special allocation fund in amounts and in such manner as if such obligations had been issued pursuant to the provisions of sections 99.800 to 99.865.

(L. 1982 H.B. 1411 & 1587 § 7)

**Tax increment financing adoption--division of ad valorem taxes--payments in lieu of tax, deposit, inclusion and exclusion of current equalized assessed valuation for certain purposes, when--other taxes included, amount-supplemental tax increment financing fund established, disbursement.**

99.845. 1. A municipality, either at the time a redevelopment project is approved or, in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval

of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

- (1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;
- (2)
  - (a) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850;
  - (b) Notwithstanding any provisions of this section to the contrary, for purposes of determining the limitation on indebtedness of local government pursuant to article VI, section 26(b) of the Missouri Constitution, the current equalized assessed value of the property in an area selected for redevelopment attributable to the increase above the total initial equalized assessed valuation shall be included in the value of taxable tangible property as shown on the last completed assessment for state or county purposes;
  - (c) The county assessor shall include the current assessed value of all property within the taxing district in the aggregate valuation of assessed property entered upon the assessor's book and verified pursuant to section 137.245, RSMo, and such value shall be utilized for the purpose of the debt limitation on local government pursuant to article VI, section 26(b) of the Missouri Constitution;
- (3) For purposes of this section, "levies upon taxable real property in such redevelopment project by taxing districts" shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers' inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.

2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping

rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. In no event shall the incremental increase include any amounts attributable to retail sales unless the municipality or authority has proven to the Missouri development finance board and the department of economic development and such entities have made a finding that the sales tax increment attributable to retail sales is from new sources which did not exist in the state during the baseline year. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of

administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

- (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (h) The name, street and mailing address, and phone number of the mayor or chief executive officer of the municipality;
- (i) The street address of the development site;
- (j) The three-digit North American Industry Classification System number or numbers characterizing the development project;
- (k) The estimated development project costs;
- (l) The anticipated sources of funds to pay such development project costs;
- (m) Evidence of the commitments to finance such development project costs;
- (n) The anticipated type and term of the sources of funds to pay such development project costs; (o) The anticipated type and terms of the obligations to be issued;
- (p) The most recent equalized assessed valuation of the property within the development project area;
- (q) An estimate as to the equalized assessed valuation after the development project area is developed in accordance with a development plan;
- (r) The general land uses to apply in the development area;
- (s) The total number of individuals employed in the development area, broken down by full-time, part-time, and temporary positions;
- (t) The total number of full-time equivalent positions in the development area;
- (u) The current gross wages, state income tax withholdings, and federal income tax withholdings for individuals employed in the development area;
- (v) The total number of individuals employed in this state by the corporate parent of any business benefitting from public expenditures in the development area, and all subsidiaries thereof, as of December thirty-first of the prior fiscal year, broken down by full-time, part-time, and temporary positions;
- (w) The number of new jobs to be created by any business benefitting from public expenditures in the development area, broken down by full-time, part-time, and temporary positions;
- (x) The average hourly wage to be paid to all current and new employees at the project site, broken down by full-time, part-time, and temporary positions;

- (y) For project sites located in a metropolitan statistical area, as defined by the federal Office of Management and Budget, the average hourly wage paid to nonmanagerial employees in this state for the industries involved at the project, as established by the United States Bureau of Labor Statistics;
  - (z) For project sites located outside of metropolitan statistical areas, the average weekly wage paid to nonmanagerial employees in the county for industries involved at the project, as established by the United States Department of Commerce;
  - (aa) A list of other community and economic benefits to result from the project;
  - (bb) A list of all development subsidies that any business benefitting from public expenditures in the development area has previously received for the project, and the name of any other granting body from which such subsidies are sought;
  - (cc) A list of all other public investments made or to be made by this state or units of local government to support infrastructure or other needs generated by the project for which the funding pursuant to this act\*\* is being sought;
  - (dd) A statement as to whether the development project may reduce employment at any other site, within or without the state, resulting from automation, merger, acquisition, corporate restructuring, relocation, or other business activity;
  - (ee) A statement as to whether or not the project involves the relocation of work from another address and if so, the number of jobs to be relocated and the address from which they are to be relocated;
  - (ff) A list of competing businesses in the county containing the development area and in each contiguous county;
  - (gg) A market study for the development area;
  - (hh) A certification by the chief officer of the applicant as to the accuracy of the development plan;
- (2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;
- (3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;
- (4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twenty three years.
11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.
12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.
13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing

