

ORDINANCE #68106
Board Bill No. 169

An ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the issuance and delivery of not to exceed \$312,144 plus issuance costs principal amount of tax increment revenue notes (South Carondelet District #4 Redevelopment Project) Series 200_-A/B, of the City of St. Louis, Missouri; prescribing the form and details of such notes and the covenants and agreements made by the City to facilitate and protect the payment thereof; prescribing other matters relating thereto, and containing a severability clause.

WHEREAS, the City of St. Louis, Missouri (the "City"), is a body corporate and 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, the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865, Revised Statutes of Missouri, (the "TIF Act" or "Act"), authorizes the City to undertake redevelopment projects within designated areas of the City; and

WHEREAS, staff and consultants of the City and Steins Broadway, Inc., a related entity to Carondelet TIF, Inc., a Missouri corporation (the "Developer"), prepared a plan for redevelopment titled "South Carondelet District #4 TIF Redevelopment Plan" dated April 18, 2008, with amendments, if any, and as may be amended from time to time (the "Redevelopment Plan"), for an area consisting of a portion of three (3) tax parcels located in City Block 3054 which parcels are commonly known and numbered as 7401-09, 7411, and 7413-15 South Broadway Avenue in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, such legal description being attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, on June 4, 2008, the TIF Commission found that completion of the Redevelopment Project (as hereinafter defined) would provide a substantial and significant public benefit through the elimination of blighting conditions, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, facilitation of the economic stability of 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 _____, 2008, after due consideration of the TIF Commission's recommendations and approval by the Board of Aldermen, the Mayor signed: (1) Ordinance No. _____ [Board Bill No. ____] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, and approving the redevelopment project described in the Redevelopment Plan (the "Redevelopment Project"), adopting tax increment allocation financing within the Redevelopment Area, and establishing the South Carondelet District #4 Special Allocation Fund; and (2) Ordinance No. _____ [Board Bill No. ____] authorizing the City to enter into a redevelopment agreement with Developer; and

WHEREAS, pursuant to the Redevelopment Plan and Redevelopment Agreement, the City proposes to finance a portion of the costs of the Redevelopment Project by utilizing tax increment allocation financing in accordance with the TIF Act; and

WHEREAS, the City desires to issue, from time to time, its Tax Increment Revenue Notes (South Carondelet District #4 Redevelopment Project), Series 200_-A/B, (the "TIF Notes" or "Notes"), to provide funds for the aforesaid purpose, said Notes being payable solely from certain proceeds deposited into the Special Allocation Fund; and

WHEREAS, the City has determined that it is in the best interest of the City to sell the Notes from time to time at a private sale, without advertisement, to the Original Purchaser (as hereinafter) at a price equal to 100% of their face value; and

WHEREAS, it is hereby found and determined that it is necessary and advisable and in the best interest of the City and of its inhabitants that the Notes be issued and secured in the form and manner as hereinafter provided to carry out the Redevelopment Project.

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

SECTION ONE. Any TIF Notes issued pursuant to this Ordinance shall conform to the following terms and conditions.

ARTICLE I DEFINITIONS

Section 1.1 Definitions of Words and Terms. In addition to the words and terms defined elsewhere in this ordinance (the “Ordinance”), the following capitalized words and terms, as used in this Ordinance, shall have the following meanings:

“Act” or “TIF Act” means the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri.

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

“Approving Ordinance” means Ordinance No. _____ [Board Bill No. ____] signed by the Mayor on _____, designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, making certain findings with respect thereto, adopting tax increment financing within the Redevelopment Area, establishing the Special Allocation Fund, and authorizing certain related actions by City officials.

“Authorized Denominations” means an initial amount of \$100,000 or any integral multiple of \$1,000 in excess thereof, except with respect to the TIF Note issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which TIF Note may be issued in any denomination, subject to the limitation on the aggregate Principal Amount, subject to the limitation provided in **Section 2.1** of this Ordinance.

“Authorizing Ordinance” means Ordinance No. _____ [Board Bill No. ____], signed by the Mayor on _____, 2008, affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of a Redevelopment Agreement for the construction of the Redevelopment Project and making certain findings related thereto.

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

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

“Certificate of Commencement of Construction” means a document substantially in the form of Exhibit C to the Redevelopment Agreement, delivered by the Developer to the City in accordance with the Redevelopment Agreement and evidencing commencement of construction of the Redevelopment Project.

“Certificate of Reimbursable Redevelopment Project Costs” means a document substantially in the form of Exhibit D to the Redevelopment Agreement provided by the Developer to the City in accordance with Redevelopment Agreement evidencing Reimbursable Redevelopment Project Costs incurred by the Developer.

“Certificate of Substantial Completion” means a document substantially in the form of Exhibit E to the Redevelopment Agreement, issued by the Developer to the City in accordance with the Redevelopment Agreement and evidencing the Developer’s satisfaction of all obligations and covenants to construct the Redevelopment Project in accordance with the Redevelopment Plan and the Redevelopment Agreement.

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

“Debt Service Fund” means the fund by that name created in **Section 4.1** of this Ordinance.

“Debt Service Reserve Fund” means the fund by the name created in **Section 4.1** of this Ordinance.

“Debt Service Reserve Fund Requirement” means that amount as reasonably determined by the underwriter or placement

agent for the TIF Notes with the reasonable concurrence of the City's Financial Advisor.

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

"Disclosure Counsel" means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys acceptable to the City of nationally recognized standing in matters pertaining to offerings of municipal securities duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

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

"EATs Account" means the Economic Activity Tax Account of the Special Allocation Fund.

"Finance Officer" means the Comptroller of the City or her authorized agent.

"Issuance Costs" means all costs reasonably incurred by the City in furtherance of the issuance of TIF Notes, including without limitation, the fees and expenses of financial advisors and consultants, the City's attorneys (including issuer's counsel, Disclosure Counsel, and Bond Counsel), the City's administrative fees and expenses (including fees and costs of its planning consultants and the St. Louis Development Corporation), underwriters' discounts and fees, if any, the costs of printing any TIF Notes and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any TIF Notes.

"Issuance Date" means the dated date of the TIF Notes.

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

"Ordinance" or "Note Ordinance" means this Ordinance as from time to time amended in accordance with the terms hereof.

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

"Owner" or "Registered Owner" means, when used with respect to any TIF Note, the person in whose name such TIF Note is registered.

"Payment Date" means, with respect to any TIF Note, each March 1 and September 1, commencing on the first March 1 or September 1 that immediately succeeds the City's acceptance of a Certificate of Substantial Completion for the Redevelopment Project.

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

"PILOTs Account" means the Payments in Lieu of Taxes Account of the Special Allocation Fund.

"Project Fund" means the fund by that name created in **Section 4.1** of this Ordinance.

"Project Lender" means a commercial bank, savings bank, savings and loan association, credit union or other financial institution that has loaned funds to the Developer to be used for construction of the Redevelopment Project and has secured such loan with a mortgage or security interest in the Redevelopment Project.

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

"Redevelopment Agreement" or "Agreement" means that certain Redevelopment Agreement dated as of _____, between the City and the Developer, as may be amended from time to time.

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

“Redevelopment Plan” means the plan titled “South Carondelet District #4 TIF Redevelopment Plan” dated April 18, 2008, with amendments, if any, and as approved by the City pursuant to the Approving Ordinance, as such plan may from time to time be amended in accordance with the TIF Act.

“Redevelopment Project” or “South Carondelet District #4 Redevelopment Project” means the redevelopment project as identified by the Redevelopment Plan and Redevelopment Agreement.

“Register” or “Note Register” means the books for registration, transfer and exchange of the TIF Notes kept at the office of the Finance Officer.

“Reimbursable Redevelopment Project Costs” means those Redevelopment Project Costs for which the Developer is eligible for reimbursement in accordance with the TIF Act and in accordance with the Redevelopment Agreement.

“Related Entity” means any party or entity related to the Developer by one of the relationships described in Section 267(b), Section 707(b)(1)(A) or Section 707(b)(1)(B) of the Internal Revenue Code of 1986, as amended.

“Revenue Fund” means the fund by that name created in **Section 4.1** of this Ordinance.

“Series A Account” means the account by that name created in **Section 4.1** of this Ordinance.

“Series A Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (South Carondelet District #4 Redevelopment Project), Series 200__-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$312,144 plus Issuance Costs, in substantially the form set forth in **Exhibit B**, attached hereto and incorporated herein by reference.

“Series B Account” means the account by that name created in **Section 4.1** of this Ordinance.

“Series B Note” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (South Carondelet District #4 Redevelopment Project), Series 200__-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$312,144 plus Issuance Costs, less the aggregate outstanding principal amount of the Series A Notes, in substantially the form set forth in **Exhibit B**, attached hereto and incorporated herein by reference.

“Special Allocation Fund” means the City of St. Louis, Missouri, South Carondelet District #4 Special Allocation Fund created by Ordinance No. _____ [Board Bill No. ___] effective on _____, 2008 and including the accounts for the South Carondelet District #4 Redevelopment Project into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this Agreement, including a PILOTS Account and an EATS Account.

“Taxable TIF Notes” means any TIF Note, the interest on which (in the opinion of Bond Counsel), is not exempt from federal income taxation.

“Tax-Exempt TIF Notes” means any TIF Note, the interest on which (in the opinion of Bond Counsel), is exempt from federal income taxation.

“TIF Notes” means one or more series of not to exceed \$312,144 plus Issuance Costs Tax Increment Revenue Notes (South Carondelet District #4 Redevelopment Project), Series 200_-A/B issued by the City pursuant to and subject to the Redevelopment Agreement and this Ordinance in substantially the form set forth in **Exhibit B**, attached hereto and incorporated herein by reference.

“TIF Revenues” means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within the Redevelopment Area over and above the initial equalized assessed value (as that term is used and described in Sections 99.845.1 and 99.855.1 of the TIF Act) of each such unit of property, as paid to the City Treasurer by the City Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the TIF Act), as defined and described in Sections 99.805(4) and 99.845 of the TIF Act, but excluding therefrom personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, and licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon,

all as provided in Section 99.845 of the TIF Act. Notwithstanding the foregoing, TIF Revenues shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

Section 1.2 Rules of Construction. For all purposes of this Ordinance, except as otherwise expressly provided or unless the context otherwise requires:

Words of masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

Words importing the singular number shall include the plural and vice versa and words importing person shall include firms, associations and limited liability companies, including public bodies. The headings and captions herein are not a part of this document.

Terms used in an accounting context and not otherwise defined shall have the meaning ascribed to them by generally accepted principles of accounting.

Whenever an item or items are listed after the word "including," such listing is not intended to be an exhaustive listing that excludes items not listed.

ARTICLE II AUTHORIZATION OF TIF NOTES

Section 2.1 Authorization of TIF Notes. There are hereby authorized and directed to be issued by the City to the Original Purchaser one or more series of the TIF Notes in an aggregate principal amount not to exceed \$312,144 plus Issuance Costs. The TIF Notes shall be in substantially the form of **Exhibit B**, attached hereto and incorporated herein by reference.

Section 2.2 Description of TIF Notes.

(a) Title of TIF Notes. There shall be issued one series of one or more Series A TIF Notes in an aggregate principal amount not to exceed \$312,144 plus Issuance Costs authorized hereunder and one series of one or more Series B TIF Notes in an aggregate principal amount not to exceed \$312,144 plus Issuance Costs less the aggregate principal amount of Series A TIF Notes. The Series A TIF Notes shall be designated "[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (South Carondelet District #4 Redevelopment Project), Series 200_-A". The Series B TIF Notes shall be designated "[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (South Carondelet District #4 Redevelopment Project), Series 200_-B". The TIF Notes may have such further appropriate particular designation added to or incorporated in such title for the TIF Notes of any particular series as the City may determine.

(b) Form of TIF Notes. The TIF Notes shall be substantially in the form set forth in **Exhibit B**, attached hereto and incorporated herein by reference, with such appropriate variations, omissions and insertions as are permitted or required by this Ordinance, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

(c) Terms of TIF Notes. The TIF Notes shall mature (subject to redemption and payment prior to maturity as provided in Article III hereof), on the date that is twenty-three (23) years after the effective date of the Approving Ordinance, which is _____. Each TIF Note shall bear interest at a fixed rate per annum determined on the date that is not less than ten (10) and not more than sixty (60) business days prior to the scheduled closing date for issuance of the TIF Notes (the "Pricing Date") based on the municipal yield curve for general obligation bonds (the "MMD") compiled by Municipal Market Data Line ® (or its successors) and published by Thomson Financial, an operating unit of The Thomson Corporation (or its successors) using the MMD yield published as of the Issuance Date for general obligation bonds rated "AAA" that mature in the same year as the TIF Notes, (i) plus four percent (4%) if the interest on such TIF Note, in the opinion of Bond Counsel, is not exempt from Federal income taxation (the "Taxable Rate"), or (ii) plus two percent (2%) if the interest on such TIF Note, in the opinion of Bond Counsel, is exempt from Federal income taxation (the "Tax Exempt Rate"); provided, in no event shall the interest rate on the TIF Notes exceed ten percent (10%) per annum. All TIF Notes shall have a stated maturity of the Maturity Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months. The TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

(d) Denominations. The TIF Notes shall be issuable as fully registered TIF Notes in Authorized Denominations.

(e) Numbering. Unless the City directs otherwise, each series of TIF Notes shall be numbered from R-1 upward.

(f) Dating. The TIF Notes shall be dated as provided in **Section 2.7**, as evidenced by the Finance Officer's signature on Schedule A to each TIF Note.

(g) Evidence of Principal Payments. The payment of principal of the TIF Notes on each Payment Date shall be noted on the TIF Notes on **Schedule A** thereto. The original **Schedule A** to the TIF Note shall be held by the Finance Officer in trust, unless otherwise directed in writing by the Owners thereof. If such **Schedule A** is held by the Finance Officer, the Finance Officer shall, on each Payment Date, send a revised copy of Schedule A via facsimile to the Owner. Absent manifest error, the amounts shown on Schedule A held by the Finance Officer shall be conclusive evidence of the principal amount paid on the TIF Notes.

(h) Sale of TIF Notes. When TIF Notes have been executed and authenticated as required by this Ordinance, the Finance Officer shall hold the TIF Notes in trust or, if directed in writing by the Owners thereof, deliver the TIF Notes to or upon the order of the Owners thereof, as provided in paragraph (g) above, but only upon payment to the City of a purchase price equal to one hundred percent (100%) of the face amount of the TIF Notes, which payment shall be deemed to have occurred under the circumstances described in **Section 4.5** of this Ordinance.

Section 2.3 Finance Officer to Serve as Paying Agent and Registrar. The Finance Officer or the authorized representative thereof is hereby designated as the paying agent for the payment of principal of and interest on the TIF Notes and the bond registrar with respect to the registration, transfer and exchange of the TIF Notes and for allocating and holding funds as provided herein.

Section 2.4 Security for TIF Notes. The Series A TIF Notes shall be equally and ratably secured by Available Revenues. The Series B TIF Notes shall be equally and ratably secured by the Available Revenues on a subordinate basis to the Series A Notes. The TIF Notes shall be special, limited obligations of the City payable solely from and secured as to the payment of principal and interest by a pledge of the Available Revenues. The taxing power of the City is not pledged to the payment of the TIF Notes either as to principal or interest. The TIF Notes shall not be or constitute a general obligation of the City, nor shall they constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter provision, limitation or restriction. TIF Notes may be issued in two series, with one series subordinate to TIF Notes of the other series issued hereunder (the "Subordinate Notes"), such that no payment of principal or interest on any such Subordinate Notes may be made while any TIF Notes are outstanding. THE OBLIGATIONS OF THE CITY WITH RESPECT TO THE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).

Section 2.5 Method and Place of Payment of TIF Notes. The principal of and interest on the TIF Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. Payment shall be made by the Finance Officer as provided in this Note Ordinance and as set forth in **Exhibit B**. Principal and interest shall be payable by check or draft at the office of the Finance Officer or by wire transfer to the person in whose name such TIF Note is registered on the Register on each Payment Date.

Section 2.6 Registration, Transfer and Assignment. So long as the TIF Notes remain outstanding, the City shall cause to be kept at the office of the Finance Officer books for the registration, transfer and exchange of the TIF Notes as herein provided. The TIF Notes when issued shall be registered in the name of the Original Purchaser thereof on the Register.

The TIF Notes and beneficial interest therein may only be purchased by an Original Purchaser and transferred or assigned to the Developer, a Related Entity, a Qualified Institutional Buyer or Project Lender upon the execution by each proposed purchaser, transferee or assignee of a letter in substantially the form of **Exhibit C**, attached hereto and incorporated herein by reference, stating that such Original Purchaser, transferee or assignee (i) is an Approved Investor and (ii) has sufficient knowledge and experience in business and financial matters in general, and investments such as the TIF Notes in particular, to enable the Original Purchaser, transferee or assignee to evaluate the risks involved in an investment in the TIF Notes. The TIF Notes may be transferred and exchanged only upon the records of the City. Upon surrender of a TIF Note to the Finance Officer, the Finance Officer shall transfer or exchange the TIF Notes for a new TIF Note or TIF Notes, which shall be (i) in the form of fully registered Notes without coupons in minimum denominations of One Thousand Dollars (\$1,000), except with respect to the TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which TIF Notes may be issued in any denomination, subject to the limitation on the aggregate principal amount, and (ii) of the same Maturity Date and in the same aggregate principal amount outstanding as the TIF Note which was presented for transfer or exchange. The TIF Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Finance Officer, duly executed by the Owner thereof or by the Owner's duly authorized agent. Upon any transfer, exchange or assignment as provided in this Section, the transferor shall reimburse the City for all of the reasonable out-of-pocket costs incurred by the City in connection with the administration of such transfer, exchange or assignment.

Section 2.7 Execution, Authentication and Delivery of the TIF Notes. Each of the TIF Notes, including any TIF Notes issued in exchange or as substitution for the TIF Notes initially delivered, shall be signed by the manual or facsimile signature of the Mayor and the Finance Officer of the City, attested by the manual or facsimile signature of the City Register, and shall have the official seal of the City affixed thereto or imprinted thereon. If any officer whose signature appears on any TIF Note ceases to be such officer before the delivery of such TIF Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery. Any TIF Note may be signed by such persons who at the actual time of the execution of such TIF Note are the proper officers to sign such TIF Note although at the date of such TIF Note such persons may not have been such officers.

The Mayor, Finance Officer and City Register are hereby authorized and directed to prepare and execute the TIF Notes as hereinbefore specified, and when duly executed, to deliver the TIF Notes to the Finance Officer for authentication.

The TIF Notes shall have endorsed thereon a certificate of authentication substantially in the form set forth in **Schedule A of Exhibit B** hereto, which shall be manually executed by an authorized signatory of the Finance Officer, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the TIF Notes that may be issued hereunder at any one time. No TIF Note shall be entitled to any security or benefit under this Ordinance or be valid or obligatory for any purpose until the certificate of authentication has been duly executed by the Finance Officer. Such executed certificate of authentication upon any TIF Note shall be conclusive evidence that such TIF Note has been duly authenticated and delivered under this Ordinance.

The TIF Notes shall be initially executed and authenticated by the City upon the last to occur of the following: (i) acceptance or deemed acceptance of the Certificate of Substantial Completion; (ii) approval of a Certificate of Reimbursable Redevelopment Project Costs; (iii) receipt of an opinion of Bond Counsel regarding the taxable nature of the TIF Notes; (iv) the full payment of all advances required to be paid under Section 2.2 of the Redevelopment Agreement; and (v) receipt of such other documentation as the City shall reasonably require of Developer and any Original Purchaser, in order for the City to obtain an opinion of Bond Counsel as required by this Section 5.1 of the Redevelopment Agreement.

Upon the Developer's satisfaction of the foregoing conditions and upon approval of each Certificate of Reimbursable Redevelopment Project Costs, the Finance Officer shall either: (i) at the request of the City upon instructions of the Developer, endorse an outstanding TIF Note on Schedule A thereto to evidence an increase in the aggregate principal amount equal to such Reimbursable Redevelopment Project Costs, or (ii) at the request of the City upon instructions of the Developer issue a new TIF Note in a principal amount equal to such Reimbursable Redevelopment Project Costs, or any combination thereof. Each date of endorsement of each such TIF Note shall be the date of acceptance by the City of each Certificate of Reimbursable Redevelopment Project Costs except that the initial endorsement of each TIF Note shall be dated the Issuance Date of such TIF Note. Thereupon, pursuant to Section 2.2(h), the TIF Notes shall either be held or delivered to or upon the order of the party submitting the Certificate of Reimbursable Redevelopment Project Costs relating to such Notes. Upon acceptance by the City of such a Certificate of Reimbursable Redevelopment Project Costs in accordance with the Redevelopment Agreement and upon execution and authentication of the TIF Notes as required by this Ordinance, the Developer shall be deemed to have advanced funds to the City in an amount equal to the purchase price of the TIF Notes, which shall be one hundred percent (100%) of the face amount of the TIF Notes, and, upon the issuance of an endorsement of the TIF Notes as provided in the preceding paragraph, the City shall be deemed to have reimbursed the Developer in full for such Reimbursable Redevelopment Project Costs.

Section 2.8 Mutilated, Lost and Stolen TIF Notes. If any mutilated TIF Note is surrendered to the Finance Officer or the Finance Officer receives evidence to his/her satisfaction of the destruction, loss or theft of any TIF Note and there is delivered to the Finance Officer such security or indemnity as may be required by it to save the City and the Finance Officer harmless, then, in the absence of notice to the Finance Officer that such TIF Note has been acquired by a bona fide purchaser, the City shall execute and the Finance Officer shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen TIF Note, a new TIF Note with the same Maturity Date and of like tenor and principal amount. Upon the issuance of any new TIF Note under this Section, the City and the Finance Officer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. If any such mutilated, destroyed, lost or stolen TIF Note has become or is about to become due and payable, the Finance Officer may, in its discretion, pay such TIF Note instead of issuing a new TIF Note.

Section 2.9 Cancellation, Discharge and Abatement of TIF Notes. All TIF Notes that have been paid or redeemed or that otherwise have been surrendered to the Finance Officer, either at or before the Maturity Date, shall be canceled and destroyed by the Finance Officer in accordance with existing security regulations upon the payment or redemption of such TIF Note and the surrender thereof to the Finance Officer. The Finance Officer shall execute a certificate in duplicate describing the TIF Notes so cancelled and destroyed, and shall file an executed counterpart of such certificate with the City.

NOTWITHSTANDING ANY PROVISION HEREIN TO THE CONTRARY, THE TIF NOTES ARE SUBJECT

TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE OR IN PART WITHOUT PENALTY UNDER THE CONDITIONS SET FORTH IN THE REDEVELOPMENT AGREEMENT.

**ARTICLE III
REDEMPTION AND PAYMENT OF PRINCIPAL AND INTEREST**

Section 3.1 Optional Redemption. The TIF Notes are subject to optional redemption by the City in whole at any time or in part on any Payment Date at a redemption price of 100% of the principal amount of the TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption. The TIF Notes shall be called by the City for optional redemption pursuant to this Section without the necessity of any action by the City other than as provided in **Section 4.3** of this Ordinance. If only a partial redemption is to occur, then each TIF Note from within a Series shall be redeemed in the order of maturity designated by the City, and within any maturity the TIF Notes shall be redeemed in Authorized Denominations by the City in such manner as it may determine. In the event of an optional redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days (five days if all of the Notes are owned by the Developer) and not more than sixty (60) days prior to the date fixed for redemption, to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

All official notices of optional redemption shall be dated and shall contain the following information: (a) the redemption date; (b) the redemption price; (c) if less than all outstanding Notes are to be redeemed, the identification number and maturity date(s) (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed; (d) a statement that on the redemption date the redemption price will become due and payable upon each Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and (e) the place where such Notes are to be surrendered for payment of the redemption price, which shall be the office of the Finance Officer. The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption.

Section 3.2 Special Mandatory Redemption. All TIF Notes are subject to special mandatory redemption by the City on each Payment Date, at a redemption price equal to 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption, which amount of principal being redeemed shall be an amount equal to Available Revenues then on deposit in the applicable account of the Special Allocation Fund and which will not be required for the payment of interest on such Payment Date.

In the event of a special mandatory redemption of any Notes with a Registered Owner other than Developer or a Related Entity, unless waived by such Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail, postage prepaid, at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption, to each Registered Owner other than Developer or a Related Entity of the Notes to be redeemed at the address shown on the Note Register.

Section 3.3 Selection of Notes to be Redeemed. TIF Notes shall be redeemed only in Authorized Denominations. When less than all of the outstanding TIF Notes are to be redeemed and paid prior to maturity, such TIF Notes or portions of TIF Notes from within the same Series to be redeemed shall be selected in Authorized Denominations by the Finance Officer in such equitable manner as it may determine. In the case of a partial redemption of TIF Notes from within the same Series when TIF Notes of denominations greater than the minimum Authorized Denomination are then outstanding, then for all purposes in connection with such redemption each Authorized Denomination unit of face value shall be treated as though it was a separate TIF Note of the denomination of the minimum Authorized Denomination.

Section 3.4 Notice and Effect of Call for Redemption. In the event of any optional or special mandatory redemption of the Notes, unless waived by any Registered Owner of Notes to be redeemed, official notice of any redemption shall be given by the Finance Officer on behalf of the City by mailing a copy of an official redemption notice by first class mail to each Registered Owner of the Notes to be redeemed at the address shown on the Note Register.

All official notices of redemption shall be dated and shall contain the following information:

- (a) the redemption date;
- (b) the redemption price;
- (c) if less than all outstanding Notes are to be redeemed, the identification (and, in the case of partial redemption of any Notes, the respective principal amounts) of the Notes to be redeemed;

(d) a statement that on the redemption date the redemption price will become due and payable upon each Note or portion thereof called for redemption and that interest thereon shall cease to accrue from and after the redemption date; and

(e) the place where such Notes are to be surrendered for payment of the redemption price, which shall be the office of the Finance Officer.

The failure of any Registered Owner to receive notice given as heretofore provided or an immaterial defect therein shall not invalidate any redemption. All Notes that have been redeemed shall be cancelled and destroyed by the Finance Officer as provided herein and shall not be reissued.