the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

(L. 1982 H.B. 1411 & 1587 § 8 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 H.B. 289 merged with S.B. 235)

\*This section was amended by H.B. 289, S.B. 235, and S.B. 620 during the first regular session of the 92nd General Assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

\*\*"This act" (H.B. 289, 2003) contained numerous sections. Consult Disposition of Sections table for a definitive listing.

(1995) This statute creates an exception to the county sales tax statutes (67.582 & 67.700). *County of Jefferson v. Quiktrip Corp.*, 912 S.W.2d 487 (Mo.banc 1995).

**Tax increment financing adoption--division of ad valorem taxes--payments in lieu of tax, deposit, certain evaluation not to be used in calculating state school aid formula, when--other taxes included, amount--supplemental tax increment financing fund established, disbursement--net new jobs from relocation, effect of.**

99.845. 1. A municipality, either at the time a redevelopment project is approved or in the event a municipality has undertaken acts establishing a redevelopment plan and redevelopment project and has designated a redevelopment area after the passage and approval of sections 99.800 to 99.865 but prior to August 13, 1982, which acts are in conformance with the procedures of sections 99.800 to 99.865, may adopt tax increment allocation financing by passing an ordinance providing that after the total equalized assessed valuation of the taxable real property in a redevelopment project exceeds the certified total initial equalized assessed valuation of the taxable real property in the redevelopment project, the ad valorem taxes, and payments in lieu of taxes, if any, arising from the levies upon taxable real property in such redevelopment project by taxing districts and tax rates determined in the manner provided in subsection 2 of section 99.855 each year after the effective date of the ordinance until redevelopment costs have been paid shall be divided as follows:

(1) That portion of taxes, penalties and interest levied upon each taxable lot, block, tract, or parcel of real property which is attributable to the initial equalized assessed value of each such taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing;

(2) Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the redevelopment project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the redevelopment project shall be allocated to and, when collected, shall be paid to the municipal treasurer who shall deposit such payment in lieu of taxes into a special fund called the "Special Allocation Fund" of the municipality for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the redevelopment project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable. The municipality may, in the ordinance, pledge the funds in the special allocation fund for the payment of such costs and obligations and provide for the collection of payments in lieu of taxes, the lien of which may be foreclosed in the same manner as a special assessment lien as provided in section 88.861, RSMo. No part of the current equalized assessed valuation of each lot, block, tract, or parcel of property in the area selected for the redevelopment project attributable to any increase above the total initial equalized assessed value of such properties shall be used in calculating the general state school aid formula provided for in section 163.031, RSMo, until such time as all redevelopment costs have been paid as provided for in this section and section 99.850;

(3) For purposes of this section, "levies upon taxable real property in such redevelopment project by taxing districts" shall not include the blind pension fund tax levied under the authority of article III, section 38(b) of the Missouri Constitution, or the merchants' and manufacturers' inventory replacement tax levied under the authority of subsection 2 of section 6 of article X, of the Missouri Constitution, except in redevelopment project areas in which tax increment financing has been adopted by ordinance pursuant to a plan approved by vote of the governing body of the municipality taken after August 13, 1982, and before January 1, 1998.

2. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after July 12, 1990, and prior to August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest imposed by the municipality, or other taxing districts, which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and any penalty and interest thereon, or, effective January 1, 1998, taxes levied pursuant to section 94.660, RSMo, for the purpose of public transportation, shall be allocated to, and paid by the local political subdivision collecting

officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund. Any provision of an agreement, contract or covenant entered into prior to July 12, 1990, between a municipality and any other political subdivision which provides for an appropriation of other municipal revenues to the special allocation fund shall be and remain enforceable.

3. In addition to the payments in lieu of taxes described in subdivision (2) of subsection 1 of this section, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance after August 31, 1991, fifty percent of the total additional revenue from taxes, penalties and interest which are imposed by the municipality or other taxing districts, and which are generated by economic activities within the area of the redevelopment project over the amount of such taxes generated by economic activities within the area of the redevelopment project in the calendar year prior to the adoption of the redevelopment project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to section 70.500, RSMo, or effective January 1, 1998, taxes levied for the purpose of public transportation pursuant to section 94.660, RSMo, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the local political subdivision collecting officer to the treasurer or other designated financial officer of the municipality, who shall deposit such funds in a separate segregated account within the special allocation fund.

4. Beginning January 1, 1998, for redevelopment plans and projects adopted or redevelopment projects approved by ordinance and which have complied with subsections 4 to 12 of this section, in addition to the payments in lieu of taxes and economic activity taxes described in subsections 1, 2 and 3 of this section, up to fifty percent of the new state revenues, as defined in subsection 8 of this section, estimated for the businesses within the project area and identified by the municipality in the application required by subsection 10 of this section, over and above the amount of such taxes reported by businesses within the project area as identified by the municipality in their application prior to the approval of the redevelopment project by ordinance, while tax increment financing remains in effect, may be available for appropriation by the general assembly as provided in subsection 10 of this section to the department of economic development supplemental tax increment financing fund, from the general revenue fund, for distribution to the treasurer or other designated financial officer of the municipality with approved plans or projects.

5. The treasurer or other designated financial officer of the municipality with approved plans or projects shall deposit such funds in a separate segregated account within the special allocation fund established pursuant to section 99.805.

6. No transfer from the general revenue fund to the Missouri supplemental tax increment financing fund shall be made unless an appropriation is made from the general revenue fund for that purpose. No municipality shall commit any state revenues prior to an appropriation being made for that project. For all redevelopment plans or projects adopted or approved after December 23, 1997, appropriations from the new state revenues shall not be distributed from the Missouri supplemental tax increment financing fund into the special allocation fund unless the municipality's redevelopment plan ensures that one hundred percent of payments in lieu of taxes and fifty percent of economic activity taxes generated by the project shall be used for eligible redevelopment project costs while tax increment financing remains in effect. This account shall be separate from the account into which payments in lieu of taxes are deposited, and separate from the account into which economic activity taxes are deposited.

7. In order for the redevelopment plan or project to be eligible to receive the revenue described in subsection 4 of this section, the municipality shall comply with the requirements of subsection 10 of this section prior to the time the project or plan is adopted or approved by ordinance. The director of the department of economic development and the commissioner of the office of administration may waive the requirement that the municipality's application be submitted prior to the redevelopment plan's or project's adoption or the redevelopment plan's or project's approval by ordinance.

8. For purposes of this section, "new state revenues" means:

(1) The incremental increase in the general revenue portion of state sales tax revenues received pursuant to section 144.020, RSMo, excluding sales taxes that are constitutionally dedicated, taxes deposited to the school district trust fund in accordance with section 144.701, RSMo, sales and use taxes on motor vehicles, trailers, boats and outboard motors and future sales taxes earmarked by law. The incremental increase in the general revenue portion of state sales tax revenues for an existing or relocated facility shall be the amount that current state sales tax revenue exceeds the state sales tax revenue in the base year as stated in the redevelopment plan as provided in subsection 10 of this section; or

(2) The state income tax withheld on behalf of new employees by the employer pursuant to section 143.221, RSMo, at the business located within the project as identified by the municipality. The state income tax withholding allowed by this section shall be the municipality's estimate of the amount of state income tax withheld by the employer within the redevelopment area for new employees who fill new jobs directly created by the tax increment financing project.