ARTICLE IV FUNDS AND REVENUES

Section 4.1 Creation of Funds and Accounts. There are hereby created or ratified and ordered to be established in the treasury of the City the Special Allocation Fund into which all TIF Revenues shall be deposited, and within it the following separate funds and accounts:

- (a) PILOTS Account;
- (b) an EATS Account;
- (c) a Revenue Fund and, within it, (i) a PILOTS Account; and (ii) an EATS Account, into which all Available Revenues shall be deposited;
- (d) a Debt Service Fund, and, within it, (i) a Series A Account; and (ii) a Series B Account; and
- (e) a Debt Service Reserve Fund, if established on the Issuance Date; and
- (f) a Project Fund.

Section 4.2 Administration of Funds and Accounts. The Special Allocation Fund and the funds and accounts established therein shall be maintained in the treasury of the City and administered by the City solely for the purposes and in the manner as provided in the Act, this Ordinance, the Approving Ordinance, and the Authorizing Ordinance so long as any TIF Notes remain outstanding hereunder.

Section 4.3 Revenue Fund.

(a) On or before the date that is five (5) days prior to each Payment Date while the TIF Notes remain outstanding, the City shall transfer and deposit:

- (i) Those Available Revenues attributable to PILOTS into the PILOTS Account of the Revenue Fund; and
- (ii) Those Available Revenues attributable to EATs into the EATs Account of the Revenue Fund.

(b) Available Revenues in the Revenue Fund shall be applied, first from the EATs Account and second from the PILOTS Account for the purposes and in the amounts as follows:

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

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

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

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

Fifth, to the Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Series A TIF Notes on the next succeeding Payment Date;

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

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

Eighth, if no Series A Notes are outstanding, to the Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Series B Note on each Payment Date;

Ninth, if no Series A Notes are outstanding, to the Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Series B Note on each Payment Date;

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

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

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

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

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

Section 4.4 Debt Service Fund.

(a) All amounts paid and credited to the Debt Service Fund shall be expended solely for (i) the payment of the principal of and interest on the TIF Notes as the same mature and become due or upon the redemption thereof, said TIF Notes all being subject to special mandatory redemption thereof, or (ii) to purchase Notes for cancellation prior to maturity.

(b) The City hereby authorizes and directs the Finance Officer to withdraw sufficient moneys from the Debt Service Fund to pay the principal of and interest on the TIF Notes as the same become due and payable, and to make said moneys so withdrawn available for the purpose of paying said principal of and interest on the TIF Notes.

(c) After payment in full of the principal of and interest on the TIF Notes (or provision has been made for the payment thereof as specified in this Ordinance), payment of the fees and expenses of the Finance Officer, and payment of any other amounts required to be paid under this Ordinance, all amounts remaining in the Debt Service Fund shall be declared as surplus and distributed in the manner provided in the Act.

Section 4.5 Project Fund. Upon acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance or endorsement of a TIF Note pursuant to **Section 2.7** of this Ordinance, the Developer shall be deemed to have advanced funds necessary to purchase such TIF Note and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer or paid for in full for such costs from the amounts deemed to be on deposit in the Project Fund.

Section 4.6 Debt Service Reserve Fund. Except as herein otherwise provided, funds on deposit in the Debt Service Reserve Fund shall be used and applied by the Finance Officer solely to prevent a default in the event moneys on deposit in the Debt Service Reserve Fund shall be insufficient to pay the principal of and interest on the Series A Notes as the same become due. The Finance Officer may disburse and expend moneys from the Debt Service Reserve Fund whether or not the amount therein equals the Debt Service Reserve Fund Requirement. Moneys on deposit in the Debt Service Reserve Fund may be used to pay Series A Notes called for redemption or to purchase Series A Notes in the open market, prior to the Maturity Date, provided all Notes at the time outstanding are called for redemption or purchased and sufficient funds are available therefore. Moneys on deposit in the Debt Service Reserve Fund shall be used to pay and retire the Series A Notes last becoming due, unless such Notes and all interest thereon are otherwise paid.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement, investment earnings on funds on deposit in the Debt Service Reserve Fund shall be deposited into the Series A Account of the Debt Service Fund; provided, however, that if no Series A Notes are then outstanding, such investment earnings shall be deposited into the Series B Account of the Debt Service Fund. If the sum on deposit in the Debt Service Reserve Fund shall be less than the Debt Service Reserve Fund Requirement, investment earnings on funds in the Debt Service Reserve Fund shall remain therein and be applied to reducing such deficiency.

So long as the sum on deposit in the Debt Service Reserve Fund shall aggregate an amount equal to the Debt Service Reserve Fund Requirement on each Payment Date, no further deposits to said Debt Service Reserve Fund shall be required. Investments and moneys in the Debt Service Reserve Fund shall be valued at the market value thereof, exclusive of accrued interest, by the Finance Officer on and the amount on deposit therein determined accordingly.

After payment in full of the principal of, premium, if any, and interest on the Notes (or provision has been made for the payment thereof as specified in the Ordinance), the fees, charges and expenses of the Finance Officer and any Paying Agent and any other amounts required to be paid under the Ordinance or any other instrument entered into with respect to the Notes, all amounts remaining in the Debt Service Reserve Fund shall be paid to the City.

Section 4.7 Nonpresentment of Notes. If any TIF Note is not presented for payment when the principal thereof becomes due at stated maturity or prior redemption date, if funds sufficient to pay such TIF Note have been made available to the Finance Officer, all liability of the City to the Registered Owner thereof for the payment of such TIF Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Finance Officer to hold such funds, without liability for interest thereon, for the benefit of the Registered Owner of such TIF Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Ordinance or on, or with respect to, said TIF Note. If any TIF Note is not presented for payment within five (5) years following the date when such TIF Note becomes due at maturity, the Finance Officer shall repay to the City the funds theretofore held by it for payment of such TIF Note, and such TIF Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the City, and the Registered Owner thereof shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid to it by the Finance Officer, and the City shall not be liable for any interest thereon and shall not be regarded as a Finance Officer of such money.

ARTICLE V REMEDIES

Section 5.1 Remedies. The provisions of this Ordinance, including the covenants and agreements herein contained, shall constitute a contract between the City and the Owner. The Owner shall have the right:

(a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of the Owner against the City and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of this Ordinance or by the constitution and laws of the State of Missouri;

(b) by suit, action or other proceedings in equity or at law to require the City, its officers, agents and employees to account as if they were the trustees of an express trust; and

(c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owner.

Section 5.2 Limitation on Rights of Owner. The Owner secured hereby shall not have any right in any manner whatever by its action to affect, disturb or prejudice the security granted and provided for herein, or to enforce any right hereunder, except in the manner herein provided.

Section 5.3 Remedies Cumulative. No remedy conferred herein upon the Owner is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred herein. No waiver of any default or breach of duty or contract by the Owner shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon. No delay or omission of the Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein. Every substantive right and every remedy conferred upon the Owner by this Ordinance may be enforced and exercised from time to time and as often as may be deemed expedient. If any suit, action or proceedings taken by the Owner on account of any default or to enforce any right or exercise any remedy has been discontinued or abandoned for any reason, or has been determined adversely to the Owner, then, and in every such case, the City and the Owner shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Owner shall continue as if no such suit, action or other proceedings had been brought or taken.

ARTICLE VI DEPOSIT AND INVESTMENT OF MONEYS

Section 6.1 Deposits of Moneys. All moneys deposited with or paid to the Finance Officer for the account of the various funds established under this Ordinance shall be held by the Finance Officer in trust and shall be applied only in accordance with this Ordinance. The Finance Officer shall not be under any liability for interest on any moneys received hereunder except as otherwise provided herein.

Section 6.2 Investment of Moneys. Moneys held in any fund or account referred to in this Ordinance shall be invested by the City as set forth in Section 95.530 Revised Statutes of Missouri of Missouri, as amended. All earnings on any investments held in any fund shall accrue to and become a part of such fund or account, except the Debt Service Reserve Fund as provided in Section 4.6 herein.

ARTICLE VII MISCELLANEOUS PROVISIONS

Section 7.1 Covenant to Request Appropriations. The City agrees that it shall comply with its Charter, Article XVI, Section 3 for each fiscal year that the TIF Notes are outstanding and the City official(s) shall request an appropriation of all moneys on deposit in the Special Allocation Fund for transfer to the Finance Officer for deposit at the times and in the manner provided in **Section 4.3** of this Ordinance.

Section 7.2 Tax Matters. Neither the City nor the Developer shall use or permit the use of any proceeds of the Tax Exempt TIF Note to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause the Tax Exempt TIF Note to be an "arbitrage bond" within the meaning of Section 148(a) of the Code, or "federally guaranteed" within the meaning of Section 149(b) of the Code. The City (to the extent within its power or discretion) and the Developer shall not use or permit the use of any proceeds of the Tax Exempt TIF Note, and shall not take or permit to be taken any other action or actions, which would result in the Tax Exempt TIF Note being treated as other than an obligation described in Section 103(a) of the Code. The City (to the extent within its power or discretion) and the Developer shall not use any portion of the proceeds of the Tax Exempt TIF Note, including any investment income earned on such proceeds, in any manner that would cause the Tax Exempt TIF Note to be a "private activity bond" within the meaning of Section 141(a) of the Code. The officers of the City, including the Mayor, the Finance Officer and the City Register, shall be, and they hereby are, authorized and directed to execute all documents and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Section.

Section 7.3 Payments Due on Saturdays, Sundays and Holidays. In any case where the Payment Date is a Saturday, a Sunday or a legal holiday or other day that is not a business day, then payment of principal or interest need not be made on such date but may be made on the next succeeding business day with the same force and effect as if made on the Payment Date, and no interest shall accrue for the period after such date.

Section 7.4 Notices, Consents and Other Instruments. Any notice, consent, request, direction, approval, objection or other instrument required by this Ordinance to be signed and executed by the Owner of the TIF Notes may be in any number of concurrent writings of similar tenor and may be signed or executed by such Owner in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of the TIF Note, if made in the following manner, shall be sufficient for any of the purposes of the Ordinance, and shall be conclusive in favor of the City with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any person of any such instrument may be proved by a certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such

instrument acknowledged before such officer the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of the TIF Note, the amount or amounts and other identification of the TIF Note, and the date of holding the same shall be proved by the registration books of the City.

Section 7.5 Execution of Documents; Further Authority. The City is hereby authorized to enter into and the Mayor and the Finance Officer of the City are hereby authorized and directed to execute and deliver, for and on behalf of and as the act and deed of the City, the TIF Notes and such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Ordinance. The officers of the City, including without limitation the Mayor, the Finance Officer and the Register, are hereby authorized and directed to execute, and the City Register is hereby authorized and directed where appropriate to attest, all certificates, documents or other instruments, and take such actions as they may deem necessary or advisable in order to carry out and perform the purposes of this Ordinance and to make ministerial alterations, changes or additions in the foregoing agreements, statements, instrument and other documents herein approved, authorized and confirmed which they determine to be in the City’s best interest, and the execution or taking of such action shall be conclusive evidence of such determination. Severability. If any section or other part of this Ordinance, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of this Ordinance.

Section 7.6 Governing Law. This Ordinance shall be governed exclusively by and constructed in accordance with the applicable internal laws of the State of Missouri.

Section 7.7 Private Sale. The Board of Aldermen of the City hereby declares that it is in the City’s best interest to sell the TIF Notes at private sale because a public sale of the TIF Notes would cause additional expense to the City and because the condition of the current financial markets makes such a public sale not feasible or the best course of action for the City.

Section 7.8 Termination. 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 the Authorizing Ordinance, the Developer has not (i) executed the Redevelopment Agreement pertaining to the Redevelopment Project 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
Legal Description of South Carondelet District #4 Redevelopment Area**

**EXHIBIT B
Form of Note**

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

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered

Registered

No. R-__

**Not to Exceed \$312,144
plus Issuance Costs
(See Schedule A attached)**

**CITY OF ST. LOUIS, MISSOURI
[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE
(SOUTH CARONDELET DISTRICT #4 REDEVELOPMENT PROJECT)
SERIES 200__-A/B**

Rate of Interest:

Maturity Date:

Dated Date:

CUSIP Number:

[___%] _____, None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Carondelet TIF, Inc. (the "Developer"), dated as of _____, 2008, with amendments, if any (the "Redevelopment Agreement"), until all principal and interest accruing pursuant to this TIF Note is paid in full except as otherwise provided herein. The TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. _____ signed by the Mayor on _____, 2008 (the "Note Ordinance") or the Redevelopment Agreement.

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

Subject to the preceding paragraph, the principal of and interest on this TIF Note shall be paid at maturity or upon earlier redemption as provided in Article III of the Note Ordinance to the person in whose name this TIF Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this TIF Note at the payment office of the Finance Officer of the City or her authorized agent (the "Finance Officer"). The principal of and interest on the TIF Notes shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of debts due the United States of America. The principal of or interest on this TIF Note shall be payable by check or draft or by wire transfer to the person in whose name this TIF Note is registered at the office of the Finance Officer to the Registered Owner on the Register on each Payment Date. Except as otherwise provided in Section 2.8 of the Note Ordinance with respect to mutilated, destroyed, lost or stolen TIF Notes, no principal on the TIF Notes is payable unless the Registered Owner thereof has surrendered such TIF Notes at the office of the Finance Officer.

This TIF Note is one of an authorized series of fully registered Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (South Carondelet District #4 Redevelopment Project), Series 200__-A/B," issued in an aggregate principal amount of not to exceed \$312,144 plus Issuance Costs (the "TIF Notes" or "Notes"). The TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance.

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

The monies on deposit in the PILOTS Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTS"), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Redevelopment Area (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section

99.855 of the Act) of such unit of property in the Redevelopment Area, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTs into the Special Allocation Fund while tax increment financing remains in effect.

The monies on deposit in the EATs Account of the Special Allocation Fund are those amounts subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within the Redevelopment Area over the amount of such taxes generated by economic activities within the Redevelopment Area in the calendar year ending December 31, 2007 (subject to annual appropriation by the City as provided in the Act), while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, as amended, and taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri, as amended, all in accordance with Section 99.845.3 of the Act, as may be amended from time to time. Notwithstanding the foregoing, EATs shall not include the operating levy for school purposes imposed by or any sales tax imposed by the Transitional School District of the City of St. Louis.

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

Available Revenues shall be applied, first from the EATS Account of the Revenue Fund and then from the PILOTS Account of the Revenue Fund to payments on this TIF Note as follows:

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

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

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

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

Fifth, to the Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the Series A TIF Notes on the next succeeding Payment Date;

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

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

Eighth, if no Series A Notes are outstanding, to the Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the past due interest owing as a result of prior deficiencies of moneys to pay interest due on the Series B Note on each Payment Date;

Ninth, if no Series A Notes are outstanding, to the Series B Account of the Debt Service Fund, an amount sufficient to pay all or any portion of the accrued interest becoming due and payable on any Series B Note on each Payment Date;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF ST. LOUIS, MISSOURI

By: _____
Mayor

By: _____
Finance Officer

Attest:

(Seal)

City Register

Approved as to Form:

ASSIGNMENT

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

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

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

Dated: _____.

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

Signature Guaranteed By:

(Name of Eligible Guarantor Institution)

By: _____
Title: _____

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

SCHEDULE A

CERTIFICATE OF AUTHENTICATION

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

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

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

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

EXHIBIT C

Form of Letter of Representations

_____, 20__

City of St. Louis
City Hall
Tucker and Market Streets
St. Louis, Missouri 63103
Attention: Mayor, Room 200
Attention: Comptroller, Room 311

Re: Not to Exceed \$312,144 (plus Issuance Costs) City of St. Louis, Missouri, Tax Increment Revenue Notes, (South Carondelet District #4 Redevelopment Project), Series 200_-A/B

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to the purchase by the undersigned of not to exceed \$312,144 (plus Issuance Costs) aggregate principal amount of Tax Increment Revenue Notes, (South Carondelet District #4 Redevelopment Project), Series 2008-A/B (the "TIF Notes"), issued by the City of St. Louis, Missouri (the "City"). The TIF Notes are secured in the manner set forth in Ordinance No. _____ [Board Bill No. _____] of the City adopted on _____, 200__ (the "Note Ordinance"). The undersigned hereby represents to each of you and agrees with each of you, as follows:

1. The undersigned is an Approved Investor (as defined in the Note Ordinance).
2. The undersigned acknowledges that the City has not made any representation or warranty concerning the accuracy or completeness of any information furnished in connection with the purchase by the undersigned of the TIF Notes. Accordingly, the undersigned has not relied upon the City as to the accuracy or completeness of such information. As a sophisticated investor, the undersigned has made its own decision to purchase the TIF Notes based solely upon its own inquiry and analysis.
3. The undersigned understands that the TIF Notes do not constitute an indebtedness of the City or a loan or credit thereof within the meaning of any constitutional or statutory debt limitation or restriction.
4. The undersigned is familiar with and has counsel who are familiar with the federal and state legislation, rules, regulations and case law pertaining to the transfer and distribution of securities, including, but not limited to, disclosure obligations of the seller incident to any such transfer or distribution. The undersigned hereby covenants and agrees that the undersigned will not sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes or any interest therein in violation of applicable federal or state law or in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph 6 below.
5. The undersigned is purchasing the TIF Notes for its own account for investment (and not on behalf of another) and, other than a contemplated pledge of the TIF Notes, has no present intention of reselling the TIF Notes or dividing its interest therein. Notwithstanding the foregoing, the undersigned has the right to sell, offer for sale, pledge, transfer, convey, hypothecate, mortgage or dispose of the TIF Notes at some future date determined by it, provided that such disposition is not in violation of restrictions on sale, assignment, negotiation or transfer of the TIF Notes as set forth in paragraph 6 below.
6. The undersigned acknowledges that the right to sell, assign, negotiate or otherwise transfer the TIF Notes shall be limited to Approved Investors (as defined in the Note Ordinance).
7. The undersigned agrees to indemnify and hold you harmless from any and all claims, judgments, attorneys' fees and expenses of whatsoever nature, whether relating to litigation or otherwise, resulting from any attempted or affected sale, offer for sale, pledge, transfer, conveyance, hypothecation, mortgage or disposition of the TIF Notes in violation of this letter.
8. The undersigned has satisfied itself that the TIF Notes may be legally purchased by the undersigned.

Sincerely,

as Purchaser

By: _____
 Title: _____

Approved: July 28, 2008

ORDINANCE #68107
Board Bill No. 170

AN ORDINANCE APPROVING THE PETITION OF VARIOUS OWNERS OF CERTAIN REAL PROPERTY TO ESTABLISH A COMMUNITY IMPROVEMENT DISTRICT, ESTABLISHING THE GROVE COMMUNITY IMPROVEMENT DISTRICT, FINDING A PUBLIC PURPOSE FOR THE ESTABLISHMENT OF THE GROVE COMMUNITY IMPROVEMENT DISTRICT, AND CONTAINING A SEVERABILITY CLAUSE.

WHEREAS, Mo. Rev. Stat. §67.1400 et seq. (the “CID Act”) authorized the Board of Aldermen to approve the petitions of property owners to establish a Community Improvement District; and

WHEREAS, a petition has been filed with the City, requesting formation and establishment of The Grove Community Improvement District, signed by owners or authorized representatives of the owners of more than fifty percent by assessed value and per capita of the property located within the proposed boundaries of The Grove Community Improvement District (as amended, the “Petition”); and

WHEREAS, the Register of the City of St. Louis did review and determine that the Petition substantially complies with the requirements of the CID Act; and

WHEREAS, a public hearing, duly noticed and conducted as required by and in accordance with the CID Act was held at 9:00 a.m. on July 1, 2008, by the Board of Aldermen; and

WHEREAS, this Board of Aldermen hereby finds that the adoption of this ordinance is in the best interest of the City of St. Louis and that the owners of real property located within The Grove Community Improvement District, as well as the City as a whole, will benefit from the establishment of The Grove Community Improvement District.

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

Section One.

(a) A community improvement district, to be known as “The Grove Community Improvement District” (hereinafter referred to as the “District”), is hereby established pursuant to the CID Act on certain real property described below to provide services, construct improvements, impose assessments and taxes and carry out other functions as set forth in the Petition, which is attached hereto as Appendix A and incorporated herein by this reference.

(b) The District boundaries are set forth in the Petition in Appendix A and are generally described as follows: Kingshighway on its most Western boundary, Gratiot Street on its most Northern boundary, a Missouri Pacific Railroad right-of-way on its most Eastern boundary, and Swan Avenue on its most Southern boundary, provided that said boundaries are irregular and do not encompass all parcels located therein.

Section Two.

The District is authorized by the Petition, in accordance with the CID Act, to impose a tax upon retail sales within the District and a special assessment upon real property within the District, to provide funds to accomplish any power, duty or purpose of the District.

Section Three.

The District is authorized by the CID Act, at any time, to issue obligations, or to enter into agreements with other entities with the authority to issue obligations, for the purpose of carrying out any of its powers, duties, or purposes. Such obligations shall be payable out of all, part or any combination of the revenues of the District and may be further secured by all or any part of any property or any interest in any property by mortgage or any other security interest granted. Such obligations shall be authorized by resolution of the District, and if issued by the District, shall bear such date or dates, and shall mature at such time or times, but not more than twenty (20) years from the date of issuance, as the resolution shall specify. Such obligations shall be in such denomination,

bear interest at such rate or rates, be in such form, be payable in such place or places, be subject to redemption as such resolution may provide and be sold at either public or private sale at such prices as the District shall determine subject to the provisions of Mo. Rev. Stat. § 108.170. The District is also authorized to issue such obligations to refund, in whole or part, obligations previously issued by the District.

Section Four.

(a) Pursuant to the Petition, the District shall be in the form of a political subdivision of the State of Missouri, known as “The Grove Community Improvement District.”

(b) Pursuant to Section 67.1471 of the CID Act, the fiscal year for the District shall be the same as the fiscal year for the City of St. Louis.

(c) No earlier than one hundred and eighty (180) days and no later than ninety (90) days prior to the first day of each fiscal year, the District shall submit to the Board of Aldermen a proposed annual budget for the District, setting forth expected expenditures, revenues, and rates of assessments, if any, for such fiscal year. The Board of Aldermen may review and comment on this proposed budget, but if such comments are given, the Board of Aldermen shall provide such written comments no later than sixty (60) days prior to the first day of the relevant fiscal year; such comments shall not constitute requirements, but shall only be recommendations.

(d) The District shall hold an annual meeting and adopt an annual budget no later than thirty (30) days prior to the first day of each fiscal year.

Section Five. The District is authorized to use the funds of the District for any of the improvements, services or other activities authorized under the CID Act.

Section Six. Pursuant to the CID Act, the District shall have all of the powers necessary to carry out and effectuate the purposes of the District and the CID Act as set forth in the CID Act.

Section Seven. The City of St. Louis hereby finds that the uses of the District proceeds as provided for in the Petition hereto will serve a public purpose by encouraging the redevelopment of real property within the District.

Section Eight. Within one hundred twenty (120) days after the end of each fiscal year, the District shall submit a report to the Register of the City and the Missouri Department of Economic Development stating the services provided, revenues collected and expenditures made by the District during such fiscal year, and copies of written resolutions approved by the board of directors of the District during the fiscal year. The Register shall retain this report as part of the official records of the City and shall also cause this report to be spread upon the records of the Board of Aldermen, pursuant to Section 67.1471 of the CID Act.

Section Nine. The term for the existence of the District shall be as set forth in the Petition, as may be amended from time to time or as such term may be otherwise modified in accordance with the CID Act.

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

Section Eleven. The Register shall report in writing the creation of The Grove Community Improvement District to the Missouri Department of Economic Development.

Section Twelve. The Petition provides that the District shall be governed by a Board of Directors consisting of eleven individual directors (collectively the “Directors” and each a “Director”), such Directors to be appointed by the Mayor of the City with the consent of the Board of Aldermen, in accordance with the CID Act. By his approval of this ordinance, the Mayor does hereby appoint the following named individuals as Directors of the District for the terms set forth in parentheses below, and by adoption of this ordinance, the Board of Aldermen hereby consents to such appointments:

Name	Term	Qualification
Kim Yawitz	2 years	Business Operator
Matthew J. DeVoti	2 years	Business Operator
Dave Renard	2 years	Property Owner

Chip Schloss	2 years	Property Owner
Pete Rothschild	2 years	Property Owner
Carlos Carter	2 years	Property Owner <i>(at least 4% of the total equalized assessed valuation of District property.)</i>
Tom Boldt	4 years	Property Owner
Don Bellon	4 years	Property Owner
Guy Slay	4 years	Property Owner
Brian Phillips	4 years	Property Owner
Dan McGuire	4 years	Property Owner (at least 6 parcels)

Section Thirteen. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional, or unlawful for any reason, by any court of competent jurisdiction, such portion shall be deemed and is hereby declared to be a separate, distinct and independent provision of this ordinance, and such holding or holdings shall not affect the validity of the remaining portions of this ordinance.

APPENDIX A

Petition to Establish The Grove Community Improvement District IS ON FILE WITH THE CITY REGISTER.

Approved: July 28, 2008

ORDINANCE #68108 Board Bill No. 115

An ordinance pertaining to street vending within the Civic Center Vending District; amending Section Four of Ordinance 65061 to designate the boundaries of the Civic Center Vending District; establishing rules and regulations for Civic Center Vending District and containing an emergency clause.

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

SECTION ONE Section Four of Ordinance 65061 is hereby amended and the following language inserted:

I. "Civic Center Vending District" shall mean the area bounded by the Tucker Boulevard on the east, Olive Street on the north, Fourteenth Street on the west and Clark Street on the south.

SECTION TWO Further amending Ordinance 65061, by inserting a new section to be known as 32.1 establishing rules and regulations for Civic Center Vending District to read as follows:

32.1 Rules and Regulations for Civic Center Vending District

In addition to all other requirements of this ordinance the following provisions shall apply to every vending business in the Civic Center Vending District. The provisions of this section shall supersede any other provision of this ordinance if such provisions are inconsistent.

A. Every vending business in the Civic Center Vending District must operate from a fixed location on a public sidewalk or public right of way, other than a roadway except when licensed as a Festival Vendor under the provisions of this ordinance.

B. Vendors must apply for a permit to operate a vending business in the Civic Center Vending District.

C. No more than two (2) Sidewalk Vendors permits may be in use within the Civic Center Vending District at any time. The Director of Streets shall be authorized to issue such permits. These permits shall be issued on a first come basis. Spaces shall not be assigned or reserved in any manner. No person, partnership or corporation shall be issued more than one (1) permit to operate a vending business within the Civic Center Vending District at any one time.