9. Subsection 4 of this section shall apply only to blighted areas located in enterprise zones, pursuant to sections 135.200 to 135.256, RSMo, blighted areas located in federal empowerment zones, or to blighted areas located in central business districts or urban core areas of cities which districts or urban core areas at the time of approval of the project by ordinance, provided that the enterprise zones, federal empowerment zones or blighted areas contained one or more buildings at least fifty years old; and

(1) Suffered from generally declining population or property taxes over the twenty-year period immediately preceding the area's designation as a project area by ordinance; or

(2) Was a historic hotel located in a county of the first classification without a charter form of government with a population

according to the most recent federal decennial census in excess of one hundred fifty thousand and containing a portion of a city with a population according to the most recent federal decennial census in excess of three hundred fifty thousand.

10. The initial appropriation of up to fifty percent of the new state revenues authorized pursuant to subsections 4 and 5 of this section shall not be made to or distributed by the department of economic development to a municipality until all of the following conditions have been satisfied:

(1) The director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee have approved a tax increment financing application made by the municipality for the appropriation of the new state revenues. The municipality shall include in the application the following items in addition to the items in section 99.810:

- (a) The tax increment financing district or redevelopment area, including the businesses identified within the redevelopment area;
- (b) The base year of state sales tax revenues or the base year of state income tax withheld on behalf of existing employees, reported by existing businesses within the project area prior to approval of the redevelopment project;
- (c) The estimate of the incremental increase in the general revenue portion of state sales tax revenue or the estimate for the state income tax withheld by the employer on behalf of new employees expected to fill new jobs created within the redevelopment area after redevelopment;
- (d) The official statement of any bond issue pursuant to this subsection after December 23, 1997;
- (e) An affidavit that is signed by the developer or developers attesting that the provisions of subdivision (1) of section 99.810 have been met and specifying that the redevelopment area would not be reasonably anticipated to be developed without the appropriation of the new state revenues;
- (f) The cost-benefit analysis required by section 99.810 includes a study of the fiscal impact on the state of Missouri; and
- (g) The statement of election between the use of the incremental increase of the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;

(2) The methodologies used in the application for determining the base year and determining the estimate of the incremental increase in the general revenue portion of the state sales tax revenues or the state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area shall be approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. Upon approval of the application, the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee shall issue a certificate of approval. The department of economic development may request the appropriation following application approval;

(3) The appropriation shall be either a portion of the estimate of the incremental increase in the general revenue portion of state sales tax revenues in the redevelopment area or a portion of the estimate of the state income tax withheld by the employer on behalf of new employees who fill new jobs created in the redevelopment area as indicated in the municipality's application, approved by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee. At no time shall the aggregate annual appropriation of the new state revenues for redevelopment areas exceed fifteen million dollars;

(4) Redevelopment plans and projects receiving new state revenues shall have a duration of up to fifteen years, unless prior approval for a longer term is given by the director of the department of economic development or his or her designee and the commissioner of the office of administration or his or her designee; except that, in no case shall the duration exceed twenty three years.

11. In addition to the areas authorized in subsection 9 of this section, the funding authorized pursuant to subsection 4 of this section shall also be available in a federally approved levee district, where construction of a levee begins after December 23, 1997, and which is contained within a county of the first classification without a charter form of government with a population between fifty thousand and one hundred thousand inhabitants which contains all or part of a city with a population in excess of four hundred thousand or more inhabitants.

12. There is hereby established within the state treasury a special fund to be known as the "Missouri Supplemental Tax Increment Financing Fund", to be administered by the department of economic development. The department shall annually distribute from the Missouri supplemental tax increment financing fund the amount of the new state revenues as appropriated as provided in the provisions of subsections 4 and 5 of this section if and only if the conditions of subsection 10 of this section are met. The fund shall also consist of any gifts, contributions, grants or bequests received from federal, private or other sources. Moneys in the Missouri supplemental tax increment financing fund shall be disbursed per project pursuant to state appropriations.

13. All personnel and other costs incurred by the department of economic development for the administration and operation of subsections 4 to 12 of this section shall be paid from the state general revenue fund. On an annual basis, the general revenue fund shall be reimbursed for the full amount of such costs by the developer or developers of the project or projects for which municipalities have made tax increment financing applications for the appropriation of new state revenues, as provided for in subdivision (1) of subsection 10 of this section. The amount of costs charged to each developer shall be based upon the percentage arrived at by dividing the monetary amount of the application made by each municipality for a particular project by the total monetary amount of all applications received by the department of economic development.

14. For redevelopment plans or projects approved by ordinance that result in net new jobs from the relocation of a national headquarters from another state to the area of the redevelopment project, the economic activity taxes and new state tax revenues shall not be based on a calculation of the incremental increase in taxes as compared to the base year or prior calendar year for such redevelopment project, rather the incremental increase shall be the amount of total taxes generated from the net new jobs brought in by the national headquarters from another state. In no event shall this subsection be construed to allow a redevelopment project to receive an appropriation in excess of up to fifty percent of the new state revenues.

(L. 1982 H.B. 1411 & 1587 § 8 subsec. 1, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1, A.L. 1998 S.B. 707 & 484, A.L. 2003 S.B. 620)

Effective 6-18-03

Contingent expiration date, see § 135.284

\*This section was amended by H.B. 289, S.B. 235 and S.B. 620 during the first regular session of the 92nd General Assembly, 2003. Due to a contingent expiration date in § 135.284, two versions of this section appear here.

**Reimbursement from special allocation fund for emergency services, when--no new TIF projects authorized for flood plain areas in St. Charles County, applicability of restriction.**

99.847. 1. Any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax increment.

2. Notwithstanding the provisions of sections 99.800 to 99.865 to the contrary, no new tax increment financing project shall be authorized in any area which is within an area designated as flood plain by the Federal Emergency Management Agency and which is located in or partly within a county with a charter form of government with greater than two hundred fifty thousand inhabitants but fewer than three hundred thousand inhabitants.

3. This subsection shall not apply to tax increment financing projects or districts approved prior to July 1, 2003, and shall allow the aforementioned tax increment financing projects to modify, amend or expand such projects including redevelopment project costs by not more than forty percent of such project original projected cost including redevelopment project costs as such projects including redevelopment project costs as such projects redevelopment projects including redevelopment project costs existed as of June 30, 2003, and shall allow the aforementioned tax increment financing district to modify, amend or expand such districts by not more than five percent as such districts existed as of June 30, 2003.

(L. 1996 H.B. 1237 § 24, A.L. 2002 S.B. 1107)

(2004) Subsections 2 and 3 of section as added by Senate Bill No. 1107 in 2002 violated single subject requirement of article III, section 23 and are void. City of St. Charles v. Holden and Nixon, Case No. 02CV325669 (Cole County Circuit Court, 5/11/04).

**Emergency services district, reimbursement from special allocation fund authorized, when.**

99.848. Notwithstanding subsection 1 of section 99.847, any district providing emergency services pursuant to chapter 190 or 321, RSMo, shall be entitled to reimbursement from the special allocation fund in the amount of at least fifty percent nor more than one hundred percent of the district's tax increment. This section shall not apply to tax increment financing projects or districts approved prior to August 28, 2004.

(L. 2004 H.B. 1529 & 1655)

**Costs of project paid--surplus fund in special allocation fund --distribution-dissolution of fund and redevelopment area.**

99.850. 1. When such redevelopment project costs, including, but not limited to, all municipal obligations financing redevelopment project costs incurred under sections 99.800 to 99.865 have been paid, all surplus funds then remaining in the special allocation fund shall be paid by the municipal treasurer to the county collector who shall immediately thereafter pay such funds to the taxing districts in the area selected for a redevelopment project in the same manner and proportion as the most recent distribution by the collector to the affected districts of real property taxes from real property in the area selected for a redevelopment project.