D. A sidewalk vendor shall be required to operate a vending business a minimum of three days per week for a minimum of four (4) hours per day. No pushcart or other item related to the operation of a vending business shall be located on any City sidewalk or other public way during non-vending hours, nor shall any such pushcart or other item be parked, stored or left overnight in the Civic Center Vending District;

E. Civic Center Vending District permits shall be valid for one (1) year beginning on January 1 and ending on December 31. Renewal of permits shall be permitted beginning on December 1.

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

Approved: September 24, 2008

ORDINANCE #68109
Board Bill No. 137

An Ordinance pertaining to the Health Insurance Portability and Accountability Act of 1996, P.L. 104-91 (hereinafter HIPAA); repealing Ordinance 66281 and enacting in lieu thereof a new ordinance providing for compliance by the City with both the HIPAA Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and E (the Privacy Rule) and the HIPAA Security Standards for the Protection of Electronic Protected Health Information, 45 C.F.R. Part 160 and Part 164, Subparts A and C (the Security Rule); re-designating the City's Hybrid Entity Health Care Components, with removal of the Health Department from such designation; re-designating the City's Business Associate Components, with removal of the Department of Public Service Building Division, and requiring Business Associate Components to meet certain requirements of the Privacy Rule and Security Rule; appointing the City Privacy Officer and the Privacy Officers for each of the designated Health Care Components, providing for their duties, and providing for amendments of such designations; appointing the City Security Officer and the Security Officers for each of the designated Health Care Components, providing for their duties, and providing for amendments of such designations; authorizing the Health Care Component Privacy Officers, upon recommendation of the City Counselor, to enter into Business Associate Agreements in compliance with the Privacy Rule and the Security Rule, and upon recommendation of the City Counselor and the Board of Estimate and Apportionment, to enter into all other agreements required for compliance with the Privacy Rule and the Security Rule; and providing for a severability clause.

WHEREAS, the HIPAA Privacy Rule and the Security Rule impose privacy and security standards and requirements upon Covered Entities, which are health plans, health care clearing houses, and health care providers that transmit any health information in electronic form in connection with standard transactions within the scope of HIPAA, as defined under 45 C.F.R. § 160.103 of the Privacy Rule, and

WHEREAS, the City, a municipal corporation under the laws of the State of Missouri, is a single legal entity which does not function primarily as a Covered Entity, and

WHEREAS, while most City departments, offices, and agencies do not perform Covered Entity functions that are covered by the Privacy Rule and the Security Rule, there are City departments, offices, and agencies, and divisions or sections thereof, and the City's group health plan(s) that perform such covered functions, and therefore, the City is a Covered Entity that is subject to the Privacy Rule and the Security Rule, and

WHEREAS, with the designation of City Health Care Components, the City comes within the definition of Hybrid Entity under the provisions of 45 C.F.R. .§ 164.105, and

WHEREAS, a City Health Care Component that discloses Protected Health Information to a non-City entity that provides services to or acts on behalf of the Health Care Component must require that the non-City entity enter into a Business Associate Agreement with the City for its Health Care Component in compliance with the Privacy Rule and the Security Rule, and

WHEREAS, when a City Health Care Component discloses Protected Health Information to another City department, office, agency, or division or section thereof that would constitute a Business Associate capacity if such entities were separate and distinct, such other City department, office, agency, or division or section thereof, herein designated as City Business Associate Component, must comply with certain requirements of the Privacy Rule and the Security Rule.

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

SECTION ONE. Ordinance 66281, approved July 7, 2004, pertaining to the City's compliance with the HIPAA Privacy Rule and the designation of Health Care Components of the City as a Hybrid Entity, is repealed, and in lieu thereof a new ordinance is hereby enacted to read as follows:

SECTION TWO. Definitions. The definitions of terms set forth in the HIPAA Privacy Rule and the Security Rule are

adopted and incorporated herein by reference as if fully set forth; unless otherwise defined herein, the terms used in this ordinance shall have the same definitions as those set forth in the Privacy Rule and the Security Rule.

SECTION THREE. Health Care Component Designation for Hybrid Entity.

A. A City department, agency, office, and any division or section thereof, and City group health plan(s) that performs a Covered Entity function under the Privacy Rule and the Security Rule shall be designated as Health Care Component of the City. The following City departments, agencies, offices, or divisions or sections thereof, and City group health plan(s) are each hereby designated as a Health Care Component of the City:

1. The Fire Department's Emergency Medical Services Division, including its billing service; and
2. The City's Group Health Plan(s).

B. Upon recommendation of the City Counselor, the Board of Aldermen, may, by resolution, amend the designation of the City Health Care Components by adding or removing a City department, agency, office, and any division or section thereof, or group health plan to or from such designation. Any amendment of the City's designation of its Health Care Components shall be certified in writing by the Clerk of the Board of Aldermen, which certification shall be filed with the City Register within thirty (30) days of such amendment.

SECTION FOUR. City Responsibility for Compliance with the Privacy Rule and the Security Rule.

A. Notwithstanding the designation of the City Health Care Components herein, the City shall be ultimately responsible for developing policies and procedures to ensure compliance with the Privacy Rule and the Security Rule, and shall be ultimately responsible for activities related to compliance with and enforcement of the Privacy Rule and the Security Rule.

B. A Health Care Component shall not disclose any Protected Health Information or HIPAA-required documentation which it receives or maintains to another City department, agency, or office if such disclosure would be prohibited by the Privacy Rule or the Security Rule if the Health Care Component and such other City department, agency, or office were separate and distinct legal entities.

SECTION FIVE. Privacy Officers.

A. The Chief of the Fire Department's Emergency Medical Services is hereby designated as the City Privacy Officer to implement and coordinate the City's compliance with the Privacy Rule.

B. Each Health Care Component shall have a designated Privacy Officer. The Chief of the Fire Department's Emergency Medical Services shall serve as the Privacy Officer for the Emergency Medical Services Division, and the Employee Benefits Group Insurance Supervisor of the Department of Personnel shall serve as the Privacy Officer for the City's group health plan(s). A Health Care Component Privacy Officer may appoint an employee of the Health Care Component to assist in the performance of the Privacy Officer's responsibilities set forth herein.

C. Upon recommendation of the City Counselor, the Board of Aldermen, may, by resolution, amend the designation of a Health Care Component Privacy Officer. Any amendment of the designation of the Health Care Component Privacy Officer shall be certified in writing by the Clerk of the Board of Aldermen and filed with the City Register within thirty (30) days of such amendment. For the designation of any additional City Health Care Component as provided for under Section Three hereof, the Board of Aldermen shall also designate the Privacy Officer for that Health Care Component and assign the responsibilities set forth in this Section Five.

D. Each Health Care Component Privacy Officer has the following responsibilities:

1. Develop written policies and procedures for the Health Care Component as required by the Privacy Rule and in consultation with the City Counselor;
2. Receive, process, and respond to requests for or regarding Protected Health Information received or used by the Health Care Component;
3. Serve as the Complaint Officer for the Health Care Component; and

4. Implement the Privacy Rule policies and procedures of the Health Care Component.

SECTION SIX. Security Officers.

A. The Fire Department's Administrative Deputy Fire Chief is hereby designated as the City Security Officer to implement and coordinate the City's compliance with the Security Rule.

B. Each Health Care Component shall have a designated Security Officer. The Fire Department's Administrative Deputy Fire Chief shall serve as the Security Officer for the Emergency Medical Services Division, and the Employee Benefits Group Insurance Supervisor of the Department of Personnel shall serve as the Security Officer for the City's group health plan(s). A Health Care Component Security Officer may appoint an employee of the Health Care Component to assist in the performance of the Security Officer's responsibilities set forth herein.

C. Upon recommendation of the City Counselor, the Board of Aldermen, may, by resolution, amend the designation of a Health Care Component Security Officer. Any amendment of the designation of the Health Care Component Security Officer shall be certified in writing by the Clerk of the Board of Aldermen and filed with the City Register within thirty (30) days of such amendment. For the designation of any additional City Health Care Component as provided for under Section Three hereof, the Board of Aldermen shall also designate the City official who shall serve as the Security Officer for that Health Care Component and assign the responsibilities set forth in this Section Six.

D. Each Health Care Component Security Officer has the following responsibilities:

1. Develop written policies and procedures for the Health Care Component as required by the Security Rule and in consultation with the City Counselor; and
2. Implement the Security Rule policies and procedures of the Health Care Component.

SECTION SEVEN. City Business Associate Components.

A. Any City department, office, agency, or division or section thereof that receives Protected Health Information from a Health Care Component in providing services or performing activities and functions that would be in the capacity of a Business Associate if such City department, office, agency, or division or section thereof were a separate and distinct legal entity, is hereby designated a Business Associate Component of the City's Hybrid Entity.

B. Pursuant to 45 C.F.R. § 164.504(e), each Business Associate Component shall meet the following requirements of the Privacy Rule:

1. Establish permitted uses and disclosures of Protected Health Information received by each Business Associate Component in compliance with the Privacy Rule;
2. Use and apply appropriate safeguards to prevent any use or disclosure of Protected Health Information not permitted by the Health Care Component under the Privacy Rule;
3. Report to the Health Care Component and the City Privacy Officer any use or disclosure of the Protected Health Information of which it becomes aware that is not permitted by the Health Care Component under the Privacy Rule;
4. Ensure that any party to whom the Business Associate Component provides Protected Health Information received from, or created or received by the Business Associate Component on behalf of the Health Care Component, agrees to the same restrictions and conditions that apply to the Business Associate Component with respect to the Protect Health Information;
5. Make available Protected Health Information in accordance with 45 C.F.R. § 164.524;
6. Make available Protected Health Information for amendment and incorporate any amendments to Protected Health Information in accordance with 45 C.F.R. § 164.526;
7. Make available the information required to provide an accounting of disclosure in accordance with 45 C.F.R. § 164.528;

8. Make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from, or created or received by the Business Associate Component on behalf of the Health Care Component available to the United States Secretary of Health and Human Services for purposes of determining compliance with the Privacy Rule; and

9. Upon completion of the services to or activities on behalf of the Health Care Component, return or destroy all Protected Health Information received from, or created or received by the Business Associate Component on behalf of, the Health Care Component that is maintained in any form and retain no copies of such information or, if such return or destruction is not feasible, extend the privacy protections established and as required by the Privacy Rule and limit further uses and disclosure to those purposes that make the return or destruction of the Protected Health Information infeasible.

C. Pursuant to 45 C.F.R. § 164.314(a), each Business Associate Component shall meet the following requirements of the Security Rule:

1. Implement administrative, physical and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the Electronic Protected Health Information that it creates, receives, maintains, or transmits on behalf of the Health Care Component as required by the Security Rule;

2. Ensure that any party to whom the Business Associate Component provides Electronic Protected Health Information received from, or created or received by the Business Associate Component on behalf of the Health Care Component agrees to implement reasonable and appropriate safeguards to protect it; and

3. Report to the Health Care Component any security incident of which it becomes aware.

D. The Comptroller's Office Internal Audit Section, the City Counselor's Office, and the Information Technology Services Agency are each hereby designated a City Business Associate Component to the extent that each provides services to or performs activities on behalf of a Health Care Component that would be in the capacity of a Business Associate as defined under 45 C.F.R. § 160.103 of the Privacy Rule if such City components were separate and distinct legal entities.

D. Upon recommendation of the City Counselor, the Board of Aldermen may, by resolution, amend the designation of City departments, agencies, offices, or divisions or sections thereof as City Business Associate Components by adding or removing a City department, agency, office, or division or section to or from such designation. Such amendment of the City's designation of its Business Associate Components shall be certified in writing by the Board of Aldermen and filed with the City Register within thirty (30) days of such amendment.

SECTION EIGHT. Contract Authorization.

Each Health Care Component Privacy Officer, upon recommendation of the City Counselor, is hereby authorized to enter into Business Associate Agreements necessary to comply with the Privacy Rule and the Security Rule and, upon recommendation of the City Counselor and approval of the Board of Estimate and Apportionment, to enter into all other agreements required by the Privacy Rule and the Security Rule, including but not limited to trading partner agreements and confidentiality agreements.

SECTION NINE. Severability. If any section, subsection, sentence, clause, phrase or portion of this ordinance is held to be invalid or unconstitutional, or unlawful for any reason, by any court of competent jurisdiction, such portion shall be deemed and is hereby declared to be a separate, distinct and independent provision of this ordinance, and such holding or holdings shall not affect the validity of the remaining portions of this ordinance.

Approved: September 29, 2008

ORDINANCE #68110 Board Bill No. 198

An Ordinance, recommended and approved by the Airport Commission, the Board of Public Service, and the Board of Estimate and Apportionment, establishing and authorizing a public work and improvement program ("Building & Environ Projects-Security Systems") (hereinafter the "Program") at Lambert-St. Louis International Airport® (the "Airport"), consisting of capital improvement projects for the design, purchase, installation, renovation, repair, maintenance and operation of security related systems and equipment including, without limitation, closed circuit television cameras, screening equipment, perimeter detection equipment and fencing, access control equipment, surveillance hardware, software and supporting equipment, storage equipment, detection equipment and devices, notification devices and equipment, associated electrical, cabling, and support facilities, and

associated equipment, devices, and software, as well as all necessary renovations and improvements to the related gate areas, terminal complexes, concourses, and associated Airport buildings, structures, facilities, and environs, such authorization also including, without limitation, engineering planning and designing services, programming services, technical advice and assistance, inspection services, surveying and mapping services, appraisal services, legal services and/or related costs, CADD services, the removal or relocation of structures, obstructions, and utilities, and related work, grading costs, security services, relocation costs, transportation costs, the removal or demolition of improvements, architectural, engineering and related consultant and management expense pertaining to the planning, design, consulting, installing mock-ups, the preparation and production of contract documents, bills of sale, or agreements, architect and design services, costs for structural and maintenance studies, estimating and cost benefit consulting services, the costs for general engineering services, consulting services and other technical advices and assistance, construction management, construction, installation, renovation, rehabilitations, repairs, expansion, reconfiguration, improvement, and inspection work, and other necessary and related work or services for the development, implementation, administration, management or monitoring of the Program at a total estimated cost of Two Million Five Hundred Thousand Dollars (\$2,500,000.00); authorizing an initial appropriation in the total amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) from the Airport Development Fund established under authority of Ordinance 59286, Section 13, approved October 26, 1984, to be expended for the payment and/or reimbursement of costs for work and services authorized herein, and providing for the receipt of supplemental appropriations, when authorized by ordinance, into this Ordinance as funds become available to continue the Program; authorizing the Mayor and the Comptroller of the City of St. Louis ("City") to enter into and execute on behalf of the City easement agreements granting such easements or right-of-ways as are necessary for the administration or implementation of the Program and containing such terms, covenants, and conditions that are in the best interest of the City, the City's residents, and the traveling public; authorizing the Director of Airports, with the approval of the Board of Estimate and Apportionment, to let contracts providing for mapping, appraisal, and escrow services, title work, ground maintenance, security services, legal services, and other related services for the implementation and administration of the Program; authorizing and directing the Board of Public Service with the advice, consent, and approval of the Director of Airports to let and/or enter into contracts, bills of sale, or agreements for all other approved work or services, purchase materials, supplies, parts, devices and equipment, employ labor, pay salaries, wages and fees, pay and/or reimburse costs for authorized work or services, retain consultants and otherwise provide for the work or services authorized herein; providing that any contract or agreement let hereunder, shall be subject to the City's Charter and applicable City ordinances and the State of Missouri's laws or regulations applicable thereto; authorizing and directing the Comptroller of the City to draw warrants from time to time on the Treasurer of the City for the payment or reimbursement of expenses or costs authorized herein upon submission of properly certified vouchers in conformance with procedures established by the Comptroller and authorizing, as necessary and appropriate, the Comptroller, Treasurer, City Counselor, and other appropriate officers, agents and employees of the City to make such applications or certifications and provide such data to appropriate parties, and to take whatever action necessary in order to provide for the payment and/or reimbursement of eligible costs authorized herein; authorizing the Director of Airports to make such applications and provide such data and to take whatever action necessary to seek funds under the Airport Improvement Program, the Passenger Facility Charge Program or other federal, state or local programs for projects herein authorized where such costs or expenditures are deemed eligible and monies made available for those costs under federal, state, or local law or contract and to authorize the deposit of such funds into this Ordinance to reimburse the costs in part of the Program or the payment of costs authorized herein; directing that all contracts or agreements let under authority of this Ordinance be in compliance with all applicable minority and women or disadvantaged business enterprise requirements and in compliance with all applicable federal, state, and local laws, ordinances, regulations, court decisions and executive orders relating to equal employment opportunity; and containing a severability and an emergency clause.

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

SECTION ONE. There is hereby established and authorized a public work and improvement program ("Building & Environ Projects-Security Systems") (hereinafter the "Program") at Lambert-St. Louis International Airport® (the "Airport"), consisting of capital improvement projects for the design, purchase, installation, renovation, repair, maintenance and operation of security related systems and equipment including, without limitation, closed circuit television cameras, screening equipment, perimeter detection equipment and fencing, access control equipment, surveillance hardware, software and supporting equipment, storage equipment, detection equipment and devices, notification devices and equipment, associated electrical, cabling, and support facilities, and associated equipment, devices, and software, as well as all necessary renovations and improvements to the related gate areas, terminal complexes, concourses, and associated Airport buildings, structures, facilities, and environs, such authorization also including, without limitation, engineering planning and designing services, programming services, technical advice and assistance, inspection services, surveying and mapping services, appraisal services, legal services and/or related costs, CADD services, the removal or relocation of structures, obstructions, and utilities, and related work, grading costs, security services, relocation costs, transportation costs, the removal or demolition of improvements, architectural, engineering and related consultant and management expense pertaining to the planning, design, consulting, installing mock-ups, the preparation and production of contract documents, bills of sale, or agreements, architect and design services, costs for structural and maintenance studies, estimating and cost benefit consulting services, the costs for general engineering services, consulting services and other technical advices and assistance, construction management, construction, installation, renovation, rehabilitations, repairs, expansion, reconfiguration, improvement,

and inspection work, and other necessary and related work or services for the development, implementation, administration, management or monitoring of the Program at a total estimated cost of Two Million Five Hundred Thousand Dollars (\$2,500,000.00).

SECTION TWO. There is hereby authorized an initial appropriation in the total amount of One Million Five Hundred Thousand Dollars (\$1,500,000.00) from the Airport Development Fund established under authority of Ordinance 59286, Section 13, approved October 26, 1984, to be expended for the payment and/or reimbursement of costs for work and services authorized herein, and providing for the receipt of supplemental appropriations, when authorized by ordinance, into this Ordinance as funds become available to continue the Program.

SECTION THREE. The Mayor and the Comptroller of the City of St. Louis ("City") are hereby authorized to enter into and execute on behalf of the City easement agreements granting such easements or right-of-ways as are necessary to the administration or implementation of the Program and containing such terms, covenants, and conditions that are in the best interest of the City, the City's residents, and the traveling public.

SECTION FOUR. The Director of Airports, with the approval of the Board of Estimate and Apportionment, is hereby authorized to let all contracts providing for mapping, appraisal, and escrow services, title work, ground maintenance, security services, legal services, and other related services that may be necessary for the implementation and/or administration of the Program.

SECTION FIVE. The Board of Public Service, with the advice, consent and approval of the Director of Airports, is hereby authorized and directed to let and/or enter into contracts, bills of sale, or agreements for all other approved work or services, purchase materials, supplies, parts, devices and equipment, employ labor, pay salaries, wages and fees, pay and/or reimburse costs for authorized work or services, retain consultants and otherwise provide for the work or services authorized herein, except for the agreements for work or services covered by procedures contained in Sections Three and Four of this Ordinance.

SECTION SIX. It is hereby provided that any contract or agreement let or entered into hereunder, shall be subject to the City's Charter and applicable City ordinances and any Missouri state laws or regulations applicable thereto.

SECTION SEVEN. The Comptroller of the City is hereby authorized and directed to draw warrants from time to time on the Treasurer of the City for payment of expenses authorized herein upon submission of properly certified vouchers in conformance with procedures established by the Comptroller and, as necessary and appropriate, the Comptroller, Treasurer, City Counselor, and other appropriate officers, agents and employees of the City are hereby authorized and directed to make such applications or certifications and provide such data to appropriated parties, and to take whatever action necessary in order to provide for the payment and/or reimbursement of eligible costs authorized herein.

SECTION EIGHT. The Director of Airports is hereby authorized to make such applications and provide such data and to take whatever action necessary to seek funds under the Airport Improvement Program, the Passenger Facility Charge Program, or other federal, state or local programs for projects herein authorized where such costs or expenditures are deemed eligible and monies made available for those costs under federal, state, or local law or contract and to authorize the deposit of such funds into this Ordinance to reimburse the costs in part of the Program or the payment of costs authorized herein.

SECTION NINE. All contracts let under authority of this Ordinance shall be in compliance with all applicable minority and women or disadvantaged business enterprise requirements and in compliance with all applicable federal, state and local laws, ordinances, regulations, court decisions and executive orders relating to equal employment opportunity.

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

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

Approved: October 6, 2008

**ORDINANCE #68111
Board Bill No. 199**

An Ordinance recommended and approved by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller for the City of St. Louis (the "City") to enter into and execute on behalf of the City a Ninth Amendment to the Indenture of Lease (AL-60) between the City and Lambert Field Fueling Facilities Corporation (the "Lessee") at Lambert-St. Louis International Airport® dated July 1, 1955 (the "Lease"), authorized by Ordinance 47554 approved June 28, 1955, as amended by the "First Amendment" (undated), authorized by Ordinance 57108 approved January 30, 1976, the "Second Amendment" dated October 1, 1977, authorized by 57585 approved April 3, 1978, the "Third Amendment" dated December 10, 1984, authorized by Ordinance 59330 approved December 7, 1984, the "Fourth Amendment" dated November 9, 1994, authorized by Ordinance 63292 approved October 14, 1994, the "Fifth Amendment" dated March 13, 1996, authorized by Ordinance 63670 approved March 12, 1996, the "Sixth Amendment" dated January 12, 2006, authorized by Ordinance 66927 approved December 14, 2005, the "Seventh Amendment" dated February 20, 2007, authorized by Ordinance 67358 approved December 19, 2006, and the "Eighth Amendment" dated December 27, 2007 authorized by Ordinance 67785 approved November 30, 2007; this "Ninth Amendment", which was approved by the City's Airport Commission and the City's Board of Estimate and Apportionment and is attached hereto as ATTACHMENT "A" and made a part hereof, extends the term of the Lease as previously amended by one (1) year to December 31, 2009; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller for the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City a Ninth Amendment to the Indenture of Lease (AL-60) between the City and Lambert Field Fueling Facilities Corporation (the "Lessee") at Lambert-St. Louis International Airport® dated July 1, 1955 (the "Lease"), authorized by Ordinance 47554 approved June 28, 1955, as amended by the "First Amendment" (undated), authorized by Ordinance 57108 approved January 30, 1976, the "Second Amendment" dated October 1, 1977, authorized by 57585 approved April 3, 1978, the "Third Amendment" dated December 10, 1984, authorized by Ordinance 59330 approved December 7, 1984, the "Fourth Amendment" dated November 9, 1994, authorized by Ordinance 63292 approved October 14, 1994, the "Fifth Amendment" dated March 13, 1996, authorized by Ordinance 63670 approved March 12, 1996, the "Sixth Amendment" dated January 12, 2006, authorized by Ordinance 66927 approved December 14, 2005, the "Seventh Amendment" dated February 20, 2007, authorized by Ordinance 67358 approved December 19, 2006, and the "Eighth Amendment" dated December 27, 2007 authorized by Ordinance 67785 approved November 30, 2007; this "Ninth Amendment" was approved by the City's Airport Commission and the City's Board of Estimate and Apportionment and is read in words and figures substantially as set out in **ATTACHMENT "A"**, which is attached hereto and made a part hereof.

SECTION TWO. The sections, conditions, or provisions of this Ordinance or portions thereof shall be severable. If any section, condition, or provision of this Ordinance or portion thereof contained herein is held invalid by a court of competent jurisdiction, such holding shall not invalidate the remaining sections, conditions, or provisions or portion thereof of this Ordinance unless the court making such finding shall determine that the valid portions standing alone are incomplete and are incapable of being executed in accord with the legislative intent.

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

ATTACHMENT "A"

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



NINTH AMENDMENT TO INDENTURE OF LEASE

LAMBERT FIELD FUELING FACILITIES CORPORATION

NO. AL-60

AL-60

NINTH AMENDMENT TO INDENTURE OF LEASE (Lambert Field Fueling Facilities Corporation)

THIS NINTH AMENDMENT, entered into this ___ day of ___, 2008, between the City of St. Louis, a municipal corporation of the state of Missouri ("Lessor") and Lambert Field Fueling Facilities Corporation, incorporated in the state of Delaware ("Lessee") is an amendment to the Indenture to Lease dated July 1, 1955 ("the Lease") which was authorized by Ordinance 47554, approved June 28, 1955, as amended.

WITNESSETH, THAT:

WHEREAS, the Lessor and Lessee are parties to the Lease, an amendment to the Lease which is undated (the "First Amendment"), an amendment to the Lease dated October 1, 1977 (the "Second Amendment"), an amendment to the Lease dated December 10, 1984 ("the Third Amendment"), and amendment to the Lease dated November 9, 1994 (the "Fourth Amendment"), and amendment to the Lease dated March 13, 1996 (the "Fifth Amendment"), an amendment dated January 12, 2006 ("the Sixth Amendment"); an amendment dated February 20, 2007 ("the Seventh Amendment"); and an amendment dated December 27, 2007 ("the Eighth Amendment").

WHEREAS, the Lessor and Lessee desire to amend the Lease as previously amended to their mutual benefit.

NOW, THEREFORE, for and in consideration of the promises, the mutual covenants and agreements herein contained, and other valuable considerations, the Lessor and Lessee agree as follows:

SECTION 1. Section 401 of the Lease as amended by Section 1 of the First Amendment, Section 1 of the Second Amendment, Section 5 of the Third Amendment, Section 3 of the Sixth Amendment, Section 1 of the Seventh Amendment, and Section 1 of the Eighth Amendment are hereby deleted in their entirety and substituted with the following.

"401. The term of this Lease shall commence on July 1, 1955 and terminate on December 31, 2009, unless sooner terminated in accordance with other provisions of this Lease."

SECTION 2. All other terms, covenants and conditions of this Lease, as previously amended, not inconsistent with this Ninth Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(Remainder of page intentionally left blank)

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

Authorized by City Ordinance ___, approved ___, 2008.

The foregoing Ninth Amendment was approved by the Airport Commission at its meeting on the ___ day of ___, 2008.

THE CITY OF ST. LOUIS BY:

Commission Chairman and Director of Airports Date

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date City of St. Louis

Comptroller, City of St. Louis Date

ATTESTED TO BY:

Register, Date
City of St. Louis

The Board of Estimate and Apportionment approved the foregoing Eighth Amendment in substance at its meeting on the _____ day of _____, 2008.

Secretary, Date
Board of Estimate & Apportionment

LAMBERT FIELD FUELING FACILITIES CORPORATION

BY: _____

Title: _____

Date: _____

Approved: October 6, 2008

**ORDINANCE #68112
Board Bill No. 200**

An Ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-248 between the City and Vanguard Rental Car USA, d/b/a Alamo and National Rent A Car, a corporation of the State of Delaware, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which is attached hereto as **ATTACHMENT "1"** and made a part hereof, was approved by the City's Airport Commission, and its terms are more fully described in Section One of this Ordinance; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-248 between the City and Vanguard Rental Car USA, d/b/a Alamo and National Rent A Car, a corporation of the State of Delaware, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which was approved by the City's Airport Commission, is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance after the effective date of this Ordinance. All provisions of other ordinances of the City that are in conflict with this Ordinance shall be of no force or effect as to this Ordinance or the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

“Attachment 1”

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



Vanguard Car Rental USA
d/b/a Alamo and National Rent A Car

ON-AIRPORT PASSENGER VEHICLE RENTAL

FIRST AMENDMENT
to
CONCESSION AGREEMENT

NO. AL-248

AIRPORT NUMBER AL-248

FIRST AMENDMENT
TO
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CONCESSION AGREEMENT
(ON-AIRPORT PASSENGER VEHICLE RENTAL)

THIS FIRST AMENDMENT made and entered into as of the ____ day of _____ 2008 (“**First Amendment**”), by and between the CITY OF ST. LOUIS (“**City**”), a municipal corporation of the State of Missouri and Vanguard Rental Car USA, d/b/a Alamo and National Rent A Car (“**Concessionaire**”), a corporation organized and existing under the laws of the State of Delaware, trading as National Car Rental and Alamo Rent-A-Car.

WITNESSETH, THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport® (“**Airport**”);

WHEREAS, City and Concessionaire are parties to a Concession Agreement for an On-Airport Passenger Vehicle Rental Concession dated December 10, 2003 (“**Agreement**”) which is authorized by Ordinance 66074, approved November 4, 2003;

WHEREAS, the Airport Experience Project, a major renovation of the West Terminal, is scheduled to begin within the next twelve (12) months and may require that passenger vehicle rental counters be relocated to improve the passengers’ airport experience and maximize the user-friendliness of the Airport;

WHEREAS, an On-Airport Passenger Vehicle Rental Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, the parties desire to continue providing excellent customer service to the traveling public without interruption due to the impending construction and renovation of the Airport’s West Terminal. Given the timeframe of the renovations, the City has determined it will not solicit new bids for this concession at this time;

WHEREAS, the Concessionaire has agreed to enter into a one-year contract extension in order to ascertain the future condition of the rental car counter area.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree to amend the Agreement as follows:

Section One. The Definition for “Contract Year” as set out in Section 101. Definitions of the Agreement is deleted in its entirety and substituted with the following:

“Contract Year” shall mean a period of six (6) consecutive twelve-month periods commencing on the first day of the term of the Agreement, as specified in Section 401 hereof.

Section Two. Section 401. Term of the Agreement is deleted in its entirety and the following is substituted:

Section 401. Term. The term of this Agreement shall consist of six (6) years commencing on January 1, 2004 and ending December 31, 2009, unless sooner terminated in accordance with other provisions of this Agreement.

Section Three. A new section 403 is added to Article IV LEASE TERM of the Agreement, as follows:

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenancy at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

Section Four. Subsection A of Section 503. Concession Fee Payments of the Agreement is hereby deleted in its entirety and the following is substituted:

Section 503. Concession Fee Payments.

A. The Concessionaire agrees to pay to City for Contract Years One through Six a sum equal to the greater of the Minimum Annual Guarantee as set out below for each Contract Year or ten percent (10%) of Gross Receipts.

<u>Contract Year</u>	<u>Minimum Annual Guarantee</u>
1	\$1,272,347.00
2	\$1,272,347.00
3	\$1,272,347.00
4	\$1,272,347.00
5	\$1,272,347.00
6	\$1,272,347.00

Section Five. A new section 1429 is added to Article XIV MISCELLANEOUS PROVISIONS of the Agreement, as follows:

Section 1429. Living Wage Compliance Provisions. Effective January 1, 2009, this Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 (“**Ordinance**”) and the “**Regulations**” associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures beginning January 1, 2009:

- A. **Minimum Compensation:** Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (**Exhibit B**), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.
- B. **Notification:** Concessionaire shall provide the Living Wage Bulletin to all employees, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.
- C. **Posting:** Concessionaire shall post the Living Wage Bulletin, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. **Subcontractors and Sublessees:** Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees

to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.

- E. Term of Compliance: Beginning January 1, 2009, Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. Reporting: Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. Penalties: Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. Notwithstanding the preceding, all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms as provided for and in accordance with Section 3(G) of the Ordinance.

Section Six. All other terms, covenants, conditions of the Agreement not inconsistent with this First Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto execute this First Amendment for themselves, their successors and assigns, as of the day and year first written above.

**VANGUARD CAR RENTAL USA
d/b/a Alamo and National Rent A Car BY:**

ATTESTED TO BY:

Title: _____

Title: _____

Date: _____

Date: _____

FEDERAL TAX ID# _____

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # _____ approved the _____ day of _____, 2008:

The foregoing First Amendment to Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2008.

BY:

Commission Chairman and Date
Director of Airports

The foregoing First Amendment to Agreement was approved by the Board of Estimate and Apportionment at its meeting on the _____ day of _____, 2008.

BY:

Secretary, Date

Board of Estimate and Apportionment

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register, City of St. Louis Date

EXHIBIT "B"
LIVING WAGE ADJUSTMENT BULLETIN
ST. LOUIS LIVING WAGE ORDINANCE
LIVING WAGE ADJUSTMENT BULLETIN
NOTICE OF ST. LOUIS LIVING WAGE RATES
EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance ("Ordinance") and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is **\$11.00** per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are **not** provided to the employee, the living wage rate is **\$14.16** per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
- 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: **\$3.16** per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <http://www.stlouiscity.com/livingwage> or obtained from:

City Compliance Official
DBE Program Office -4th Floor
11495 Navaid Road
St. Louis, MO 63044
(314) 551-5000

Dated: February 14, 2008

Approved: **October 6, 2008**

ORDINANCE #68113
Board Bill No. 201

An Ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the "First Amendment To

Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-249 between the City and Avis Rent A Car System, Inc., a corporation of the State of New Jersey, dated December 15, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which is attached hereto as **ATTACHMENT "1"** and made a part hereof, was approved by the City's Airport Commission, and its terms are more fully described in Section One of this Ordinance; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-249 between the City and Avis Rent A Car System, Inc., a corporation of the State of New Jersey, dated December 15, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which was approved by the City's Airport Commission, is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance after the effective date of this Ordinance. All provisions of other ordinances of the City that are in conflict with this Ordinance shall be of no force or effect as to this Ordinance or the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

"Attachment 1"

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



Avis Rent A Car System, LLC.

ON-AIRPORT PASSENGER VEHICLE RENTAL

**FIRST AMENDMENT
to
CONCESSION AGREEMENT**

NO. AL-249

AIRPORT NUMBER AL-249

**FIRST AMENDMENT
TO
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CONCESSION AGREEMENT
(ON-AIRPORT PASSENGER VEHICLE RENTAL)**

THIS FIRST AMENDMENT made and entered into as of the ____ day of _____ 2008 ("**First Amendment**"), by and between the CITY OF ST. LOUIS ("**City**"), a municipal corporation of the State of Missouri and Avis Rent A Car System, Inc. ("**Concessionaire**"), a corporation organized and existing under the laws of the State of New Jersey, trading as Avis Rent A Car System, Inc.

WITNESSETH, THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport® ("**Airport**");

WHEREAS, City and Concessionaire are parties to a Concession Agreement for an On-Airport Passenger Vehicle Rental Concession dated December 15, 2003 ("**Agreement**") which is authorized by Ordinance 66074, approved November 4, 2003;

WHEREAS, the Airport Experience Project, a major renovation of the West Terminal, is scheduled to begin within the next twelve (12) months and may require that passenger vehicle rental counters be relocated to improve the passengers' airport experience and maximize the user-friendliness of the Airport;

WHEREAS, an On-Airport Passenger Vehicle Rental Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, the parties desire to continue providing excellent customer service to the traveling public without interruption due to the impending construction and renovation of the Airport's West Terminal. Given the timeframe of the renovations, the City has determined it will not solicit new bids for this concession at this time;

WHEREAS, the Concessionaire has agreed to enter into a one-year contract extension in order to ascertain the future condition of the rental car counter area.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree to amend the Agreement as follows:

Section One. The Definition for "Contract Year" as set out in Section 101. Definitions of the Agreement is deleted in its entirety and substituted with the following:

"Contract Year" shall mean a period of six (6) consecutive twelve-month periods commencing on the first day of the term of the Agreement, as specified in Section 401 hereof.

Section Two. Section 401. Term of the Agreement is deleted in its entirety and the following is substituted:

Section 401. Term. The term of this Agreement shall consist of six (6) years commencing on January 1, 2004 and ending December 31, 2009, unless sooner terminated in accordance with other provisions of this Agreement.

Section Three. A new section 403 is added to Article IV LEASE TERM of the Agreement, as follows:

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenant at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

Section Four. Subsection A of Section 503. Concession Fee Payments of the Agreement is hereby deleted in its entirety and the following is substituted:

Section 503. Concession Fee Payments.

A. The Concessionaire agrees to pay to City for Contract Years One through Six a sum equal to the greater of the Minimum Annual Guarantee as set out below for each Contract Year or ten percent (10%) of Gross Receipts.

Contract Year	Minimum Annual Guarantee
1	\$1,876,000.00
2	\$1,913,000.00

3	\$1,951,000.00
4	\$1,990,000.00
5	\$2,030,000.00
6	\$2,030,000.00

Section Five. A new section 1429 is added to Article XIV MISCELLANEOUS PROVISIONS of the Agreement, as follows:

Section 1429. Living Wage Compliance Provisions. Effective January 1, 2009, this Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 ("**Ordinance**") and the "**Regulations**" associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures beginning January 1, 2009:

- A. **Minimum Compensation:** Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (**Exhibit B**), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.
- B. **Notification:** Concessionaire shall provide the Living Wage Bulletin to all employees, together with a "Notice of Coverage", in English, Spanish and other languages spoken by a significant number of Concessionaire's employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.
- C. **Posting:** Concessionaire shall post the Living Wage Bulletin, together with a "Notice of Coverage", in English, Spanish and other languages spoken by a significant number of Concessionaire's employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. **Subcontractors and Sublessees:** Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.
- E. **Term of Compliance:** Beginning January 1, 2009, Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. **Reporting:** Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. **Penalties:** Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. **Notwithstanding the preceding,** all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms as provided for and in accordance with Section 3(G) of the Ordinance.

Section Six. All other terms, covenants, conditions of the Agreement not inconsistent with this First Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto execute this First Amendment for themselves, their successors and assigns, as of the

day and year first written above.

AVIS RENT A CAR SYSTEM, INC BY:

ATTESTED TO BY:

Title: _____

Title: _____

Date: _____

Date: _____

FEDERAL TAX ID# _____

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # _____ approved the _____ day of _____, 2008:

The foregoing First Amendment to Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2008.

BY:

Commission Chairman and Director of Airports Date

The foregoing First Amendment to Agreement was approved by the Board of Estimate and Apportionment at its meeting on the _____ day of _____, 2008.

BY:

Secretary, Board of Estimate and Apportionment Date

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register, City of St. Louis Date

EXHIBIT "B"
LIVING WAGE ADJUSTMENT BULLETIN
ST. LOUIS LIVING WAGE ORDINANCE
LIVING WAGE ADJUSTMENT BULLETIN
NOTICE OF ST. LOUIS LIVING WAGE RATES
EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance ("Ordinance") and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is **\$11.00**

- per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are **not** provided to the employee, the living wage rate is **\$14.16** per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
 - 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: **\$3.16** per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <http://www.stlouiscity.com/livingwage> or obtained from:

City Compliance Official
DBE Program Office -4th Floor
11495 Navaid Road
St. Louis, MO 63044
(314) 551-5000

Dated: February 14, 2008

Approved: October 6, 2008

ORDINANCE #68114
Board Bill No. 202

An Ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-250 between the City and Budget Rent A Car System, Inc., a corporation of the State of New Jersey, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which is attached hereto as **ATTACHMENT "1"** and made a part hereof, was approved by the City's Airport Commission, and its terms are more fully described in Section One of this Ordinance; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-250 between the City and Budget Rent A Car System, Inc., a corporation of the State of New Jersey, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which was approved by the City's Airport Commission, is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance after the effective date of this Ordinance. All provisions of other ordinances of the City that are in conflict with this Ordinance shall be of no force or effect as to this Ordinance or the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

“Attachment 1”

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



Budget Rent A Car System, Inc.

ON-AIRPORT PASSENGER VEHICLE RENTAL

**FIRST AMENDMENT
to
CONCESSION AGREEMENT**

NO. AL-250

AIRPORT NUMBER AL-250

**FIRST AMENDMENT
TO
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CONCESSION AGREEMENT
(ON-AIRPORT PASSENGER VEHICLE RENTAL)**

THIS FIRST AMENDMENT made and entered into as of the ____ day of _____ 2008 (“**First Amendment**”), by and between the CITY OF ST. LOUIS (“**City**”), a municipal corporation of the State of Missouri and Budget Rent A Car System, Inc. (“**Concessionaire**”), a corporation organized and existing under the laws of the State of New Jersey, trading as Budget Rent A Car System, Inc.

WITNESSETH, THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport® (“**Airport**”);

WHEREAS, City and Concessionaire are parties to a Concession Agreement for an On-Airport Passenger Vehicle Rental Concession dated December 10, 2003 (“**Agreement**”) which is authorized by Ordinance 66074, approved November 4, 2003;

WHEREAS, the Airport Experience Project, a major renovation of the West Terminal, is scheduled to begin within the next twelve (12) months and may require that passenger vehicle rental counters be relocated to improve the passengers’ airport experience and maximize the user-friendliness of the Airport;

WHEREAS, an On-Airport Passenger Vehicle Rental Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, the parties desire to continue providing excellent customer service to the traveling public without interruption due to the impending construction and renovation of the Airport’s West Terminal. Given the timeframe of the renovations, the City has determined it will not solicit new bids for this concession at this time;

WHEREAS, the Concessionaire has agreed to enter into a one-year contract extension in order to ascertain the future condition of the rental car counter area.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree to amend the Agreement as follows:

Section One. The Definition for “Contract Year” as set out in Section 101. Definitions of the Agreement is deleted in its entirety and substituted with the following:

“Contract Year” shall mean a period of six (6) consecutive twelve-month periods commencing on the first day of the term of the Agreement, as specified in Section 401 hereof.

Section Two. Section 401. Term of the Agreement is deleted in its entirety and the following is substituted:

Section 401. Term. The term of this Agreement shall consist of six (6) years commencing on January 1, 2004 and ending December 31, 2009, unless sooner terminated in accordance with other provisions of this Agreement.

Section Three. A new section 403 is added to Article IV LEASE TERM of the Agreement, as follows:

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenant at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

Section Four. Subsection A of Section 503. Concession Fee Payments of the Agreement is hereby deleted in its entirety and the following is substituted:

Section 503. Concession Fee Payments.

A. The Concessionaire agrees to pay to City for Contract Years One through Six a sum equal to the greater of the Minimum Annual Guarantee as set out below for each Contract Year or ten percent (10%) of Gross Receipts.

<u>Contract Year</u>	<u>Minimum Annual Guarantee</u>
1	\$654,000.00
2	\$666,000.00
3	\$680,000.00
4	\$693,000.00
5	\$707,000.00
6	\$707,000.00

Section Five. A new section 1429 is added to Article XIV MISCELLANEOUS PROVISIONS of the Agreement, as follows:

Section 1429. Living Wage Compliance Provisions. Effective January 1, 2009, this Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 (“**Ordinance**”) and the “**Regulations**” associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures beginning January 1, 2009:

- A. Minimum Compensation: Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (**Exhibit B**), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.
- B. Notification: Concessionaire shall provide the Living Wage Bulletin to all employees, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.

- C. Posting: Concessionaire shall post the Living Wage Bulletin, together with a "Notice of Coverage", in English, Spanish and other languages spoken by a significant number of Concessionaire's employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. Subcontractors and Sublessees: Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.
- E. Term of Compliance: Beginning January 1, 2009, Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. Reporting: Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. Penalties: Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. Notwithstanding the preceding, all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms as provided for and in accordance with Section 3(G) of the Ordinance.

Section Six. All other terms, covenants, conditions of the Agreement not inconsistent with this First Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto execute this First Amendment for themselves, their successors and assigns, as of the day and year first written above.

BUDGET RENT A CAR SYSTEM, INC BY:

ATTESTED TO BY:

Title: _____

Title: _____

Date: _____

Date: _____

FEDERAL TAX ID# _____

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # _____ approved the _____ day of _____, 2008:

The foregoing First Amendment to Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2008.

BY:

Commission Chairman and Director of Airports Date

The foregoing First Amendment to Agreement was approved by the Board of Estimate and Apportionment at its meeting on the _____ day of _____, 2008.

BY:

Secretary, Date
Board of Estimate and Apportionment

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register, City of St. Louis Date

EXHIBIT "B"
LIVING WAGE ADJUSTMENT BULLETIN
ST. LOUIS LIVING WAGE ORDINANCE
LIVING WAGE ADJUSTMENT BULLETIN
NOTICE OF ST. LOUIS LIVING WAGE RATES
EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance ("Ordinance") and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is **\$11.00** per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are **not** provided to the employee, the living wage rate is **\$14.16** per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
- 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: **\$3.16** per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <http://www.stlouisacity.com/livingwage> or obtained from:

City Compliance Official
DBE Program Office -4th Floor
11495 Navaid Road
St. Louis, MO 63044
(314) 551-5000

Dated: February 14, 2008

Approved: October 6, 2008

**ORDINANCE #68115
Board Bill No. 204**

An Ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-253 between the City and Missouri Rental & Leasing, Inc., d/b/a Dollar Rent A Car, a corporation of the State of Missouri, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which is attached hereto as **ATTACHMENT "1"** and made a part hereof, was approved by the City's Airport Commission, and its terms are more fully described in Section One of this Ordinance; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the "First Amendment To Lambert-St. Louis International Airport® (the 'Airport') Concession Agreement (On-Airport Passenger Vehicle Rental)" (the "First Amendment") to the On-Airport Passenger Vehicle Rental Concession Agreement AL-253 between the City and Missouri Rental & Leasing, Inc., d/b/a Dollar Rent A Car, a corporation of the State of Missouri, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the "Agreement"); the First Amendment to the Agreement, which was approved by the City's Airport Commission, is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance after the effective date of this Ordinance. All provisions of other ordinances of the City that are in conflict with this Ordinance shall be of no force or effect as to this Ordinance or the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

"Attachment 1"

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



**Missouri Rental & Leasing, Inc.
d/b/a Dollar Rent A Car**

ON-AIRPORT PASSENGER VEHICLE RENTAL

**FIRST AMENDMENT
to
CONCESSION AGREEMENT**

NO. AL-253

AIRPORT NUMBER AL-253

**FIRST AMENDMENT
TO
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CONCESSION AGREEMENT
(ON-AIRPORT PASSENGER VEHICLE RENTAL)**

THIS FIRST AMENDMENT made and entered into as of the ____ day of _____ 2008 (“**First Amendment**”), by and between the CITY OF ST. LOUIS (“**City**”), a municipal corporation of the State of Missouri and Missouri Rental & Leasing, Inc., d/b/a Dollar Rent A Car (“**Concessionaire**”), a corporation organized and existing under the laws of the State of Missouri, trading as Dollar Rent A Car.

WITNESSETH, THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport® (“**Airport**”);

WHEREAS, City and Concessionaire are parties to a Concession Agreement for an On-Airport Passenger Vehicle Rental Concession dated December 10, 2003 (“**Agreement**”) which is authorized by Ordinance 66074, approved November 4, 2003;

WHEREAS, the Airport Experience Project, a major renovation of the West Terminal, is scheduled to begin within the next twelve (12) months and may require that passenger vehicle rental counters be relocated to improve the passengers’ airport experience and maximize the user-friendliness of the Airport;

WHEREAS, an On-Airport Passenger Vehicle Rental Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, the parties desire to continue providing excellent customer service to the traveling public without interruption due to the impending construction and renovation of the Airport’s West Terminal. Given the timeframe of the renovations, the City has determined it will not solicit new bids for this concession at this time;

WHEREAS, the Concessionaire has agreed to enter into a one-year contract extension in order to ascertain the future condition of the rental car counter area.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree to amend the Agreement as follows:

Section One. The Definition for “Contract Year” as set out in Section 101. Definitions of the Agreement is deleted in its entirety and substituted with the following:

“Contract Year” shall mean a period of six (6) consecutive twelve-month periods commencing on the first day of the term of the Agreement, as specified in Section 401 hereof.

Section Two. Section 401. Term. of the Agreement is deleted in its entirety and the following is substituted:

Section 401. Term. The term of this Agreement shall consist of six (6) years commencing on January 1, 2004 and ending December 31, 2009, unless sooner terminated in accordance with other provisions of this Agreement.

Section Three. A new section 403 is added to Article IV LEASE TERM of the Agreement, as follows:

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenant at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

Section Four. Subsection A of Section 503. Concession Fee Payments of the Agreement is hereby deleted in its entirety and the following is substituted:

Section 503. Concession Fee Payments.

- A. The Concessionaire agrees to pay to City for Contract Years One through Six a sum equal to the greater of the Minimum Annual Guarantee as set out below for each Contract Year or ten percent (10%) of Gross Receipts.

<u>Contract Year</u>	<u>Minimum Annual Guarantee</u>
1	\$285,000.00
2	\$286,000.00
3	\$285,000.00
4	\$286,000.00
5	\$288,000.00
6	\$288,000.00

Section Five. A new section 1429 is added to Article XIV MISCELLANEOUS PROVISIONS of the Agreement, as follows:

Section 1429. Living Wage Compliance Provisions. Effective January 1, 2009, this Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 (“**Ordinance**”) and the “**Regulations**” associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures beginning January 1, 2009:

- A. Minimum Compensation: Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (**Exhibit B**), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.
- B. Notification: Concessionaire shall provide the Living Wage Bulletin to all employees, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.
- C. Posting: Concessionaire shall post the Living Wage Bulletin, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. Subcontractors and Sublessees: Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.
- E. Term of Compliance: Beginning January 1, 2009, Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. Reporting: Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. Penalties: Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. Notwithstanding the preceding, all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms as provided for and in accordance with Section 3(G) of the Ordinance.

Section Six. All other terms, covenants, conditions of the Agreement not inconsistent with this First Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto execute this First Amendment for themselves, their successors and assigns, as of the day and year first written above.

**MISSOURI RENTAL & LEASING, INC
d/b/a DOLLAR RENT A CAR BY:**

ATTESTED TO BY:

Title: _____

Title: _____

Date: _____

Date: _____

FEDERAL TAX ID# _____

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # _____ approved the _____ day of _____, 2008:

The foregoing First Amendment to Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2008.

BY:

Commission Chairman and Director of Airports Date

The foregoing First Amendment to Agreement was approved by the Board of Estimate and Apportionment at its meeting on the _____ day of _____, 2008.

BY:

Secretary, Board of Estimate and Apportionment Date

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register, City of St. Louis Date

**EXHIBIT "B"
LIVING WAGE ADJUSTMENT BULLETIN
ST. LOUIS LIVING WAGE ORDINANCE
LIVING WAGE ADJUSTMENT BULLETIN
NOTICE OF ST. LOUIS LIVING WAGE RATES**

EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance (“Ordinance”) and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is **\$11.00** per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are **not** provided to the employee, the living wage rate is **\$14.16** per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
- 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: **\$3.16** per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <http://www.stlouiscity.com/livingwage> or obtained from:

City Compliance Official
DBE Program Office -4th Floor
11495 Navaid Road
St. Louis, MO 63044
(314) 551-5000

Dated: February 14, 2008

Approved: October 6, 2008

**ORDINANCE #68116
Board Bill No. 205**

An Ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the “First Amendment To Lambert-St. Louis International Airport® (the ‘Airport’) Concession Agreement (On-Airport Passenger Vehicle Rental)” (the “First Amendment”) to the On-Airport Passenger Vehicle Rental Concession Agreement AL-254 between the City and The Hertz Corporation, a corporation of the State of New Jersey, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the “Agreement”); the First Amendment to the Agreement, which is attached hereto as **ATTACHMENT "1"** and made a part hereof, was approved by the City’s Airport Commission, and its terms are more fully described in Section One of this Ordinance; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment; containing a severability clause; and containing an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the “First Amendment To Lambert-St. Louis International Airport® (the ‘Airport’) Concession Agreement (On-Airport Passenger Vehicle Rental)” (the “First Amendment”) to the On-Airport Passenger Vehicle Rental Concession Agreement AL-254 between the City and The Hertz Corporation, a corporation of the State of New Jersey, dated December 10, 2003, and authorized by City Ordinance No. 66074, approved November 4, 2003 (the “Agreement”); the First Amendment to the Agreement, which was approved by the City’s Airport Commission, is to read in words and figures as set out in **ATTACHMENT "1"** and is attached hereto and made a part hereof.

SECTION TWO. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the Agreement as amended by the First Amendment and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance after the effective date of this Ordinance. All provisions of other

ordinances of the City that are in conflict with this Ordinance shall be of no force or effect as to this Ordinance or the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

"Attachment 1"

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



THE HERTZ CORPORATION

ON-AIRPORT PASSENGER VEHICLE RENTAL

**FIRST AMENDMENT
to
CONCESSION AGREEMENT**

NO. AL-254

AIRPORT NUMBER AL-254

**FIRST AMENDMENT
TO
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
CONCESSION AGREEMENT
(ON-AIRPORT PASSENGER VEHICLE RENTAL)**

THIS FIRST AMENDMENT made and entered into as of the ____ day of _____ 2008 ("**First Amendment**"), by and between the CITY OF ST. LOUIS ("**City**"), a municipal corporation of the State of Missouri and The Hertz Corporation ("**Concessionaire**"), a corporation organized and existing under the laws of the State of New Jersey, trading as The Hertz Corporation.