2. Upon the payment of all redevelopment project costs, retirement of obligations and the distribution of any excess moneys pursuant to section 99.845 and this section, the municipality shall adopt an ordinance dissolving the special allocation fund for the redevelopment area and terminating the designation of the redevelopment area as a redevelopment area. Thereafter the rates of the taxing districts shall be extended and taxes levied, collected, and distributed in the manner applicable in the absence of the adoption of tax increment financing.

3. Nothing in sections 99.800 to 99.865 shall be construed as relieving property in such areas from paying a uniform rate of taxes, as required by article X, section 3 of the Missouri Constitution.

(L. 1982 H.B. 1411 & 1587 § 8 subsecs. 2, 3, 4, A.L. 1991 H.B. 502)

**Tax rates for districts containing redevelopment projects, method for establishing--county assessor's duties--method of extending taxes to terminate, when.**

99.855. 1. If a municipality by ordinance provides for tax increment allocation financing pursuant to sections 99.845 and 99.850, the county assessor shall immediately thereafter determine total equalized assessed value of all taxable real property within such redevelopment project by adding together the most recently ascertained equalized assessed value of each taxable lot, block, tract, or parcel of real property within such project, and shall certify such amount as the total initial equalized assessed value of the taxable real property within such project.

2. After the county assessor has certified the total initial equalized assessed value of the taxable real property in such redevelopment project, then, in respect to every taxing district containing a redevelopment project, the county clerk, or any other official required by law to ascertain the amount of the equalized assessed value of all taxable property within such district for the purpose of computing any debt service levies to be extended upon taxable property within such district, shall in every year that tax increment allocation financing is in effect ascertain the amount of value of taxable property in a redevelopment project by including in such amount the certified total initial equalized assessed value of all taxable real property in such area in lieu of the equalized assessed value of all taxable real property in such area. For the purpose of measuring the size of payments in lieu of taxes under sections 99.800 to 99.865, all tax levies shall then be extended to the current equalized assessed value of all property in the redevelopment project in the same manner as the tax rate percentage is extended to all other taxable property in the taxing district. The method of extending taxes established under this section shall terminate when the municipality adopts an ordinance dissolving the special allocation fund for the redevelopment project.

(L. 1982 H.B. 1411 & 1587 § 9, A.L. 1986 S.B. 664 merged with H.B. 989 & 1390, A.L. 1991 H.B. 502)

**Severability.**

99.860. If any section, subsection, subdivision, paragraph, sentence or clause of sections 99.800 to 99.860 is, for any reason, held to be invalid or unconstitutional, such decision shall not affect any remaining portion, section, or part thereof which can be given effect without the invalid provision.

(L. 1982 H.B. 1411 & 1587 § 10)

**Joint committee on real property tax increment allocation redevelopment, members, appointment, duties.**

99.863. Beginning in 1999, and every five years thereafter, a joint committee of the general assembly, comprised of five members appointed by the speaker of the house of representatives and five members appointed by the president pro tem of the senate, shall review sections 99.800 to 99.865. A report based on such review, with any recommended legislative changes, shall be submitted to the speaker of the house of representatives and the president pro tem of the senate no later than February first following the year in which the review is conducted.

(L. 1997 2d Ex. Sess. S.B. 1)

Effective 12-23-97

**Report by municipalities, contents, publication--satisfactory progress of project, procedure to determine--reports by department of economic development required, when, contents--rulemaking authority--department to provide manual, contents.**

99.865. 1. Each year the governing body of the municipality, or its designee, shall prepare a report concerning the status of each redevelopment plan and redevelopment project, and shall submit a copy of such report to the director of the department of economic development. The report shall include the following:

- (1) The amount and source of revenue in the special allocation fund;
- (2) The amount and purpose of expenditures from the special allocation fund;
- (3) The amount of any pledge of revenues, including principal and interest on any outstanding bonded indebtedness;
- (4) The original assessed value of the redevelopment project;
- (5) The assessed valuation added to the redevelopment project;
- (6) Payments made in lieu of taxes received and expended;

- (7) The economic activity taxes generated within the redevelopment area in the calendar year prior to the approval of the redevelopment plan, to include a separate entry for the state sales tax revenue base for the redevelopment area or the state income tax withheld by employers on behalf of existing employees in the redevelopment area prior to the redevelopment plan;
- (8) The economic activity taxes generated within the redevelopment area after the approval of the redevelopment plan, to include a separate entry for the increase in state sales tax revenues for the redevelopment area or the increase in state income tax withheld by employers on behalf of new employees who fill new jobs created in the redevelopment area;
- (9) Reports on contracts made incident to the implementation and furtherance of a redevelopment plan or project;
- (10) A copy of any redevelopment plan, which shall include the required findings and costbenefit analysis pursuant to subdivisions (1) to (6) of section 99.810;
- (11) The cost of any property acquired, disposed of, rehabilitated, reconstructed, repaired or remodeled;
- (12) The number of parcels acquired by or through initiation of eminent domain proceedings; and
- (13) Any additional information the municipality deems necessary.

2. Data contained in the report mandated pursuant to the provisions of subsection 1 of this section and any information regarding amounts disbursed to municipalities pursuant to the provisions of section 99.845 shall be deemed a public record, as defined in section 610.010, RSMo. An annual statement showing the payments made in lieu of taxes received and expended in that year, the status of the redevelopment plan and projects therein, amount of outstanding bonded indebtedness and any additional information the municipality deems necessary shall be published in a newspaper of general circulation in the municipality.

3. Five years after the establishment of a redevelopment plan and every five years thereafter the governing body shall hold a public hearing regarding those redevelopment plans and projects created pursuant to sections 99.800 to 99.865. The purpose of the hearing shall be to determine if the redevelopment project is making satisfactory progress under the proposed time schedule contained within the approved plans for completion of such projects. Notice of such public hearing shall be given in a newspaper of general circulation in the area served by the commission once each week for four weeks immediately prior to the hearing.

4. The director of the department of economic development shall submit a report to the speaker of the house of representatives and the president pro tem of the senate no later than February first of each year. The report shall contain a summary of all information received by the director pursuant to this section.

5. For the purpose of coordinating all tax increment financing projects using new state revenues, the director of the department of economic development may promulgate rules and regulations to ensure compliance with this section. Such rules and regulations may include methods for enumerating all of the municipalities which have established commissions pursuant to section 99.820. No rule or portion of a rule promulgated under the authority of sections 99.800 to 99.865 shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo. All rulemaking authority delegated prior to June 27, 1997, is of no force and effect and repealed; however, nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to June 27, 1997, if such rule complied with the provisions of chapter 536, RSMo. The provisions of this section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, including the ability to review, to delay the effective date, or to disapprove and annul a rule or portion of a rule, are subsequently held unconstitutional, then the purported grant of rulemaking authority and any rule so proposed and contained in the order of rulemaking shall be invalid and void.

6. The department of economic development shall provide information and technical assistance, as requested by any municipality, on the requirements of sections 99.800 to 99.865. Such information and technical assistance shall be provided in the form of a manual, written in an easy-to-follow manner, and through consultations with departmental staff.

(L. 1982 H.B. 1411 & 1587 § 11, A.L. 1990 H.B. 1564, A.L. 1991 H.B. 502, A.L. 1997 2d Ex. Sess. S.B. 1) Effective 12-23-97

(2000) Proposed city charter amendment requiring two-thirds voter approval on every tax increment financing measure violated section and thus was unconstitutional pursuant to article VI, section 19(a). State ex rel. Hazelwood Yellow Ribbon Committee v. Klos, 35 S.W.3d 457 (Mo.App.E.D.).

**Approved: November 27, 2006**