WITNESSETH, THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport® ("**Airport**");

WHEREAS, City and Concessionaire are parties to a Concession Agreement for an On-Airport Passenger Vehicle Rental Concession dated December 10, 2003 ("**Agreement**") which is authorized by Ordinance 66074, approved November 4, 2003;

WHEREAS, the Airport Experience Project, a major renovation of the West Terminal, is scheduled to begin within the next twelve (12) months and may require that passenger vehicle rental counters be relocated to improve the passengers' airport experience and maximize the user-friendliness of the Airport;

WHEREAS, an On-Airport Passenger Vehicle Rental Concession at the Airport is essential for proper accommodation of the public;

WHEREAS, the parties desire to continue providing excellent customer service to the traveling public without interruption due to

the impending construction and renovation of the Airport's West Terminal. Given the timeframe of the renovations, the City has determined it will not solicit new bids for this concession at this time;

WHEREAS, the Concessionaire has agreed to enter into a one-year contract extension in order to ascertain the future condition of the rental car counter area.

NOW, THEREFORE, for and in consideration of the payments, promises and the mutual covenants and agreements herein contained and other valuable considerations, the City and the Concessionaire agree to amend the Agreement as follows:

Section One. The Definition for "Contract Year" as set out in Section 101. Definitions of the Agreement is deleted in its entirety and substituted with the following:

"Contract Year" shall mean a period of six (6) consecutive twelve-month periods commencing on the first day of the term of the Agreement, as specified in Section 401 hereof.

Section Two. Section 401. Term of the Agreement is deleted in its entirety and the following is substituted:

Section 401. Term. The term of this Agreement shall consist of six (6) years commencing on January 1, 2004 and ending December 31, 2009, unless sooner terminated in accordance with other provisions of this Agreement.

Section Three. A new section 403 is added to Article IV LEASE TERM of the Agreement, as follows:

Section 403. Holdover Provision. If Concessionaire shall, with the prior written approval of the Director, holdover after the expiration of the term of this Agreement, the resulting tenancy shall, unless otherwise mutually agreed, be a tenant at will on a month-to-month basis. During such month-to-month tenancy, Concessionaire shall pay to City the same Concession Fees as set forth herein, unless different fees shall be agreed upon by the Director on behalf of the City and the Concessionaire, and shall be bound by all terms, covenants and conditions of this Agreement.

Section Four. Subsection A of Section 503. Concession Fee Payments of the Agreement is hereby deleted in its entirety and the following is substituted:

Section 503. Concession Fee Payments.

A. The Concessionaire agrees to pay to City for Contract Years One through Six a sum equal to the greater of the Minimum Annual Guarantee as set out below for each Contract Year or ten percent (10%) of Gross Receipts.

<u>Contract Year</u>	<u>Minimum Annual Guarantee</u>
1	\$1,738,600.00
2	\$1,842,800.00
3	\$1,952,600.00
4	\$2,070,200.00
5	\$2,194,200.00
6	\$2,194,200.00

Section Five. A new section 1429 is added to Article XIV MISCELLANEOUS PROVISIONS of the Agreement, as follows:

Section 1429. Living Wage Compliance Provisions. Effective January 1, 2009, this Agreement is subject to the St. Louis Living Wage Ordinance No. 65597 ("**Ordinance**") and the "**Regulations**" associated therewith, as may be amended from time to time. Copies of Ordinance and Regulations may be obtained by contacting Mr. Jack Thomas, Assistant Airport Director, M/W/DBE Certification and Compliance Office, P.O. Box 10212, St. Louis, Missouri, 63145-0212 and are incorporated herein by reference. The Ordinance and Regulations require the following compliance measures, and Concessionaire hereby warrants, represents, stipulates and agrees to comply with these measures beginning January 1, 2009:

A. Minimum Compensation: Concessionaire hereby agrees to pay an initial hourly wage to each employee performing services related to this Agreement in an amount no less than the amount stated on the attached Living Wage Bulletin (**Exhibit B**), which is incorporated herein. The initial rate shall be adjusted each year no later than April 1, and Concessionaire hereby agrees to adjust the initial hourly rate to the adjusted rate specified in the Living Wage Bulletin at the time the Living Wage Bulletin is issued.

- B. Notification: Concessionaire shall provide the Living Wage Bulletin to all employees, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees within thirty (30) days of Agreement execution for existing employees and within thirty (30) days of employment for new employees.
- C. Posting: Concessionaire shall post the Living Wage Bulletin, together with a “Notice of Coverage”, in English, Spanish and other languages spoken by a significant number of Concessionaire’s employees, in a prominent place in a communal area of each worksite covered by the Agreement.
- D. Subcontractors and Sublessees: Concessionaire hereby agrees to require Subcontractors and Sublessees, as defined in the Regulations, to comply with the requirements of the Living Wage Regulations, and hereby agrees to be responsible for the compliance of such Subcontractors and Sublessees. Concessionaire shall include these Living Wage Compliance Provisions in any contract with such Subcontractors and Sublessees.
- E. Term of Compliance: Beginning January 1, 2009, Concessionaire hereby agrees to comply with these Living Wage Compliance Provisions and with the Regulations for the entire term of the Agreement, and to submit the reports required by the Regulations for each calendar year or portion thereof during which such Agreement is in effect.
- F. Reporting: Concessionaire shall provide the annual reports and attachments required by the Ordinance and Regulations.
- G. Penalties: Concessionaire acknowledges and agrees that failure to comply with any provision of the Ordinance and/or Regulations and/or providing false information may result in the imposition of penalties specified in the Ordinance and/or Regulations. These penalties, as provided in the Ordinance and Regulations, may include, without limitation, suspension or termination of the Agreement, disbarment, and/or the payment of liquidated damages, as provided in the Ordinance and Regulations.
- H. Notwithstanding the preceding, all of the provisions of this Section 1429, or any part thereof, may be waived in a bona fide collective bargaining agreement, but only if the waiver is explicitly set forth in such agreement in clear and unambiguous terms as provided for and in accordance with Section 3(G) of the Ordinance.

Section Six. All other terms, covenants, conditions of the Agreement not inconsistent with this First Amendment are unchanged and are hereby ratified and approved and shall remain in full force and effect.

(The balance of this page is intentionally blank.)

IN WITNESS WHEREOF, the parties hereto execute this First Amendment for themselves, their successors and assigns, as of the day and year first written above.

THE HERTZ CORPORATION BY:

ATTESTED TO BY:

Title: _____

Title: _____

Date: _____

Date: _____

FEDERAL TAX ID# _____

THE CITY OF ST. LOUIS, MISSOURI, OPERATING LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT® pursuant to City Ordinance # _____ approved the _____ day of _____, 2008:

The foregoing First Amendment to Agreement was approved by the Airport Commission at its meeting on the _____ day of _____, 2008.

BY:

Commission Chairman and Director of Airports Date

The foregoing First Amendment to Agreement was approved by the Board of Estimate and Apportionment at its meeting on the _____ day of _____, 2008.

BY:

Secretary, Board of Estimate and Apportionment Date

APPROVED AS TO FORM ONLY BY:

COUNTERSIGNED BY:

City Counselor Date
City of St. Louis

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register, City of St. Louis Date

EXHIBIT "B"
LIVING WAGE ADJUSTMENT BULLETIN
ST. LOUIS LIVING WAGE ORDINANCE
LIVING WAGE ADJUSTMENT BULLETIN
NOTICE OF ST. LOUIS LIVING WAGE RATES
EFFECTIVE APRIL 1, 2008

In accordance with Ordinance No. 65597, the St. Louis Living Wage Ordinance ("**Ordinance**") and the Regulations associated therewith, the City Compliance Official for the City of St. Louis has determined that the following living wage rates are now in effect for employees of covered contracts:

- 1) Where health benefits as defined in the Ordinance are provided to the employee, the living wage rate is **\$11.00** per hour (130% of the federal poverty level income guideline for a family of three); and
- 2) Where health benefits as defined in the Ordinance are **not** provided to the employee, the living wage rate is **\$14.16** per hour (130% of the federal poverty level income guideline for a family of three, plus fringe benefit rates as defined in the Ordinance).
- 3) Wages required under Chapter 6.20 of the Revised Code of the City of St. Louis: **\$3.16** per hour.

These rates are based upon federal poverty level income guidelines as defined in the Ordinance and these rates are effective as of **April 1, 2008**. These rates will be further adjusted periodically when the federal poverty level income guideline is adjusted by the U.S. Department of Health and Human Services or pursuant to Chapter 6.20 of the Revised Code of the City of St. Louis.

The Ordinance applies to employers who are covered by the Ordinance as defined in the Ordinance, where the contract or grant is entered into or renewed after the effective date of the Ordinance, which is November 3, 2002. A copy of the Ordinance may be viewed online at <http://www.stlouisacity.com/livingwage> or obtained from:

City Compliance Official
DBE Program Office -4th Floor
11495 Navaid Road
St. Louis, MO 63044

(314) 551-5000

Dated: February 14, 2008

Approved: October 6, 2008**ORDINANCE #68117
Board Bill No. 206**

An ordinance recommended by the Airport Commission, the Board of Public Service, and the Board of Estimate and Apportionment authorizing and directing the Director of Airports and the Comptroller of the City of St. Louis (the "City") to enter into and execute on behalf of the City the Termination of Use and Lease Agreements substantially in the form as set out in **ATTACHMENT "1"** to this Ordinance (the "Sabreliner Termination Agreement"), which is attached hereto and incorporated herein, between the City and Sabreliner Corporation, a Delaware corporation ("Sabreliner"), providing for the termination of the "Sabreliner Agreements" as defined and provided for in the Sabreliner Termination Agreement; authorizing and directing the Director of Airports and the Comptroller of the City to enter into and execute on behalf of the City a Lease Agreement AL-205 substantially in the form as set out in **ATTACHMENT "2"** to this Ordinance (the "MDC Lease Agreement"), between the City and McDonnell Douglas Corporation ("MDC"), a Maryland corporation, granting to MDC, subject to the provisions of the MDC Lease Agreement, the right and privilege to occupy and use the premises described therein for an initial term beginning on the "Commencement Date" as defined therein and expiring December 31, 2034 with two (2) eight (8) year renewal term options, including the sale of Existing Improvement to MDC for Seven Million Two Hundred Thousand Dollars (\$7,200,000) payable to the City on the Commencement Date in accordance with Section 404 of the MDC Lease Agreement; and authorizing and directing the Director of Airports and the Comptroller of the City to enter into and execute on behalf of the City a Lease Agreement AL-542 substantially in the form as set out in **ATTACHMENT "3"** to this Ordinance (the "ATS Lease Agreement"), which is attached hereto and incorporated herein, between the City and Airport Terminal Services, Inc. ("ATS"), a Missouri corporation, granting to ATS, subject to the provisions of the ATS Lease Agreement, the right and privilege to maintain possession of the premises described therein for a term beginning on the "Commencement Date" as defined therein and expiring on October 31, 2011; authorizing the Mayor, the Comptroller, the Register, the City Counselor, the Director of Airports, and other appropriate officers, agents, and employees of the City with the advice of the Director of Airports to enter into and execute on behalf of the City and in the City's best interest any attendant or related documents, agreements, amendments, or instruments deemed necessary to effectuate the terms set forth in the Sabreliner Termination Agreement, the MDC Lease Agreement, or the ATS Lease Agreement, and/or deemed necessary to preserve and protect the City's interest and/or to take such actions as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein; providing that the provisions set forth in this Ordinance shall be applicable exclusively to the agreements, documents, and instruments approved and/or authorized by this Ordinance; and containing a severability clause; and an emergency clause.

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

SECTION ONE. The Director of Airports and the Comptroller of the City of St. Louis (the "City") are hereby authorized and directed to enter into and execute on behalf of the City the Termination of Use and Lease Agreements substantially in the form as set out in **ATTACHMENT "1"** to this Ordinance (the "Sabreliner Termination Agreement"), which is attached hereto and incorporated herein, between the City and Sabreliner Corporation, a Delaware corporation ("Sabreliner"), providing for the termination of the "Sabreliner Agreements" as defined and provided for in the Sabreliner Termination Agreement.

SECTION TWO. The Director of Airports and the Comptroller of the City are hereby authorized and directed to enter into and execute on behalf of the City a Lease Agreement AL-205 substantially in the form as set out in **ATTACHMENT "2"** to this Ordinance (the "MDC Lease Agreement"), between the City and McDonnell Douglas Corporation ("MDC"), a Maryland corporation, granting to MDC, subject to the provisions of the MDC Lease Agreement, the right and privilege to occupy and use the premises described therein for an initial term beginning on the "Commencement Date" as defined therein and expiring December 31, 2034 with two (2) eight (8) year renewal term options. MDC to pay the City Seven Million Two Hundred Thousand Dollars (\$7,200,000) for the Existing Improvements on the Commencement Date, as provided for in Section 404 of the MDC Lease Agreement.

SECTION THREE. The Director of Airports and the Comptroller of the City are hereby authorized and directed to enter into and execute on behalf of the City a Lease Agreement AL-542 substantially in the form as set out in **ATTACHMENT "3"** to this Ordinance (the "ATS Lease Agreement"), which is attached hereto and incorporated herein, between the City and Airport Terminal Services, Inc. ("ATS"), a Missouri corporation, granting to ATS, subject to the provisions of the ATS Lease Agreement, the right and privilege to maintain possession of the premises described therein for a term beginning on the "Commencement Date" as defined therein and expiring on October 31, 2011.

SECTION FOUR. The Mayor, the Comptroller, the Register, the City Counselor, the Director of Airports, and other appropriate officers, agents, and employees of the City, with the advice of the Director of Airports, are hereby authorized to enter into and execute on behalf of the City and in the City's best interest any attendant or related documents, agreements, amendments, and instruments deemed necessary to effectuate the terms set forth in the Sabreliner Termination Agreement, the MDC Lease Agreement, or the ATS Lease Agreement, and/or deemed necessary to preserve and protect the City's interest, and/or to take such actions as may be necessary or appropriate in connection with the consummation of the transactions contemplated herein.

SECTION FIVE. The terms, covenants, and conditions set forth in this Ordinance shall be applicable exclusively to the agreements, documents, and instruments approved or authorized by this Ordinance and shall not be applicable to any other existing or future agreements, documents, or instruments unless specifically authorized by an ordinance enacted after the effective date of this Ordinance. All provisions of other ordinances of the City which are in conflict with this Ordinance shall be of no force or effect as to the agreements, documents, and instruments approved and/or authorized by this Ordinance.

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

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

ATTACHMENT "1"

**THE CITY OF ST. LOUIS
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
TERMINATION OF USE AND LEASE AGREEMENTS**

THIS TERMINATION AGREEMENT (the "**Termination Agreement**") is made and entered into on the _____ day of _____, 2008, by and between the **CITY OF ST. LOUIS**, a municipal corporation of the State of Missouri (the "**City**"), and **SABRELINER CORPORATION**, a Delaware corporation ("**Sabreliner**"). The City and Sabreliner are sometimes referred to herein individually as a "**Party**" and collectively as the "**Parties.**"

WITNESSETH THAT:

WHEREAS, the City is the owner and operator of Lambert-St. Louis International Airport®, which is located in the County of St. Louis, State of Missouri (the "**Airport**");

WHEREAS, Sabreliner is the lessee of certain real property located in St. Louis County, Missouri as more particularly described in that certain Lambert-St. Louis International Airport Lease Agreement (Compass Rose and Parking) between Sabreliner and the City, dated February 4, 1988; as modified by that certain correspondence from the City dated October 23, 2002; as modified by that certain correspondence from Sabreliner and countersigned by the City, dated December 11, 2002; as extended pursuant to that certain correspondence from the City, dated December 11, 2002; and as extended pursuant to that certain correspondence from Sabreliner dated June 26, 2006 (collectively, "**AL-45**");

WHEREAS, Sabreliner is the lessee of certain real property located in St. Louis County, Missouri as more particularly described in that certain Use Agreement between the original lessee, Remmert-Werner, Incorporated, and the City, dated February 15, 1967; as amended by that certain First Amendment to Use Agreement between Remmert-Werner, Incorporated and the City, dated February 11, 1971; as extended pursuant to that certain correspondence from Rockwell International Corporation, dated August 24, 1977, and countersigned by the City; as extended pursuant to that certain correspondence from Rockwell International Corporation, dated June 28, 1982, and countersigned by the City on July 1, 1982; as assigned to Sabreliner by Rockwell International Corporation (the successor by merger to Remmert-Werner, Incorporated) and consented to by the City pursuant to that certain Consent to Assignment and Assumption of Use and Lease Agreement, dated June 29, 1983; as amended by that certain Second Amendment to Lambert-St. Louis International Airport Use Agreement between Sabreliner and City, dated November 1, 1986; as extended pursuant to that certain correspondence from the City, dated December 11, 2002; and as extended pursuant to that certain correspondence from Sabreliner dated June 26, 2006 (collectively, "**AL-58**");

WHEREAS, Sabreliner is the lessee of certain real property located in St. Louis County, Missouri as more particularly described in that certain Space Permit between Rockwell International Corporation (the successor by merger to Remmert-Werner,

Incorporated) and the City, having an effective date of November 1, 1986 (“**AL-87**”; together with AL-45 and AL-58, the “**Sabreliner Agreements**”) all of which are incorporated herein by this reference;

WHEREAS, Sabreliner leases or has the right to use and occupy certain real property and the structures, buildings, facilities, and improvements located at the Airport (the “**Facilities**”), all as described in and subject to the terms, covenants, warranties, conditions, requirements, and provisions (the “**Provisions**”) of the Sabreliner Agreements;

WHEREAS, Sabreliner has entered into certain sublease agreements, as more particularly described in **EXHIBIT A** to this Termination Agreement (the “**Sublease Agreements**”), for the rental and sublease of certain portions of the Facilities;

WHEREAS, the City desires to facilitate the re-development of the Facilities being conveyed to the City by Sabreliner (see Section 7 below) by consenting to the termination of the Sabreliner Agreements pursuant to the Provisions of this Termination Agreement. It being understood that the City is not releasing Sabreliner from its duties, responsibilities, or obligations under the Sabreliner Agreements, the Sublease Agreements, or its operations or use of the Facilities (including the Fuel Facility as defined in Section 7.C below) by Sabreliner, and/or its assigns or sublessees, or their respective officers, agents, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons or invitees use arising prior to the effective date of such termination except as otherwise specifically stated herein;

WHEREAS, the City intends to enter into a lease agreement for the re-development and use of the Facilities to be conveyed to the City by Sabreliner with McDonnell Douglas Corporation, a Maryland corporation (“**MDC**”), the term of which shall commence upon the termination of the Sabreliner Agreements;

WHEREAS, the City intends to enter into a long term lease agreement with Airport Terminal Services Inc. (“**ATS**”) (“**Proposed ATS Lease Agreement AL-542**”); whereby the City is providing a replacement site for ATS’ operations previously conducted within the Facilities under ATS’ sublease agreement with Sabreliner; and

WHEREAS, the Parties agree that it is in their mutual interest for Sabreliner to terminate the Sublease Agreements and for Sabreliner and the City to terminate the Sabreliner Agreements upon and subject to the Provisions of this Termination Agreement.

NOW, THEREFORE, for and in consideration of the representations, warranties, covenants, and agreements contained in this Termination Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

1. The Sabreliner Agreements shall terminate on the commencement date of that certain lease agreement that the City and MDC intend to enter into and execute for the re-development and use of the Facilities being conveyed to the City by Sabreliner (the “**Proposed MDC Lease AL-205**”), provided that: a) ATS has timely completed the “Obstruction Removal Project” as required and provided for in Section 203 entitled “Aircraft Movement” of the “**Proposed ATS Lease Agreement AL-542**”, b) ATS and Sabreliner Corporation have terminated their sublease agreement dated as of July 26, 1995, as amended, c) all other Sublease Agreements and tenancies affecting the Facilities have expired or have been terminated, and d) Sabreliner Corporation, ATS, and all sublessees or tenants have vacated the premises under the Sabreliner Agreements, unless otherwise agreed to in writing by the Director of Airports on behalf of the City and Sabreliner. The termination date may be changed by the mutual agreement of the Director of Airport on behalf of the City and Sabreliner in writing. The City shall write the mutually agreed to “**Termination Date**” in the space below (see Section 9.N entitled “Binding Contract; Counterparts”). The Parties acknowledge and agree that this Termination Agreement shall be null and void and that the Sabreliner Agreements shall not be terminated if the City and MDC fail or refuse to enter into and execute the Proposed MDC Lease AL-205 within three (3) months of the execution of this Termination Agreement, unless otherwise agreed to in writing by the Director of Airports on behalf of the City and Sabreliner.

Termination Date: _____

2. Sabreliner hereby acknowledges, stipulates, warrants, and agrees that all Sublease Agreements and any other leases, subleases, or tenancies affecting the premises under the Sabreliner Agreement shall expire or terminate no later than the Termination Date. The Parties acknowledge and agree that this Termination Agreement shall be null and void and that the Sabreliner Agreements shall not be terminated if the City and ATS fail or refuse to enter into and execute the Proposed ATS Lease Agreement AL-542 within ten (10) business days of the execution of this Termination Agreement, unless otherwise agreed to in writing by the Director of Airports on behalf of the City and Sabreliner.

3. Sabreliner hereby acknowledges, stipulates, and agrees that the City is not releasing Sabreliner from any of its duties, responsibilities, or obligations in or under the Sabreliner Agreements, the Sublease Agreements, or Sabreliner’s operations or use of the Facilities (including the Fuel Facility) by Sabreliner, and/or its assigns, tenants, or sublessees, or their respective officers,

agents, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons or invitees arising prior to the Termination Date except as otherwise specifically stated herein. Sabreliner acknowledges, understands, stipulates and agrees that Sabreliner shall remain responsible pursuant to the Sabreliner Agreements and the Sublease Agreements for its assigns, tenants, or sublessees, or their respective officers, agents, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons or invitees, assigns, sublessees in to or under the Sabreliner Agreements so long as Sabreliner or the City Indemnified Parties (defined in Section 4 below) bear any liability or responsibility under the Sabreliner Agreements or the Sublease Agreements and/or any Environmental Laws (defined in Section 4 below) or other laws and regulations, for any action or omission by Sabreliner, and/or its assigns, tenants, or sublessees, or their respective officers, agents, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons or invitees, and the consequences thereof that occurred in, on, around, from, or about the Facilities (including the Fuel Facility) or the City's property during the term of the Sabreliner Agreements. Sabreliner hereby acknowledges, understands, stipulates and agrees that nothing herein shall be interpreted or construed as a waiver or release by the City of any rights, interest, or privileges in, to or under the Sabreliner Agreements. Notwithstanding the foregoing, the City hereby acknowledges, understands, stipulates and agrees that MDC intends to demolish the buildings and other improvements and, consequently, with the knowledge of the City, Sabreliner has not been fully maintaining and repairing the Facilities to be conveyed to the City by Sabreliner in accordance with the Provisions of the Sabreliner Agreements. The City hereby releases Sabreliner from its obligations to repair and maintain the Facilities being conveyed to the City by Sabreliner in accordance with the Provisions of the Sabreliner Agreements and acknowledges that it will not require Sabreliner to perform any repair or maintenance work prior to these Facilities being conveyed to the City (see Section 7.C below).

4. Sabreliner shall protect, indemnify, defend, and hold harmless the City, its Board of Aldermen, Airport Commission, and its board members, commissioners, officers, employees, contractors, consultants, tenants, lessees, representatives, and agents and their respective officers, employees, representatives, and each of the heirs, executors, successor and assigns of any of the foregoing (collectively the "**City Indemnified Parties**") against any lawsuits, administrative proceedings, claims, demands, requirements, or administrative or judicial orders for any liability, cost, expenditure, injury, damage, assessments, penalty, causes of action or fines (collectively, "**Claims**") concerning, arising from, or relating to the use, manufacture, generation, production, treatment, storage, transportation, disposal, discharge, release, or spilling into or onto the air, water, soil, sewer system, or similar media of any hazardous substances, extremely hazardous substances, hazardous waste, special waste, solid waste, oil, petroleum products or derivatives, infectious waste, pollutants, toxic pollutants, toxic substances, asbestos, or other chemical substances, materials, gases, or waste (collectively "**Hazardous Materials**"), whether accidental or intentional, which occurred in, on, around, from or about the Facilities (including the Fuel Facility) or the City's property in connection with the Sabreliner Agreements, and/or the use or occupancy by Sabreliner, or its assigns or sublessees, or their respective directors, officers, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons, invitees, representatives, or agents. City and Sabreliner stipulate and agree the existence and definition of Hazardous Materials shall be construed broadly herein in accordance with all applicable federal, state, or local laws, statutes, regulations, ordinances, restrictions, codes, rules, orders, degrees, policies, guidelines, and other provisions having the force or effect of law, all judicial and administrative orders and determinations, permits, licenses, authorizations, and all common law concerning or relating to the protection of public health and safety, the protection of the environment, or worker health and safety ("**Environmental Laws**"). Sabreliner's obligations and liabilities under this paragraph shall continue so long as Sabreliner or the City Indemnified Parties bear any liability or responsibility under contract and/or any Environmental Laws for any action or omission by Sabreliner, or its assigns or sublessees, or their respective directors, officers, employees, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons, invitees, representatives, or agents, during the term of the Sabreliner Agreements, and the consequences thereof that occurred in, on, around, from, or about the Facilities (including the Fuel Facility) or the City's property. This indemnification of the City Indemnified Parties by Sabreliner includes, without limitation, all costs and expenses related to the sampling, testing, investigation, clean up, removal, remediation, decontamination, or restoration of the Facilities or any City property or any other affected areas, including, but not limited to, air, land, soil, or underground or surface water, as required by any federal, state, or local law, regulation, or ordinance, whether or not prompted by governmental action or private action, and also includes the cost of legal representation, including without limitation court costs, expert witnesses, and other litigation related expenses. The City shall give Sabreliner reasonable notice of any such claims or actions. Sabreliner shall use counsel reasonably acceptable to the City Counselor of the City or her/his designee after consultation with the Airport Director or his/her designee in carrying out its obligations hereunder. Sabreliner warrants, represents, covenants, and agrees to perform its remediation obligations under this Termination Agreement in a timely and proper manner so as to eliminate or minimize to the extent practicable any negative impact on the administration or operations of the City or the Airport and/or the City and/or its tenants' use and enjoyment of the Facilities or other City property.

5. Except as disclosed on **EXHIBIT B** entitled "Disclosure Schedule", Sabreliner hereby covenants, represents, stipulates, warrants, and agrees that the statements contained in this Section 5 are true and correct in all material respects as of the date of this Termination Agreement and will be true and correct as of the Termination Date:

- A. The Sabreliner Agreements are in full force and effect and Sabreliner has no actual or constructive knowledge of any existing default under the Sabreliner Agreements or the Sublease Agreements, nor any fact or condition

that exists which, together with the giving of notice, or the passage of time, or both, would constitute such a default;

- B. The Facilities (including the Fuel Facility) are not subject to any leases, licenses, or tenancies of any kind affecting the Facilities being conveyed to the City;
 - C. There are no liens, attachments, or other encumbrances of any kind whatsoever which have been caused, in whole or in part, by Sabreliner or its sublessees filed against the Facilities being conveyed to the City by Sabreliner or affecting title to these Facilities;
 - D. There are no recorded or unrecorded contracts, and/or options to which Sabreliner is a party affecting title or possession to the Facilities being conveyed to the City by Sabreliner or any part thereof, and Sabreliner's interest under the Sabreliner Agreements has not been assigned, by operation of law or otherwise;
 - E. There are no mechanic's liens placed against or on the Facilities (including the Fuel Facility), and there has been no work done on these Facilities which will result in the placement of a mechanic's lien on the Facilities being conveyed to the City by Sabreliner or any part thereof after the Termination Date;
 - F. There are no service, supply, maintenance, management, licenses, or concession agreements or contracts in regard to the Facilities (including the Fuel Facility) or the Sabreliner Agreements, which will be binding on the City after the Termination Date;
 - G. Sabreliner has no actual or constructive knowledge of the receipt of any written or other notice from any governmental authority, quasi-governmental authority, insurance company, or insurance rating service of any building code violations, repairs, replacements or alterations to the Facilities (including the Fuel Facility) that will not as of the Termination Date be remedied by Sabreliner;
 - H. To the best of Sabreliner's knowledge and belief, Sabreliner has complied in all material respects with all applicable statutes, laws, ordinances, regulations, rules, orders, judgments, decrees, and restrictions of all federal state, local and other governmental authorities including, without limitation, the "Airport Certification Manual", on file at the Director's Office, applicable to the Facilities (including the Fuel Facility) or any adjoining public ways, as to the manner of use or the condition the Facilities (including the Fuel Facility) or of adjoining public ways. Sabreliner has received no notice or communication from any third party asserting a failure to so comply nor has Sabreliner received any notice that any authority or third party intends to seek enforcement against Sabreliner to compel compliance with any such statute, law, ordinance, regulation, rule, order, judgment, decree, or restriction;
 - I. Sabreliner shall retain all rights, titles, interest, obligations, and responsibility with respect to any existing or future permits, licenses, or approvals issued or given to Sabreliner by any federal, state, or local governmental agency or authority in connection with any emission or discharge from the Facilities (including the Fuel Facility) of any Hazardous Materials, above or below ground storage repositories, or other environmental matters;
 - J. Prior to the Termination Date, Sabreliner shall deliver to the City a copy of all licenses, permits, authorizations, and certificates of occupancy in Sabreliner's possession or control issued by any governmental entity relating or pertaining to the Facilities being conveyed to the City by Sabreliner); and
 - K. Sabreliner has no actual or constructive knowledge of any action, suit, proceeding or investigation pending against Sabreliner and Sabreliner has not received any written notice of any threatened action, suit, proceeding or investigation against Sabreliner in regard to the use of the Facilities (including the Fuel Facility) or arising out of the Sabreliner Agreements or Sublease Agreements.
6. Sabreliner covenants, represents, stipulates, warrants, and agrees that except as expressly set forth on **EXHIBIT C** entitled "Disclosed Environmental Matters" to the best of Sabreliner's knowledge and belief, as of the Termination Date:
- A. No Hazardous Materials exist at, on, in, under, or around the Facilities (including the Fuel Facility), except Hazardous Materials stored in containers or tanks within the premises under the Sabreliner Agreements in compliance with Environment Laws;
 - B. Sabreliner, with respect to the Facilities (including the Fuel Facility) has complied with and is in compliance

with, in each case in all material respects, all applicable Environmental Laws. Without limiting the generality of the foregoing, Sabreliner has obtained and complied with, and is in compliance with, in each case in all material respects, all permits, licenses and other authorizations that are required pursuant to applicable Environmental Laws in regard to the occupation, use, or operation of the Facilities (including the Fuel Facility);

- C. Sabreliner, with respect to the Facilities (including the Fuel Facility), has not received any written or oral notice, report or other information from any third party regarding any actual or alleged violation of Environmental Laws, or any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise), arising under Environmental Laws, including any investigative, remedial, or corrective action obligations relating thereto;
- D. None of the following exists at, on, in, or under the Facilities (including the Fuel Facility): (i) underground storage tanks and associated piping, (ii) friable asbestos-containing material, or (iii) material or equipment containing polychlorinated biphenyls; and
- E. Sabreliner has provided to the City true and correct copies of all environmental audits, reports and environmental documents relating to the Facilities (including the Fuel Facility) which are in Sabreliner's possession, custody, or control, and such documentation is sufficient to appraise the City of potentially material outstanding environmental compliance and liability issues. Sabreliner shall provide to the City for its review such copies of environmental audits, reports, and environmental documents relating to the Facilities (including the Fuel Facility) prior to the Termination Date.

7. Sabreliner hereby covenants, represents, stipulates, warrants, and agrees that:

- A. No notice to quit possession at the Termination Date of the Sabreliner Agreements shall be necessary. Sabreliner covenants, represents, stipulates, warrants, and agrees that at the Termination Date, it will peaceably surrender possession of the Facilities being conveyed to the City by Sabreliner (see Section 7.C below) in good condition, reasonable wear and tear, acts of God, and other casualties excepted, and City shall have the right to take possession of the Facilities being conveyed to the City in accordance with the Provisions of this Termination Agreement and the Sabreliner Agreements. In the event Sabreliner does not timely vacate the Facilities being conveyed to the City by Sabreliner during the prescribed time period, Sabreliner does hereby stipulate and agree that City may use any remedy at law or in equity including but not limited to a writ of possession to carry out the timely transfer of possession;
- B. Before acceptance by the City of any of the Facilities being conveyed to the City by Sabreliner, which shall exclude the Fuel Facility (see Section 7.C below), the Parties shall perform a joint inspection of the Facilities being surrendered by Sabreliner to the City (see Section 7.C below). Said inspection shall be conducted within forty five (45) to thirty (30) calendar days prior to the Termination Date, unless otherwise agreed to by the City in writing. Sabreliner further agrees to give to the City all building plans (i.e., "As Built" drawings) and mechanical specification manuals on all systems in the surrendered buildings or facilities at least thirty (30) calendar days prior to the Termination Date; and
- C. As of the Termination Date, the Facilities inspected and accepted by the City (see Section 7.B above) including, without limitation, all structures, buildings and improvements installed, relocated, constructed, renovated, or re-constructed by Sabreliner or its assigns, tenants, or lessees in and/or on the leased premises under the Sabreliner Agreements (but excluding the Fuel Facility) shall become the property of the City with title vesting in the City in accordance with and subject to the applicable Provisions of this Termination Agreement and the Sabreliner Agreements. Sabreliner and City acknowledge, stipulate, and agree that "**Fuel Facility**", as used in this Termination Agreement, shall mean the personal property owned and/or operated by Sabreliner for which Sabreliner shall remain the owner and operator, which shall be timely removed and closed by Sabreliner after the Termination Date and the commencement of the Proposed MDC Lease AL-205 in accordance with all applicable federal, state, and local statutes, laws, ordinances, orders, permits, judgments, decrees, Environmental Laws, and regulations and in accordance with Sabreliner's agreement with MDC, and shall consist of all underground storage tanks and any associated piping, connections, distribution systems, pumps, conduits, and other related equipment or structures existing on the Facilities as of the Termination Date and the commencement date of the Proposed MDC Lease AL-205.

8. The Parties acknowledge, stipulate, and agree that in the event of any inconsistency, ambiguity, or conflict between the Provisions of this Termination Agreement, the Sabreliner Agreements, and/or the Sublease Agreements, the

inconsistency, ambiguity, or conflict shall be resolved by giving preference in the following order: a) this Termination Agreement including any exhibits attached hereto, b) the Sabreliner Agreements (AL-45, AL-54, and AL- 87) as the case may be, and then, if applicable, c) the Sublease Agreements.

9. Miscellaneous Legal Provisions:

- A. Notice. Except as herein otherwise expressly provided, all notices required to be given to the City or Sabreliner hereunder shall be in writing and shall be delivered personally, or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, or shall be sent by fax and confirmed by mailing (by first class or express mail, postage prepaid) written confirmation at substantially the same time as such fax has been sent; and, shall be addressed to the Parties at the respective addresses set forth below. A Party may change its address for receipt of notice by service of notice of such change in accordance herewith. Notice shall be deemed received at the earlier of actual receipt or three (3) calendar days after being sent in the manner provided for above.

If to the City:

Director of Airports
Lambert-St. Louis International Airport
P.O. Box 10212, Lambert Station
10701 Lambert International Blvd.
St. Louis, MO 63145
FAX: _____

with a copy to the Deputy Director of Airports and the Airport Properties Manager at the same address.

If to Sabreliner:

Sabreliner Corporation
Pierre Laclède Center
7733 Forsythe Blvd., Suite 1500
St. Louis, MO 63105
Attention: Mr. Jerry L. Wade
FAX: 314-863-6887

with a copy to:

Stinson Morrison Hecker LLP
168 N. Meramec, Suite 400
St. Louis, MO 63105
Attention: Mr. Charles G. Misko
FAX: 314-863-9388

- B. No Personal Liability. No Alderman, Commissioner, Director, officer, board member, employee or other agent of either Party shall be personally liable under or in connection with this Termination Agreement.
- C. Force Majeure. Neither the City nor Sabreliner shall be deemed in violation of this Termination Agreement, if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellions, or sabotage, or any other circumstances for which it is not responsible and which is not within its control.
- D. Successors and Assigns. All of the terms, provisions, covenants, stipulations, conditions and considerations of this Termination Agreement shall extend to and bind the legal representatives, successors and permitted assigns of the respective Parties hereto.
- E. Governing Law. This Termination Agreement shall be deemed to have been made in, and be construed in accordance with the laws of the State of Missouri and is subject to the City's Charter and ordinances, as they may be amended from time to time.

- F. Amendments. This Termination Agreement may be amended from time to time by written agreement, duly authorized and executed by all the signatories to this Termination Agreement.
- G. Withholding Required Approvals. Whenever the approval of City, or Director, or of Sabreliner is required herein, no such approval shall be unreasonably requested, delayed, or withheld.
- H. Waivers. No waiver of default by either Party of any of the Provisions hereto to be performed, kept and observed by the other Party shall be construed as, or operate as, a waiver of any subsequent default of any of the Provisions contained to be performed, kept and observed by the other Party. No waiver shall be binding unless executed in writing by the Party granting the waiver.
- I. Invalid Provisions. In the event any Provision is held to be invalid by a court of competent jurisdiction, the invalidity of any such Provision shall in no way affect any other Provision herein contained, provided the invalidity of any such Provision does not materially prejudice either City or Sabreliner in its respective rights and obligations contained in the valid Provisions of this Termination Agreement.
- J. Time is of the Essence. Time is of the essence in this Termination Agreement. The Parties agree that time shall be of the essence in the performance of each and every obligation and understanding of this Termination Agreement.
- K. Acknowledgment of Terms and Conditions. The Parties affirm each has full knowledge of the Provisions and requirements contained in this Termination Agreement. Each Party acknowledges that such Party and its counsel, after negotiation and consultation, have reviewed and revised this Termination Agreement. As such, the terms of this Termination Agreement shall be fairly construed, and the usual rule of construction, if applicable, to the effect that any ambiguities herein should be resolved against the drafting Party, shall not be employed in the interpretation of this Termination Agreement or any amendments, modifications or exhibits thereto.
- L. Entire Agreement. The Provisions of this Termination Agreement are intended by the Parties as a final expression of their agreement with respect to the Provisions included in this Termination Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Termination Agreement, together with all exhibits attached hereto or documents incorporated by reference, constitutes the entire agreement between the Parties hereto and all other representations or statements heretofore made, verbal or written are merged herein and this Termination Agreement may be amended by written agreement duly authorized and executed by all the signatories to this Termination Agreement. However, the Airport Director, on behalf of the City and in its best interest, may with the consent of Sabreliner revise or amend the attached exhibits to this Termination Agreement.
- M. Required Approvals. When the consent, approval, waiver, or certification of the other Party is required under the terms of this Termination Agreement, excepting an amendment of this Termination Agreement pursuant to Section 9.F (an “Approval”), the Approval must be in writing and signed by the Party making the Approval. Whenever the Approval of City or the Director is required, the Approval must be from the Director or his/her authorized or designated representative. Whenever the Approval of Sabreliner is required, the Approval must be from Iain Glendinning or his authorized or designated representative. City and Sabreliner agree that extensions of time for performance may be made by the written mutual consent of the Director and Sabreliner.
- N. Binding Contract; Counterparts. This Termination Agreement shall become effective and binding only upon the execution and delivery hereof by the City and Sabreliner. Sabreliner acknowledges and agrees that this Termination Agreement is contingent upon the approval of the City Board of Estimate and Apportionment and must be authorized by the City’s Board of Aldermen. This Termination Agreement and any companion document or instruments referred to herein, may be executed in any number of counterparts, each of which shall be original, but all of which together shall constitute one document or instrument.
- O. Exhibits. All exhibits described herein are fully incorporated into this Termination Agreement by this reference as if fully set out herein. City and Sabreliner shall reasonably and in good faith finalize and attach all such exhibits to this Termination Agreement, which may not have been in final form as of the Effective Date of this Termination Agreement.

(signature pages follow)

SABRELINER CORPORATION:

BY: _____
NAME: _____
TITLE: _____
DATE: _____

THE CITY OF ST. LOUIS, MISSOURI, OWNER AND OPERATOR OF LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®:

Pursuant to City Ordinance No. _____, approved _____, 2008.

The foregoing Termination Agreement was approved by the Airport Commission at its meeting on _____, 2008.

BY: _____
Commission Chairman Date
And Director of Airports

The foregoing Termination Agreement was approved by the Board of Estimate and Apportionment at its meeting on _____, 2008.

BY: _____
Secretary Date
Board of Estimate & Apportionment

APPROVED AS TO FORM BY:

City Counselor Date
City of St. Louis

COUNTERSIGNED BY:

Comptroller Date
City of St. Louis

ATTESTED TO BY:

Register Date
City of St. Louis

SABRELINER-TERMNATION-FINAL CLEAN 5-19-08, MAP

Exhibit A				
List of Subleases				
Sabreliner Corporation				
6161 Aviation Dr. Lambert International Airport				
Tenant	Description of Space	Area in Sq. Ft.	Significant Lease Terms	Remarks
Astar	Office 109	370	30 Day Cancellation, Either Party	Auto renewal unless cancelled.
DHL				
	Office - Hangar	370	30 Day Cancellation, Either Party	No Renewals
	Quonset Hut	1,440	30 Day Cancellation, Either Party	No Renewals
	Ramp around Hut	4,640	30 Day Cancellation, Either Party	No Renewals
	Aircraft Ramp	25,000	30 Day Cancellation, Either Party	No Renewals
Airport Terminal Services (ATS)				
	Office, Hangar 6	1,500	One 5 year option through 2011	No Renewals
	Additional Office	214	30 Day Cancellation, Either Party	No Renewals
	Fuel Storage	5,000	One 5 year option through 2011	No Renewals
Chautauqua Airlines				
	Hangar 6 High Bay	24,575	Month to Month Pending Sale to Boeing.	No Renewals
	Office & Shop Space	11,365	Month to Month Pending Sale to Boeing.	No Renewals
Boeing				
	Office - Hangar 7	10,098	Expires Oct. 14, 2008	No Renewals
	Hangar 7	40,698	Expires Oct. 14, 2008	No Renewals
	Hangar 6 High Bay	10,000	Expires Oct. 14, 2008	No Renewals
	Hgr. 6 Lab/Office	2,000	Expires Oct. 14, 2008	No Renewals

EXHIBIT B**Disclosure Schedule**

- A. None
- B. None
- C. None
- D. None
- E. None
- F. None
- G. None
- H. None
- I. None

J. None

K. None

EXHIBIT C

Disclosed Environmental Matters

Underground Storage Tanks

- Two 12,000 gallon and three 10,000 gallon underground storage tanks (*Ref. Due Dil. File A-9 & AI-13*), and associated piping. Below is a chronology of the work associated with the tanks:
- May 4, 1994, a release was discovered at the tank farm. Free product was observed and recovered.
- May 23, 1994, Draft of 20-Day Report, Initial Abatement Steps. (*Ref. Due Dil. File A-9*)
- June of 1995, groundwater contamination was documented to be present at the site during a series of subsurface investigations performed by Environmental Resource Management, Inc. (ERM). A summary report was provided to the Missouri Department of Natural Resources dated July 25, 1997. (*Ref. Due Dil. File AI-1*)
- November 13, 1996, ATS had a 61-gallon fuel spill on the ramp. (*Ref. Due Dil. File AI-9*)
- December 20, 1997, one 3,000 gallon Auto gas fuel tank was removed from the North side of Hangar 7. A letter of closure was issued by MDNR on March 9, 1998. (*Ref. Due Dil. File AI-2*.)
- June 18, 1999, O'Brien and Gere "Site Characterization Report from Sampling and Analyses of Soils at the Trench Intercepts." (*Ref. Due Dil. File AI-1*)
- June 26, 1998, BioVac provided additional investigative findings in a report entitled Subsurface Site Characterization Report.
- Starting in October of 2000 and proceeding over the next eight (8) quarters BioVac performed quarterly groundwater monitoring. (*Ref. Due Dil. File AI-8*)
- September 28, 2002, ATS/Air BP reported a 1,126-gallon jet fuel spill. (*Ref. Due Dil. File AI-9*)
- January 27, 2003, Sabreliner Lambert Fuel Farm Site Results of Additional Subsurface Investigation, Groundwater Sampling and Elevation Gauging Activities Performed in November and December, 2002. The plan is to treat the soil, groundwater and tank pits with an oxygen release compound. (*Report FedEx'd to Boeing on January 27, 2003*)
- March 18, 2003, Letter from BioVac re: Sabreliner Lambert FBO fuel farm site proceeding with follow up sampling event #1, etc.
- March 19, 2003, Letter from BioVac re: Sabreliner Lambert FBO fuel farm site tank recovery well installation and interim groundwater recovery activities performed in February through May of 2002 (Reference ST0006161, Claim 50766)
- April 30, 2003, Letter from MDNR re: Comments to BioVac report dated January 27, 2003
- May 9, 2003, Letter from BioVac re: Sabreliner Corporation correspondence letter dated April 30, 2003 (Reference ST0006161, R0004740)
- May 15, 2003 Letter from BioVac re: Results of additional groundwater sampling activities performed on April 29 and 30, 2003 at the Sabreliner Lambert FBO Fuel Farm Site (Reference ST0006161, R0004740)
- December 14, 2004, Letter from MDNR re: Sabreliner, 6161 Aviation Drive, St. Louis, St. Louis County, MO, ST0006161, R0004740)
- July 7, 2005, Letter from City of St. Louis Airport Authority to Sabreliner Corporation requesting status of delineation of

jet fuel contamination at Sabreliner leasehold.

- July 19, 2005, Letter from Sabreliner Corporation to City of St. Louis Airport Authority responding to request for status of delineation of jet fuel contamination at Sabreliner leasehold.
- October 31, 2003, Tank Testing Report Form

Spills, Releases, Etc.

- Fuel Spill Report. September 28, 2002, ATS – 1126 Gallons (*Ref. Due Dil. File A1-9*)
- Fuel Spill Report. November 13, 1996, ATS – 61 Gallons (*Ref. Due Dil. File A1-9*)
- Declarations and Certifications Endorsement for Financial Responsibility – Period coverage 04/01/2007 to 04/01/2008 (*Provided to Boeing 8/10/07 Via Email*)

Chemicals used and wastes generated

- Sabreliner has one 55 gallon drum used to store compressor oil until picked up by Safety Kleen and house paints in original containers.
- ATS/Air BP sells Jet-A fuel and Low Lead Avgas and Engine Oils.
- Air Cargo uses and generates as waste:
 - Hydraulic Oil and Skydrol Oil and Motor Oil
 - Lacquer thinner and reducer
 - Enamel paints (small quantities)
 - Ethylene Glycol
 - Gasoline
 - Anti-freeze
 - Carb cleaner
 - WD-40
 - Brake Fluid
 - Transmission Fluid
 - Used Jet-A fuel and oil
 - #18 Solvent supplied by SAFETY-KLEEN
- Professional Aircraft Line Service uses:
 - Turbo Oil and Skydrol Oil

Asbestos areas present (Ref. Due Dil. File A1-3)

- Hangar 6, Flight Safety Electrical Room – White 12x12-inch black speckled floor tile and black mastic in good condition. Tile: 2% - 3% Mastic: 2% - 3%
- Hangar 6, 2nd Floor, Flight Safety Classroom – White 12x12-inch brown speckled floor tile and black mastic in good condition. Tile: 2% - 3% Mastic: 2% - 3%
- Hangar 6, 1st Floor, Overhaul Shop – Brown 9x9-inch speckled floor tile and black mastic in good condition. Tile: Non-Detected (“N.D.”) Mastic: 3% - 5%
- Hangar 7, Section of Offices – White floor tile and black mastic. Tile: N.D. Mastic: 5% - 10%
- Hangar 7, Maintenance – White 12x12-inch floor tile and mastic in good condition. Tile: N.D. Mastic: 2% - 3%
- Hangar 7, Maintenance – Grey 10x10-inch floor tile and gold mastic in good condition. Tile: 2% - 3% Mastic: N.D.

- Hangar 7, Offices – White 2x3-foot ceiling tile in good condition. 2%

Facility Permits

- Hazardous waste generators permit (#MOD 071982037-003371)
- Underground Storage Tank Registration (#6161)
- January 27, 2004 – Letter from St. Louis County Health Department with Air Pollution Control Operating Permit (County Id#2992A) (*Provided to Boeing 8/10/07 Via Email*)
- Declarations and Certifications Endorsement for Financial Responsibility – Period coverage 04/01/2007 to 04/01/2008 (*Provided to Boeing 8/10/07 Via Email*)

MDNR 3rd Party Letters

- January 18, 1995, Acknowledgment letter for “45-Day Report and Initial Site Characterization Report.”
- May 5, 1995, First “Site Characterization,” approval letter.
- April 23, 1997, Approval letter for supplement site investigation activity.
- February 10, 1998, “Closure Letter for Auto Gas Tank.” (*Ref. Due Dil. File A1-2*)
- February 18, 1998, Approval letter for site investigation.
- March 9, 1998, Auto gas sludge disposal letter.
- February 2, 1999, Letter discussing groundwater data.
- July 2, 1999, Letter on O’Brien and Gere’s investigation.
- October 1, 1999, Approval letter for further work.
- January 10, 2000, Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- March 6, 2000, Second Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- June 13, 2000, Third Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- October 16, 2000, Fourth Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- February 5, 2001, Fifth Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- August 10, 2001, Sixth Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- December 4, 2001, Seventh Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- April 8, 2002, Eighth Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- July 8, 2002, “Letter of Warning”. (*Ref. Due Dil. File A1-6*)
- August 9, 2002, Ninth Quarterly Ground Water Sampling Results. (*Ref. Due Dil. File A1-8*)
- December 19, 2002, Boeing excavation pit vertical profile soil testing analytical results from the sampling activities. (*Ref. Due Dil. File A1-8*)
- November 3, 2003, Letter from BioVac on results of sampling activities

- July 7, 2005, Letter from Lambert St. Louis International Airport requesting update on determination of contamination extent
- Airport Authority letter request for update on status of UST investigation dated June 28, 2006.
- Sabreliner's response to Airport Authority request on status of UST investigation dated July 5, 2006.
- PSTIF letter dated September 14, 2006 informing Sabreliner of changes affecting insurance renewals for underground storage tanks – no reply required
- December 11, 2006, Sabreliner's letter to PSTIF confirming that Policy number ST0006161-01 is in effect. *(Provided to Boeing 8/10/07 Via Email)*
- December 13, 2006, Response from PSTIF confirming Policy No. 0006161-01 is in effect. *(Provided to Boeing 8/10/07 Via Email)*
- February 22, 2007, Letter from MDNR stating they have reviewed the file for the site regarding groundwater monitoring. *(Provided to Boeing 8/10/07 Via Email)*
- March 26, 2007, Sabreliner's response to MDNR letter of February 22, 2007. *(Provided to Boeing 8/10/07 Via Email)*
- September 5, 2007, Letter from MDNR responding to March 26, 2007 letter.
- September 21, 2007, reply letter to MDNR responding to September 5, 2007 letter.
- October 9, 2007, Letter from MDNR requesting work plan to perform MRBCA on site.
- October 21, 2007, PSTIF letter naming reprehensive for oversight of project.
- January 11, 2008, PSTIF letter approving cost for sampling and report.

Audits

- PSTIF Inspection April 18, 2006
- May 1995, Asbestos Audit (Ref. Due Dil. File A1-3)

Omissions

- No hazardous substances used by Boeing at, on, in, and under the Real Property are listed on this schedule.

Other

- Reference Due Diligence file box provided to Marc Poulin for copies of referenced documents and other documents related to this schedule.
- Tier II registration for March 1, 2006 to February 28, 2007
- PSTIF Declarations & Certifications for Financial Responsibility from April 1, 2007 to April 1, 2008

ATTACHMENT "2"

THE CITY OF ST. LOUIS

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®



McDONNELL DOUGLAS CORPORATION

LEASE AGREEMENT

NO. AL- 205

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AIRPORT NUMBER AL- 205

LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into as of the day of, 2008 (“**Agreement**”), by and between The City of St. Louis, a municipal corporation of the State of Missouri, as Lessor (the “**City**”), the McDonnell Douglas Corporation, a corporation organized and existing under the laws of the State of Maryland (the “**Lessee**” or “**MDC**”).

WITNESSETH, THAT:

WHEREAS, City now owns, operates and maintains an international airport known as “Lambert-St. Louis International Airport®,” located in the County of St. Louis, Missouri (“**Airport**”);

WHEREAS, the City and Sabreliner Corporation, a Delaware corporation, are parties to a “**Termination Agreement**” dated _____, 2008, which is incorporated herein by this reference; whereby the City and the Sabreliner Corporation have agreed to terminate the Sabreliner Agreements (as defined in Article I below) upon and subject to the provisions of the Termination Agreement in order for the City to facilitate the lease and re-development of the Premises (as defined in Article I below) by Lessee in accordance with and subject to the provisions of this Agreement;

WHEREAS, the City and Lessee agree that the term of this Agreement shall commence upon the Commencement Date (as hereinafter defined); and

WHEREAS, the City is willing to lease the Premises to Lessee and the Lessee is willing to lease the Premises from the City for its aerospace manufacturing operations.

NOW, THEREFORE, for and in consideration of the Premises, promises, representations, warranties, and of the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Lessee agree as follows:

**ARTICLE I
DEFINITIONS**

Section 101. Definitions. The following words and phrases shall have the following meanings:

“**Agreement**” shall mean this document and any subsequent amendments thereto, duly approved by City and Lessee.

“**Airport**” shall mean as stated in the preamble hereof.

“**Airport Properties Department**” shall mean that department of the St. Louis Airport Authority that has as its primary responsibility the administration of all tenant, permittee, concessionaire and other space at the Airport, and shall be Lessee’s point of contact with the Airport on all issues related to this Agreement.

“**ATS Lease Agreement AL-542**” shall mean that certain long term lease agreement between the City and Airport Terminal Services Inc. (“**ATS**”) dated _____, 2008; whereby the City is providing a replacement site for ATS operations previously conducted within the Premises under ATS’ sublease agreement with the Sabreliner Corporation (see Section 301 below).

“**Baseline Reports**” shall mean as stated in Article II, Section 202.A.

“**City**” shall mean as stated in the preamble hereof.

“**Commencement Date**” shall mean the first day of the term of this Agreement and is defined and written in Article III, Section 301.

“**Contract Year**” shall mean a consecutive twelve (12) month period commencing on the first day of the term of this Agreement.

“**Director**” shall mean the Director of Airports of the City of St. Louis or his/her authorized or designated representatives.

“**Discharge**” shall have the meaning ascribed to such term by 1001(7) of the Oil Pollution Act of 1990, 33 USC 2701(7), as may be amended from time to time.

“**Existing Improvements**” shall have the meaning stated in Article IV, Section 404 and are more fully described in **EXHIBIT “B”** entitled “Description of Existing Improvements” and shall exclude the Fuel Facility.

“**Extremely Hazardous Substance**” shall mean any substance designated or considered to be an extremely hazardous substance pursuant to 302(a) of the Emergency Planning and Community Right-to-Know Act of 1986, 42 USC 11002(a), as may be amended from time to time.

“**Fuel Facility**” shall mean the personal property owned by the Sabreliner Corporation, which is to be removed and closed by the Sabreliner Corporation after the Commencement Date in accordance with all applicable federal, state, and local statutes, laws, ordinances, orders, permits, judgments, decrees, and regulations and in accordance with the Sabreliner Corporations’ agreement with Lessee, and is more fully described in **EXHIBIT “C”** which is attached hereto and made a part hereof (see Section 501 below).

“**Hazardous Substance**” shall mean any substance designated or considered to be a hazard pursuant to 101(14) of the Comprehensive Environmental Response, Compensation and Liability Act, 42 USC 9601(14), as may be amended from time to time.

“**Hazardous Materials**” shall mean as stated in Article II, Section 202.B.

“**Hazardous Waste**” shall mean any substance designated or considered to be a hazardous waste pursuant to either 1004(5) of the Resource Conservation and Recovery Act, 42 USC 6903(5) or 260.360(10) R.S.Mo., as may be amended from time to time.

“**Improvements**” shall mean without limitation (unless otherwise expressly provided for herein), buildings, structures, facilities, fixtures or any appurtenances thereto on the Premises, including but not limited to aircraft ramp, parking lot and any other structures or facilities which are existing or may be hereafter added, built, or erected by Lessee or City upon the Premises (see Sections 201 and 501 below); provided, however that this definition shall exclude the Fuel Facility.

“**Infectious Waste**” shall mean any substance designated or considered to be an infectious waste pursuant to 260.360(13) R.S.Mo., as may be amended from time to time.

“**Lessee**” or “**MDC**” shall mean as stated in the preamble hereof.

“**Oil**” shall mean any substance designated or considered to be an oil pursuant to 1001(23) of the Oil Pollution Act of 1990, 33 USC 2701(23), as may be amended from time to time.

“**Pollutant**” shall mean any substance designated or considered to be a pollutant pursuant to 502(6) of the Federal Water Pollution Act, 33 USC 1362(6), as may be amended from time to time.

“**Premises**” shall mean the location or locations described in Section 201 that has or have been designated by City for the occupancy and use by Lessee together with all “Improvements” thereon including Existing Improvements for its conduct of business and for other uses herein specifically provided by this Agreement.

“**Release**” shall have the meaning ascribed to such term by 101(22) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC 9601 (22), as may be amended from time to time.

“**Reportable Quantity**” (“RQ”) shall mean as designated by 10 CSR 24-2.010., as may be amended from time to time.

“**Sabreliner Agreements**” shall mean any and all long term use, space, and lease agreements related to the Premises previously leased by the City to Sabreliner Corporation pursuant to AL-45, AL-58, and AL-87, which are more fully described below:

“**AL-45**”: Lease Agreement (Compass Rose and Parking) dated February 4, 1988; as modified by that certain correspondence from the City dated October 23, 2002; as modified by that certain correspondence from Sabreliner Corporation and countersigned by the City, dated December 11, 2002; as extended pursuant to that certain correspondence from the City, dated December 11, 2002; and as extended pursuant to that certain correspondence from Sabreliner dated June 26, 2006;

“**AL-58**”: Use Agreement between the original lessee, Remmert-Werner, Incorporated, and the City, dated February 15, 1967; as amended by that certain First Amendment to Use Agreement between Remmert-Werner, Incorporated and the City, dated February 11, 1971; as extended pursuant to that certain correspondence from Rockwell International Corporation, dated August 24, 1977, and countersigned by the City; as extended pursuant to that certain correspondence from Rockwell International Corporation, dated June 28, 1982, and countersigned by the City on July 1, 1982; as assigned to Sabreliner Corporation by Rockwell International Corporation (the successor by merger to Remmert-Werner, Incorporated) and consented to by the City pursuant to that certain Consent to Assignment and Assumption of Use and Lease Agreement, dated June 29, 1983; as amended by that certain Second Amendment to Lambert-St. Louis International Airport Use Agreement between Sabreliner Corporation and City, dated November 1, 1986; as extended pursuant to that certain correspondence from the City, dated December 11, 2002; and as extended pursuant to that certain correspondence from Sabreliner Corporation dated June 26, 2006.

“**AL-87**”: Space Permit with Sabreliner Corporation (the successor by merger to Remmert-Werner, Incorporated) and the City, having an effective date of November 1, 1986.

“**Special Waste**” shall mean any substance as designated by 10 CSR 80-2.010, as may be amended from time to time.

“**Solid Waste**” shall mean any substance designated or considered as a solid waste pursuant to 260.200(25) R.S.Mo., as may be amended from time to time.

“**Sublessee**” shall mean a third party conducting business on the Premises, which is incidental, necessary or customary to the proper use of the Premises and under agreement with Lessee.

“**Termination Agreement**” shall mean as stated in the preamble hereof.

“**Toxic Pollutant**” shall mean any substance designated or considered to be a toxic pollutant pursuant to 502(13) of the Federal Water Pollution Control Act, 33 USC 1362(13), as may be amended from time to time.

ARTICLE II PREMISES

Section 201. Premises. City hereby leases and demises to Lessee and Lessee takes from City, the property situated in the County of St. Louis, State of Missouri, and containing approximately 16.69 acres or 727,119 square feet (as such number may be modified with the written agreement of both parties based upon a survey), together with all Improvements thereon, excluding the Fuel Facility but including any other Existing Improvements, as more fully described on **EXHIBIT “A”** which is attached hereto and made a part hereof, subject to the reservations set forth in Section 203 hereof.

Lessee hereby acknowledges that it accepts and receives the Premises whether or not previously owned, occupied, or used by Lessee, in an “**AS IS**” condition with no warranties or representations of any kind, expressed or implied, either oral or written, made by City or any of its agents or representatives with respect to the physical, environmental or structural conditions of the Premises or any portion thereof or otherwise including but not limited to, soil conditions of the land and structural conditions of the buildings or facilities or the presence or absence of any hazardous or toxic substances, materials, gases, oil, petroleum products or derivatives, chemicals, pollutants, or waste in, on or under the Premises, or any underground or aboveground storage tanks or repositories and related equipment, asbestos and asbestos-related materials, water, sewage or utilities serving the Premises or any other matter or thing affecting or relating to the Premises, except as expressly set forth in this Agreement. City and Lessee agree that the existence and definition of hazardous or toxic substances, materials, gases, oil, petroleum products or derivatives, chemicals, pollutants, or waste, shall be construed broadly herein in accordance with all applicable federal, state or local laws, statutes, permits, or regulations relating to the protection of human health or the environment. City without limitation expressly disclaims and negates, as to the Premises: a) any implied or expressed warranty of merchantability; b) any implied or expressed warranty of fitness for a particular purpose; and c) any implied warranty with respect to the condition of the Premises, its compliance with any zoning or other rules, regulations, laws or statutes applicable to the Premises including but not limited to the Americans with Disabilities Act, the uses permitted on the Premises, or any other matter or thing relating to the Premises or any portion thereof.

Section 202. Remediation Activities.

A. During the term of this Agreement, Lessee may, at its option and cost, investigate and characterize the environmental condition of the Premises, which investigation and characterization may include, but is not limited to, physical sampling and testing of soils, groundwater, and surface waters on, under, and around the Premises. Lessee acknowledges that on or before the date hereof Sabreliner and Lessee conducted certain investigations of the Premises which resulted in the reports described on EXHIBIT “D” which is attached hereto and made a part hereof (the “**Baseline Reports**”). Copies of the Baseline Reports have been delivered to the City and Sabreliner. The Baseline Reports are provided to the City for information only and do not constitute any obligation on the part of the City in regard to matters discussed or disclosed in the Baseline Reports.

B. If within one year of the Commencement Date of this Lease, Lessee determines and notifies the Director in writing that Hazardous Substances, Extremely Hazardous Substances, Hazardous Waste, Special Waste, Solid Waste, Oil, petroleum product or derivative, Pollutant, Toxic Pollutant, toxic substance, or other chemical substance or material subject to federal, state, or local regulation (collectively, “**Hazardous Materials**”) are present in any soil, groundwater, or surface water on, in, or under the Premises, or migrating from the Premises, above background levels for properties in the immediate vicinity of the Premises (it being understood that background levels reflect natural conditions of the land unaffected by human activities), and Lessee can demonstrate by a preponderance of the evidence that the Hazardous Materials did not originate from the operations or activities of Lessee, any previous lessee, tenant or other person or entity who occupied, used, or performed activities at the Premises pursuant to the Sabreliner Agreements, or the officers, employees, agents, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons, sublessees, assigns, representatives, and invitees of the aforementioned persons or entities. City covenants and agrees that it shall, at its sole cost and expense, as soon as practical remove, remediate, decontaminate, and/or restore any soil, groundwater, or surface water on, in, or under, or around (if Hazardous Materials are migrating from the Premises) the Premises affected by such Hazardous Materials to the extent necessary to attain such removal, remediation, decontamination and/or restoration standards or criteria (hereafter, “**Initial Cleanup Standards**”) as may then apply to properties used for aircraft manufacturing or maintenance, and office or vehicle uses related thereto, or attain such other lower Initial Cleanup Standards as the State of Missouri or the United States of America may otherwise specifically direct City or Lessee to attain. City shall not be precluded from attaining the applicable Initial Cleanup Standard through the use of institutional controls, risk based analyses and remediation objectives, or such other methods as may be permitted under applicable laws, rules, and regulations; provided, however, that neither the ongoing remediation, including any testing or monitoring, nor the use of institutional controls, shall either unreasonably or materially impair or interfere with Lessee’s reasonable use and enjoyment of the property as contemplated by this Agreement. In performing any activities required by this Section 202.B, City shall consult with and coordinate its activities with Lessee to minimize disruption to Lessee operations and shall provide Lessee with such information as it may reasonably require to monitor the progress of the City’s undertaking pursuant to this section. City shall promptly prepare a scope of work for such remediation activities and which shall be submitted to Lessee for the Lessee’s review and approval, which shall not be unreasonably withheld or delayed. In conducting any removal, remediation, decontamination, and/or restoration activities, City shall select and use qualified environmental consultants and contractors who are reasonably acceptable to Lessee. Upon completion of any removal, remediation, decontamination, and/or restoration, City shall deliver to Lessee, for Lessee’s review and approval (which shall not be unreasonably withheld or delayed), a written report including any applicable governmental concurrence, determination, or regulatory action, prepared by City’s environmental consultant, documenting that the Initial Cleanup Standard has been attained (hereafter, “**Initial Remediation Report**”). Any applicable governmental concurrence, determination, or regulatory action evidencing that the Initial Cleanup Standard has been attained, or that further investigation, removal, remediation, decontamination, and/or restoration is not required, shall be deemed conclusive, notwithstanding that such concurrence, determination, or regulatory action is subject to future reopening or reconsideration upon discovery of new or additional information or facts or upon change in applicable law, regulation, or regulatory

guidance. In the event that government concurrence has not been obtained and Lessee objects to the Initial Remediation Report or the attainment of the applicable Initial Cleanup Standard, Lessee and City shall meet and confer in good faith regarding what additional removal, remediation, decontamination, and/or restoration is reasonably required (if any) to satisfy the applicable Initial Cleanup Standard. If Lessee and City cannot agree on additional removal, remediation, decontamination, and/or restoration, and the appropriate regulatory authorities are unable or unwilling to provide, in due course, direction on attainment of the applicable Initial Cleanup Standard, City and Lessee shall jointly select an independent, qualified environmental consultant (the cost of which shall be shared equally by the City and Lessee) who shall make a determination regarding the attainment of the applicable Initial Cleanup Standard and/or the extent of further removal, remediation, decontamination and/or restoration required to attain the applicable Initial Cleanup Standard, and such determination shall be conclusive and binding upon the City and Lessee. If Lessee and City agree on additional removal, remediation, decontamination, and/or restoration (including without limitation by reason of the independent consultant's binding determination as describe above), City shall undertake same (at the City's sole cost) and shall deliver to Lessee a subsequent Initial Remediation Report for its review and approval in accordance with this Section 202.B. In no event shall the City be responsible under this Section 202 to Lessee for any surface or sub-surface contamination caused by Lessee, any lessee, tenant, or other person or entity who occupied, used or performed activities at the Premises pursuant to the Sabreliner Agreements and/or this Agreement, or the officers, employees, agents, consultants, contractors, subcontractors, licensees, independent contractors, guests, patrons, sub-lessees, assigns, representatives, and invitees of the aforementioned persons or entities.

C. To facilitate the foregoing provisions of this Section 202, commencing with the execution of this Agreement, and subject to the confidentiality agreement entered into by the City and Lessee, City agrees to permit Lessee and Lessee's employees, consultants, agents, representatives, inspectors, and contractors to inspect and/or copy non-privileged reports, documents or records pertaining to the Premises including but not limited to: all plans and specifications, blueprints, soil reports, geological, environmental and engineering reports, environmental compliance and waste management plans and other governmental reports that City has in its possession or under its control, relating to the environmental condition of the Premises. Lessee acknowledges and agrees that the information and documents obtained in accordance with this Section (including the Baseline Reports) are for informational purposes only, and although believed to be reliable, shall not be relied upon by Lessee, and in the event any such information or documents are incorrect, City shall not be liable to Lessee for such inaccuracies because City makes no warranty or representation that the information or documents are true, complete, or accurate.

D. The provisions of this Section 202 shall be the sole obligation of the City to Lessee in regards to Hazardous Materials present at the Premises (but also including the Fuel Facility) on or before the Commencement Date and Lessee hereby releases and discharges the City, its Board of Aldermen, and the Airport Commission and its officers, employees, representatives, and agents from any and all obligations, liabilities or responsibilities in relation to, arising out of or pertaining to any Hazardous Materials present on, under or around the Premises or the Improvements (but also including the Fuel Facility) on or before the Commencement Date and any claims, rights, or remedies that Lessee may have, now or in the future, at law or in equity, with respect to the Hazardous Materials present on, under, or around the Premises (but also including the Fuel Facility) on or before the Commencement Date, whether arising under contract, statute, regulation, common law or otherwise, except for such obligations of the City under this Section 202. Notwithstanding the foregoing language of this subsection 202.D., Lessee does not release, discharge, limit or disclaim any claims, actions, rights, or remedies that Lessee may have, now or in the future, at law or in equity, against the City, its Board of Aldermen, and the Airport Commission and its officers, employees, representatives, and agents for contribution or equitable indemnity regarding any claimed third-party bodily injury, personal injury, or human exposure arising from or incident to Hazardous Materials present on, under, or around the Premises on or before the Commencement Date.

Section 203. Reservations. The grant of lease hereunder is subject to the following reservations and conditions.

- A. City reserves the right (but shall not be obligated to Lessee) to maintain and keep in repair the landing area of the Airport and all publicly-owned facilities of the Airport, together with the right to direct and control all activities of Lessee in this regard.
- B. City reserves the right further to develop or improve the landing area and all publicly-owned air navigation facilities of the Airport as City in its sole and absolute discretion sees fit, regardless of the desires or views of Lessee, and without interference or hindrance of any kind.
- C. City reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Lessee from erecting, or permitting to be erected, any building or other structure on the Airport including the Premises which in the sole and absolute opinion of City would limit the usefulness of the Airport or constitute a hazard to aircraft.
- D. During the time of war or national emergency City shall have the right to enter into an agreement with the Government of the United States of America (the "U.S. Government") for use of part or all of the landing area,

the publicly-owned air navigation facilities and/or other areas or facilities of the Airport including the Premises and the rights granted herein. If any such agreement is executed, the provisions of this Agreement, insofar as they are inconsistent with the provisions of the agreement with the U.S. Government, shall be suspended immediately upon receipt of written notice from City.

- E. It is understood and agreed that the rights granted by this Agreement to Lessee will not be exercised by Lessee in such a way as to interfere with or adversely affect the use, operation, maintenance, expansion or development of the Airport.
- F. There is hereby reserved to City, its successors and assigns, for the use and benefit of the public, a free and unrestricted right of flight for the passage of aircraft in the airspace above the surface of the Premises herein conveyed, together with the right to cause or allow in said airspace or within the Premises such noise, vibration, fumes, dust, fuel particles, illuminations, interference with television, radio or any other type of transmission and other effects as may be caused in the operation of aircraft, now known or hereafter used for navigation of or flight in the air, using said airspace or landing at, taking off from, or operating on or about the Airport.
- G. This Agreement shall become subordinate to provisions of any existing or future agreement between City and the United States of America or any agency thereof relative to the operation, expansion, improvement, development, or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the operation, improvement, development, expansion or maintenance of the Airport.
- H. City reserves all gas, oil and mineral rights in and under the soil; provided, however, that City, in the exercise of such rights, shall not unreasonably or materially impair or interfere with the surface of the soil or with Lessee's use of the Improvements thereon.
- I. City reserves the right to grant utility and maintenance rights-of-way to itself and others over, under, through, across or on the Premises provided that such use will not unreasonably or materially impair or interfere with Lessee's use of the Premises, and provided further that such reservation or grant of rights shall not directly result in cost or expense to Lessee.

Section 204. Access. Subject to the terms, covenants, warranties and conditions of this Agreement, Lessee has the right of free access, ingress to and egress from the Premises, for Lessee's employees, agents, guests, patrons and invitees. Subject to the terms, covenants, warranties and conditions of this Agreement, City reserves and shall have the right to access, ingress to and egress from the Premises without charge therefore, for its employees, contractors, agents, guests, patrons and invitees, its or their suppliers of materials and furnishers of service, and its or their equipment, vehicles, machinery and other property, provided that such right will not unreasonably and materially interfere with Lessee's use of the Premises and upon compliance with Lessee's reasonable security and confidentiality procedures. If Lessee is not present to permit entry and entry is necessary, City may, in case of emergency, forcibly enter the Premises without rendering City liable therefore, except for any damage caused to Lessee's property as a result of such entry or any costs, damages or liabilities arising from City's negligence or willful misconduct. Nothing contained herein shall be construed to impose upon City any duty of inspection or repair of the Premises except as expressly and specifically provided for herein.

Lessee hereby acknowledges that City is required by Federal Aviation Regulations ("FAR"), Part 107 as amended, to adopt and put into use facilities and procedures designed to prevent and deter persons and vehicles from unauthorized access to the Aircraft Operating Area ("AOA"). Lessee understands that City has met said requirements by developing an Airport Security Program ("ASP") for the Airport, and Lessee warrants, covenants and agrees to be fully bound by and immediately responsive to the requirements of the ASP in connection with Lessee's exercise of the privileges granted to Lessee hereunder for the full term hereof. Lessee further warrants, covenants and agrees, throughout the term of this Agreement, at its own cost, to prepare facilities and procedures, satisfactory to City, designed to prevent and deter persons and vehicles from unauthorized access to the AOA from and through any Premises controlled or used by Lessee in accordance with the provisions of the aforesaid FAR Part 107, and ASP for the Airport.

Lessee hereby acknowledges that it understands that its security procedures and facilities on the Premises to meet the requirements of the aforesaid FAR Part 107, shall include but not be limited to:

- A. fencing and locked gates;
- B. Airport-approved badging, badge display, escort and challenge procedures applicable to persons authorized to enter the AOA;

- C. an electronic entry control system or a manned guard system where gates or doorways cannot reasonably be controlled by locks; and
- D. other facilities and procedures as may be required to establish positive control for preventing the entrance of unauthorized persons and vehicles onto the AOA.

ARTICLE III AGREEMENT TERM

Section 301. Term. The term of this Agreement shall commence within ten (10) business days of the latest to occur of the following: a) ATS has timely completed the "Obstruction Removal Project" as required and provided for in Section 203 entitled "Aircraft Movement" of the "ATS Lease Agreement AL-542", b) ATS and the Sabreliner Corporation have terminated their sublease agreement dated _____, c) all other subleases agreements or tenancies affecting the Premises have expired or have been terminated by Sabreliner as required under the Termination Agreement, and d) Sabreliner Corporation, ATS, and all other sublessees or tenants of the Sabreliner Corporation have vacated the Premises in accordance with the Termination Agreement. The term of this Agreement shall end on December 31, 2034, unless sooner terminated in accordance with other provisions of this Agreement. The commencement date of this Agreement may be changed by the mutual agreement of the Lessee and the Director of Airports in writing. The City shall write the mutually agreed to "**Commencement Date**" in the space below.

Commencement Date: _____

Simultaneously with the Commencement Date, the terms of this Agreement shall govern and the Sabreliner Agreements shall terminate as of the "Termination Date" as defined and provided for in Section 1 of the Termination Agreement, provided that: a) ATS has timely completed the "Obstruction Removal Project" as required and provided for in Section 203 of the ATS Lease Agreement AL-542 entitled "Aircraft Movement" and b) ATS and the Sabreliner Corporation have terminated their sublease agreement dated _____, c) all other subleases agreements or tenancies affecting the Premises have expired or have been terminated by Sabreliner as required in the Termination Agreement, and d) Sabreliner Corporation, ATS, and all other sublessees or tenants of the Sabreliner Corporation have vacated the Premises in accordance with the Termination Agreement, unless otherwise agreed to in writing by the Director of Airports on behalf of the City and Lessee. The City and Lessee agree that this Agreement shall be deemed null and void if the City and the Sabreliner Corporation fail or refuse to enter into and execute that Termination Agreement within three (3) months of the Effective Date of this Agreement, unless otherwise agreed to in writing by the Director of Airports on behalf of the City and Lessee.

Section 302. Renewal Agreement Terms. Provided Lessee is in compliance with all the terms, covenants, and conditions of this Agreement and continues to maintain substantial operations at the leased Premises, Lessee may renew this Agreement upon all the same terms, covenants and conditions, for two (2) additional eight (8) year terms. The "**Renewal Agreement Terms**" shall be exercised by written notice to City not later than two (2) years prior to the last day of the initial term or subsequent renewal term

Section 303. Surrender of Possession. No notice to quit possession at the expiration date of the term of this Agreement, or at the earlier termination hereof, shall be necessary. Lessee warrants, covenants, and agrees that at the expiration date of the term of this Agreement, or at the earlier termination hereof, it will peaceably surrender possession of the Premises in as good condition, reasonable wear and tear, acts of God, and other casualties excepted, and City shall have the right to take possession of the Premises. In the event Lessee does not vacate the Premises during the prescribed time period, Lessee does hereby agree that City may use any remedy at law or in equity including but not limited to a writ of possession to carry out the transfer of possession.

City and Lessee, before acceptance by the City of any of the facilities and Improvements, shall perform a joint inspection of the facilities and Improvements being surrendered to the City. Lessee shall perform any reasonable maintenance work requested by the City so that all mechanical systems are fully functional and the facilities are protected from the weather. Said inspection shall be conducted within forty five (45) to thirty (30) calendar days prior to the expiration date of the term of this Agreement, or at the earlier termination thereof as provided for in ARTICLE X, entitled "TERMINATION OF AGREEMENT IN ENTIRETY BY REASON OF DEFAULT." Lessee further agrees to give to the City all building plans (i.e., "As-Built" drawings) and mechanical +specification manuals on all systems in the surrendered facilities.

Section 304. Environmental Covenants and Releases.

- A. Lessee covenants and agrees that at the expiration date of the term of this Agreement, or as soon as practicable after earlier termination hereof, unless otherwise agreed to in writing by the City, Lessee shall (i) remove all products or wastes contained in underground and aboveground storage tanks located on the Premises (including the Fuel Facility should Sabreliner fail or refuse to timely remove as provided by law and in accordance with its agreement with Lessee [see Section

- 501]), and (ii) pull or remove all underground and aboveground storage tanks, and any connecting piping, tubing, or other related equipment (including the Fuel Facility should Sabreliner fail or refuse to timely remove and close as provided by law and in accordance with its agreement with Lessee [see Section 501}), located on the Premises.
- B. Lessee covenants and agrees that no less than two years prior to the expiration date of the term of this Agreement, or as soon as practicable following the earlier termination hereof, unless otherwise agreed to in writing by City, Lessee shall complete an investigation of the environmental condition of the Premises to determine the presence in soil, groundwater, or surface water of any Hazardous Materials. In conducting its investigation, Lessee shall select and use a qualified environmental consultant who is reasonably acceptable to the Director, and Lessee's consultant shall prepare a scope of work for the investigation, which scope of work shall be consistent with generally accepted environmental professional practice and standards, and as otherwise may be required by the State of Missouri or the United States Environmental Protection Agency. Upon finalization, the scope of work shall be promptly submitted to the Director for his approval, which approval shall not be unreasonably withheld or delayed. Lessee shall document the findings of its environmental investigation in a written report (hereinafter, the "**Environmental Investigation Report**") to be prepared by Lessee's consultant and upon finalization, provided to the Director for his review and approval, which approval shall not be unreasonably withheld or delayed.
- C. Subject to and consistent with Section 304.F, to the extent that the Environmental Investigation Report identifies levels of Hazardous Materials in soil, groundwater, or surface water on, in, or under the Premises, or migrating from the Premises, above background levels for properties in the immediate vicinity of the Premises (it being understood that background levels reflect natural conditions of the land unaffected by human activities), Lessee covenants and agrees that it shall, at its sole cost and expense, remove, remediate, decontaminate, and/or restore any soil, groundwater, or surface water on, in, or under, or around (if Hazardous Materials are migrating from the Premises) the Premises affected by such identified Hazardous Materials to the extent necessary to attain such removal, remediation, decontamination and/or restoration standards or criteria as may then apply to properties used for aircraft manufacturing or maintenance, and office or vehicular uses related thereto, or if required at the time that the Environmental Investigation Report is completed, to attain such other lower "Final Cleanup Standards" as the State of Missouri or United States of America may otherwise specifically direct Lessee to attain (hereafter, "**Final Cleanup Standards**"). Lessee shall use all reasonable efforts to complete any required soil removal or remediation on the Premises prior to the expiration of this Agreement, or as soon as practical after the termination or earlier expiration of this Agreement, subject to City's reasonable cooperation. Lessee shall not be precluded by the City from attaining the applicable Final Cleanup Standard through the use of institutional controls, risk based analyses and remediation objectives, prior no further action determinations (if still applicable) regarding environmental conditions by the applicable regulatory authority, including those issued for work conducted under Section 202 of this Agreement or such other methods as may then be permitted under applicable laws, rules, and regulations; provided, however, that neither the ongoing remediation, including any testing or monitoring, nor the use of institutional controls, or reliance on prior no further action determinations as provided for above shall either unreasonably or materially impair or interfere with City and/or its tenants' reasonable use and enjoyment of the Premises both surface and subsurface for purposes of aircraft manufacturing or maintenance, and office or vehicular uses related thereto. In conducting any removal, remediation, decontamination and/or restoration, Lessee shall select and use qualified environmental consultants and contractors who are reasonably acceptable to the Director. In performing any activities required by this Section 304, Lessee shall consult with and coordinate its activities with City to minimize disruption to City or any subsequent tenant operations and shall provide City with such information as it may reasonably require to monitor the progress of the Lessee's undertaking pursuant to this section. Lessee shall promptly prepare a scope of work for such remediation activities and which shall be submitted to City for the City's review and approval, which shall not be unreasonably withheld or delayed.
- D. Upon completion of any removal, remediation, decontamination, and/or restoration required by Section 304.C, Lessee shall deliver to the Director a written report, including any applicable governmental concurrence, determination, or regulatory action, prepared by Lessee's environmental consultant documenting that the Final Cleanup Standard required by Section 304.C has been attained (hereafter, the "**Final Remediation Report**"). If still applicable, Lessee may use any regulatory determinations that no further action is required with regard to an environmental condition, including those addressed pursuant to Section 202 of this Agreement, to document attainment of the Final Cleanup Standard in the Final Remediation Report, provided that such environmental condition was not increased, affected or exacerbated during the term of this Agreement by Lessee, its officers, agents, employees, tenants, consultants, contractors, licensees, independent contractors, guess, patrons, or invitees. Within forty-five (45) days of the Director's receipt of a Final Remediation Report, the Director shall either (1) deliver to Lessee its written concurrence that the Final Cleanup Standard has been attained with respect to such removal, remediation, decontamination, and/or restoration, or (2) deliver to Lessee written objections setting forth specific and reasonable grounds why the respective Final Cleanup Standard has not been satisfied; provided, however, that any applicable governmental concurrence, determination, or regulatory action evidencing that the Final Cleanup Standard has been attained or that further investigation, removal, remediation, decontamination, and/or restoration is not required

shall be deemed conclusive notwithstanding that such concurrence, determination, or regulatory action is subject to future reopening or reconsideration upon discovery of new or additional information or facts or upon change in applicable law, regulation, or regulatory guidance, unless such concurrence is based upon deed or other Premises use restrictions that unreasonably or materially impair or interfere with City and/or its tenants' reasonable use and enjoyment of the Premises both surface and subsurface consistent with the Final Cleanup Standards. Lessee shall provide the Director with written notice if the Director fails to timely deliver his written concurrence or objections in accordance with this Section 304.D. If the Director fails to respond to such written notice within thirty (30) days of receipt, Lessee shall be conclusively deemed to have satisfied its covenants and agreements pursuant to this Section 304.D, and shall have no further liability or obligation in accordance with Section 304.E. In the event that the Director makes timely written objections to a Final Remediation Report, within ten (10) business days of receipt of such objections, Lessee and City shall meet and confer in good faith regarding what additional removal, remediation, decontamination, and/or restoration is reasonably required (if any) to satisfy the applicable Final Cleanup Standard. If Lessee and City cannot agree on additional removal, remediation, decontamination, and/or restoration, and the appropriate regulatory authorities are unable or unwilling to provide, in due course, direction on attainment of the applicable Final Cleanup Standard, City and Lessee shall jointly select an independent, qualified environmental consultant (the cost of which shall be shared equally by City and Lessee) who shall make a determination regarding the attainment of the applicable Final Cleanup Standard and/or the extent of further removal, remediation, decontamination and/or restoration required to attain the applicable Final Cleanup Standard, and such determination shall be conclusive and binding upon City and Lessee. If Lessee and City agree on additional removal, remediation, decontamination, and/or restoration (including without limitation by reason of the independent consultant's binding determination as described above), Lessee shall undertake same (at Lessee's sole cost) and shall deliver to the Director a subsequent Final Remediation Report for his review and action in accordance with this Section 304.D.

- E. UPON LESSEE'S SATISFACTION OF ITS COVENANTS AND OBLIGATIONS IN SECTION 304.D, Lessee shall have no further liability or obligation to city, its board of aldermen, or the airport commission to remove, remediate, decontaminate, and/or restore such soil, groundwater, or surface water. **Nothing in this Agreement is intended to relieve Lessee of, or indemnify Lessee for, any liability that Lessee may have to any other party resulting from or arising out of contamination of the soil, groundwater or surface water.**
- F. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 304, LESSEE SHALL HAVE NO LIABILITY FOR AND NO RESPONSIBILITY OR OBLIGATION TO CITY, ITS BOARD OF ALDERMEN, OR THE AIRPORT COMMISSION TO REMOVE, REMEDIATE, DECONTAMINATE, AND/OR RESTORE ANY SOIL, GROUNDWATER, OR SURFACE WATER AFFECTED BY ANY HAZARDOUS MATERIALS WHICH LESSEE CAN DEMONSTRATE BY A PREPONDERANCE OF EVIDENCE (I) ARE OR WERE RELEASED, DISCHARGED, DISPOSED, AND/OR SPILLED ON, IN, UNDER, ABOUT, AROUND, OR FROM THE PREMISES BY CITY, ITS OFFICERS, AGENTS, EMPLOYEES, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INDEPENDENT CONTRACTORS, GUESTS, PATRONS, TENANTS, AND INVITEES; EXCLUDING THE LESSEE, ANY LESSEE, TENANT, OR OTHER PERSON OR ENTITY WHO OCCUPIED OR USED THE PREMISES PURSUANT TO THE SABRELINER AGREEMENTS OR THIS AGREEMENT, OR THE OFFICERS, EMPLOYEES, AGENTS, CONSULTANTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES, INDEPENDENT CONTRACTORS, ASSIGNS, REPRESENTATIVES, GUESTS, PATRONS, SUB-LESSEES AND INVITEES OF THE AFOREMENTIONED PERSONS OR ENTITIES; OR (II) MIGRATE OR MOVE OR MIGRATED OR MOVED ONTO, INTO, OR UNDER THE PREMISES FROM OTHER PROPERTY OWNED OR OPERATED BY CITY OR ANY OF ITS TENANTS (EXCLUDING LESSEE, OR ANOTHER THIRD-PARTY NOT AFFILIATED WITH LESSEE.

Section 305. Early Surrender. Lessee hereby covenants, stipulates, and agrees, to timely construct facilities within the Premises. Lessee covenants, stipulates and agrees that the facilities constructed under this section shall consist of at least one free standing building, along with paving for ramps, parking and/or roads, underground utilities such as water, sewer, gas, and electric service lines and these improvement shall occupy at least ninety percent (90%) of the Premises. Lessee warrants, represents, stipulates and agrees that it will comply with the timetable listed below to complete these new facilities.

Submittal of TCA as required in Article VII	By October 1, 2014
Approval or rejection of Lessee's Plans by City	By November 15, 2014
If plans are rejected by Airport Lessee shall submit revised plans	By May 30, 2015
Final approval or rejection by City of Lessee's plans	By July 15, 2015
Construction of the approved plans completed	By June 30, 2018.

Lessee takes beneficial occupancy of the completed buildings

By August 30, 2018.

Lessee and City hereby acknowledge, stipulate and agree that unless Lessee's submitted plans have been approved by City by July 15, 2015 that this Agreement shall automatically terminated on July 31, 2017 without any further notice to Lessee. However, the City will endeavor to provide notice of the automate termination to Lessee (see Section 303 entitled "Surrender of Possession"). Further, Lessee and City hereby acknowledge, stipulate and agree that unless construction of the approved plans is completed by June 30, 2018 that this Agreement shall automatically terminated on June 30, 2020 without any further notice to Lessee. However, the City will endeavor to provide notice of the automate termination to Lessee (see Section 303 entitled "Surrender of Possession"). Notwithstanding anything contained herein to the contrary, the parties agree that the sole remedy for any breach by Lessee of the provisions of this Section 305 shall be limited to the automatic termination of this Agreement and the Surrender of Possession as described in this Section 305.

ARTICLE IV RENT AND FEES

Section 401. General. Lessee, for and in consideration of the rights and privileges granted herein, agrees to promptly and timely pay the rents and fees set forth in this Agreement, without demand during the term of this Agreement.

Section 402. Rent Payment. Lessee will pay to City a square foot rental rate of Twenty-Six Cents (\$0.26) (the "**Initial Rent**") for an annual rent of One Hundred Eighty-Nine Thousand Fifty Dollars and .94 Cents (\$189,050.94). This rent will be paid in equal monthly amounts of Fifteen Thousand Seven Hundred and Fifty-Four Dollars and .24 Cents (\$15,754.24), in advance, on or before the first day of each month of the term of this Agreement. The Initial Annual Rent due and payable under this Agreement is subject to adjustment pursuant to Section 305 "Partial Surrender," Section 403 "Rent Escalation," and Section 1103.B "Partial Take."

Section 403. Rent Escalation. As used in this Section 403:

- A. "**Index**" shall mean the "Consumer Price Index for all Urban Consumers" (**CPI-U**) relating to "U.S. City Average" and issued by the Bureau of Labor Statistics of the United States Department of Labor. In the event the Index shall hereafter be converted to a different standard reference base or otherwise revised, the determination of the Percentage Increase (defined below) shall be made with the use of such conversion factor, formula or table for converting the Index as may be published by the Bureau of Labor Statistics or, if said shall not publish the same, then with the use of such conversion factor, formula or table as may be published by Prentice Hall, Inc., or failing such publication, by any other nationally recognized publisher of similar statistical information as reasonably selected by the Director. In the event the Index shall cease to be published, then for the purposes of this Section, City and Lessee shall agree upon the new index to be used, and if they are unable to agree within ninety days after the Index ceases to be published, such matter shall be reasonably decided by the Director.
- B. "**Base Index**" shall mean the Index in effect in December of the calendar year in which the new date of this Agreement falls and shall also mean the Index in effect in December of the calendar year in which any additional real estate or property is added to the Premises pursuant to Article V.
- C. "**Anniversary Month**" shall mean December of the fifth year from the year Lessee's obligation to pay rent commences under this Agreement and December of every fifth year thereafter during the initial term of this Agreement and any extensions in the term of the Agreement, as provided for in Section 302 "Renewal Agreement Terms."
- D. "**Percentage Increase**" shall mean the percentage equal to the fraction, the numerator of which shall be the Index in the Anniversary Month less the Base Index, and the denominator of which shall be the Base Index; provided, however that the Percentage Increase for the five year period between each Anniversary Month shall not exceed twenty percent (20%) (see **EXHIBIT "E"** entitled "Annual Rent Schedule Assuming Maximum Percentage Increases", which is attached hereto and incorporated herein).
- E. "**Base Annual Rental Rate**" shall be the square foot rental rate of Twenty-Six Cents (\$0.26) as stated and provided for in Section 402 above."
- F. If the Index in an Anniversary Month shall exceed the Base Index, then the Base Annual Rental Rate payable for the ensuing five (5) calendar years, and thereafter until a new index comparative statement is sent to Lessee, shall be increased by the Percentage Increase. On or before April 1st of the said ensuing five (5) calendar years to which the increase in the Base Annual Rental Rate applies, City shall send Lessee an "Index Comparative Statement" setting forth the following:

1. The Index in the Anniversary Month preceding the date of the statement,
2. The Base Index(s),
3. The Percentage Increase of each, and
4. The increase in each Base Annual Rental Rate.

On the first day of the calendar month (“**current month**”) following the month in which the Index Comparative Statement was sent, Lessee shall pay to City a sum equal to 1/12th of said increase in Base Annual Rental Rate multiplied by the number of calendar months of the lease term then elapsed since said January 1st, and thereafter, commencing with the current month and continuing monthly thereafter until a different Index Comparative Statement is sent to Lessee, the monthly installments of rent shall be increased by an amount equal to 1/12th of said increase. In the event the last mentioned increased monthly installments of rent shall continue beyond the end of the five-year period for which such payments were payable, any necessary adjustment will be made when the next succeeding Index Comparative Statement is sent to Lessee.

Section 404. Payments for Existing Improvements. Lessee acknowledges and agrees that the “**Existing Improvements**” consisting of two hangers, asphalt parking lot, aircraft parking ramp, and various small out building that are more fully described in **EXHIBIT B** entitled “Description of Existing Improvements”, which is attached hereto and made a part hereof, have a total fair market value of Seven Million Two Hundred Thousand Dollars (\$7,200,000.00). Lessee further acknowledges and agrees that Lessee’s redevelopment plans entail demolishing the Existing Improvements. To compensate the City for the loss in value of the Existing Improvements, Lessee shall pay the City the full value for the Existing Improvements as provided for in this Section 404. The outstanding balance for the Existing Improvements of Seven Million Two Hundred Thousand Dollars (\$7,200,000.00) shall be paid in one lump sum on the Commencement Date.

Section 405. Unpaid Rent and Fees. All unpaid rent and fee payments due City hereunder shall bear a service charge of one and one-half percent (1½%) per month if same is not paid and received by City on or before the 30th of the month in which said payments are due, and Lessee agrees that it shall pay and discharge all costs and expenses including attorneys’ fees, court costs and expenses incurred or expended by City in collection of said delinquent amounts due including service charges.

Section 406. Notice, Place and Manner of Payments. Payments shall be made at the Office of Director at the address as set forth in Section 1101 below, or at such other place or by whatever payment method the City may determine as City may hereafter notify Lessee and shall be made in legal tender of the United States.

Section 407. Additional Fees, Charges and Rents. Lessee shall pay additional fees, charges and rents under the following conditions: If City has paid any sum or sums or has incurred any obligation or expense for which Lessee has agreed to pay or reimburse City; or

- A. If City is required or elects to pay any sum or sums or incurs any obligations or expense because of the failure, neglect or refusal of Lessee to perform or fulfill any of the terms, covenants or conditions of this Agreement and City has provided Lessee with thirty (30) days written notification of such failure, neglect or refusal.
- B. Such payments shall include all interest, costs, damages and penalties in conjunction with such sums so paid or expenses so incurred and may be added to any installment of fees, charges and rent thereafter due hereunder. Each and every part of such payment shall be recoverable by City in the same manner and with like remedies as if it were originally a part of the basic fees, charges and rent, as set forth herein.

For all purposes under this paragraph, and in any suit, action or proceeding of any kind between the parties hereto, any receipt showing the payment of any sum or sums by City for any work done or material furnished at the Premises shall be prima facie evidence against Lessee that the amount of such payment was necessary and reasonable.

Section 408. Prompt Payment of Taxes and Fees. Lessee warrants, covenants and agrees to pay promptly all lawful general taxes, special assessments, excises, license fees, permit fees, and utility service charges of whatever nature, applicable to its operation at the Airport, and acquire and keep current all licenses, municipal, state or federal, required for the conduct of its business at and upon the Airport.

**ARTICLE V
TITLE TO EXISTING IMPROVEMENTS**

Section 501. Ownership of Certain Improvements. Lessee hereby agrees and acknowledges that effective immediately upon the termination of the Sabreliner Agreements and the Commencement Date of this Agreement, Lessee assumes for the purposes of this Agreement title and ownership of the Existing Improvements existing on the Premises at the Commencement Date and Sabreliner shall retain ownership of the Fuel Facility. However, for the purposes of this Agreement, if Sabreliner should fail or refuse to timely and properly remove and close the Fuel Facility after the Commencement Date in compliance with all applicable federal, state, and local statutes, laws, ordinance, orders, judgments, decrees, and regulations and in accordance with Sabreliner's agreement with Lessee, then Lessee shall be obligated and responsible to timely remove and close Fuel Facility in accordance with all applicable federal, state, and local laws, regulations, orders, and permits (see Section 602 below).

**ARTICLE VI
USE OF PREMISES**

Section 601. Use. City hereby grants to Lessee, subject to all the terms, covenants, and conditions of this Agreement, permission to occupy and use the Premises and Improvements, and to construct additional Improvements, relating to Lessee's aerospace manufacturing operations or other lawful uses as are incidental, necessary or customary to the Lessee's business activity of aerospace manufacturing on the Premises.

Section 602. Compliance with Laws and Regulations. Lessee shall comply with all statutes, laws, ordinances, orders, judgments, decrees and regulations of all federal, state, local and other governmental authorities, including without limitation the "Airport Certification Manual" on file at the Director's Office, now or hereafter applicable to the Premises or to any adjoining public ways, as to the manner of use or the condition of the Premises or of adjoining public ways.

Lessee further agrees to abide by all federal, state, and local laws, regulations, and ordinances related to: (1) the transportation, storage, use, manufacture, generation, disposal, Discharge, spilling, or Release of Hazardous Substances and/or Extremely Hazardous Substances; (2) the transportation, storage, use, manufacture, generation, treatment, disposal, Discharge, Release, or spilling of Hazardous Wastes; (3) the transportation, storage, use, recovery, disposal, Discharge, Release or spilling of Oil or other petroleum products or derivatives; (4) the Discharge of effluents, Pollutants and/or Toxic Pollutants to publicly owned treatment works, storm water systems, or to waters of the United States or tributaries thereof; (5) the emission of any regulated substance into the air; (6) the transportation, storage, treatment, disposal, Discharge, Release, or spilling of Infectious Waste; (7) the transportation, storage, treatment, recycling, reclamation, disposal, Discharge, Release or spilling of Solid Wastes; (8) the transportation, storage, treatment, recycling, or disposal of waste tires, waste Oil, used Oil, and/or used lead-acid batteries; and (9) the operation, use, storage, removal, transportation, disposal, remediation, and compliance issues regarding any and all aboveground or underground storage tanks and associated piping, pumps, connections, distribution systems, conduits and other related equipment or structures as the owner and operator of said storage tanks (but also including the Fuel Facility should Sabreliner refuse or fail to timely and properly remove and close [see Section 501 above]), until said storage tanks are removed and closed as provided by law (unless otherwise agreed to by the City in writing). In addition, Lessee shall be responsible for securing all operating permits for the Premises to the extent such permits are required for the Premises by local, state, or federal officials or laws including, without limitation, air, water and waste disposal permits.

Lessee shall immediately notify in writing the Director, or his or her designee, of any significant circumstance or condition that may be a violation of a law or regulation for the protection of human health or the environment.

Lessee shall make available to City upon request all permits, approvals, reports, plans, correspondence, and other non-privileged records related to the Premises that are required or maintained in connection with any environmental laws, rules, or regulations. During the term of this Agreement, City and/or its agents or employees shall have the right to periodically inspect the Premises at reasonable times, upon reasonable notice and upon compliance with Lessee's security and confidentiality procedures to evaluate to its satisfaction Lessee's compliance with applicable environmental laws, rules, and regulations and with the terms of this Agreement with respect to such matters.

Lessee's failure to comply with any provision of this section shall be considered a material breach of this Agreement if such failure to comply creates a significant risk to public health or the environment. If such a material breach occurs, City, at its sole option, may terminate this Agreement, and seek other remedies at law or in equity subject to the terms of Article X below.

Section 603. Repairs and Maintenance. Lessee shall, throughout the term of this Agreement and any extension thereof, at its own cost, and without any expense to City, keep, repair and maintain the interior and exterior, structural and non-structural portions of the Premises including all Improvements and without limitation the plumbing, heating, lighting, air conditioning, and other systems

in connection therewith, in good and safe condition, sanitary and neat order, and will make all necessary repairs and maintenance thereto, ordinary and extraordinary, foreseen and unforeseen, and will make all necessary replacements thereto of like quality when beyond repair, including but not limited to offices, hangars, aircraft ramp, parking lots and fuel facility. Lessee shall restore, rehabilitate, or replace all Improvements that may be destroyed or damaged by fire, casualty or any other cause whatsoever. City shall not be obligated to perform any maintenance or make any repairs or replacements of any kind, nature or description, to the Premises or Improvements.

Lessee shall, at its sole cost and expense, take such measures as may be necessary to keep the Premises policed, secure, and in good repair. City shall have no obligation or responsibility to keep the Premises policed, secure, or in good repair.

Lessee warrants, covenants and agrees, without cost or expense to City during the term hereof, to perform the following:

- A. Good Condition. Keep all Improvements in good and safe order and condition.
- B. Obstruction Lights. Provide and maintain obstruction lights and all similar equipment or devices now or at any time required by any applicable law or ordinance, or any municipal, state or federal regulation.
- C. Housekeeping of Premises. Provide for complete, proper and adequate sanitary handling and disposal, away from the Airport, of all trash, garbage and other refuse caused as a result of its operations.
- D. Maintenance of Buildings and Structures. Maintain all buildings and structures on the Premises to prevent exterior or interior damage from water or other elements. This requirement includes immediate replacement of broken windows, doors and locks with like materials.
- E. Care of Premises and Streets. Keep all papers and debris picked up from the Premises and sweep the pavements thereon as often as necessary to keep clean, and keep all grass mowed, and shrubbery and other plantings pruned, trimmed and maintained to high standards. Provide for essential street, walkways, and pavement maintenance within the Premises and, in addition, provide for snow and ice removal within the Premises to allow, at a minimum, emergency or fire protection access.
- F. Drainage Facilities. Comply with the Airport's Storm water Detention Design Criteria and Guidelines dated December 1986 as revised from time to time, as well as any and all applicable federal, state, and municipal regulations. Lessee shall establish a system of periodic inspection, cleaning and maintenance to keep watercourses, catch basins and other drainage structures on the Premises functioning at full design capacity. Inspection, cleaning and maintenance intervals shall be established by Director with reports to be submitted within thirty (30) days of completion of each inspection, cleaning and maintenance. Lessee shall see that special care is taken to pile removed snow in a location that will permit the water generated by the melting of such snow piles to flow into the drainage system of the Premises.
- G. Environmental Responsibilities. Lessee shall have the sole obligation to make such reports or notifications to governmental authorities as may be required by law, rule, or regulation in the event of a Release or Discharge of a Hazardous Substance, Extremely Hazardous Substance, Oil Product, or Hazardous Materials from the Premises, in the event of which Lessee shall also timely inform in writing the Director of such Release or Discharge.

Upon discovery by Lessee's environmental compliance personnel, Lessee shall immediately notify the Director of any non-permitted Release or Discharge of Oil, including but not limited to any jet fuel if there is a reasonable possibility that the Release or Discharge would move off the Premises or affect Coldwater Creek or other navigable waters of the State of Missouri or the United States of America.

Lessee shall be solely responsible for any follow-up reports, notifications, corrective action, or remediation required as a result of any spill, Release, or Discharge described above; provided that Lessee does not hereby waive or relinquish any claims, demands, or remedies the Lessee may have at law or in equity arising from or related to any such spill, Release, or Discharge. Lessee shall promptly provide copies of any reports, notifications, correspondence, or cleanup verification to the Director upon written request.

Section 604. Right to Enter and Inspect. City and its authorized officers, employees, agents, contractors, subcontractors and other representatives shall have the right (at such times as may be reasonable under the circumstances, with as little interruption of Lessee's operations as is reasonably practicable and upon compliance with Lessee's security and confidentiality procedures) to enter upon and in the Premises for the following purposes:

- A. To inspect such Premises during normal business hours upon not less than forty-eight (48) hours prior notice (except during

any construction being performed thereon or in the event of an emergency, and then at any time) to determine whether Lessee has complied and is complying with the terms, covenants and conditions of this Agreement.

- B. To make inspections, testings, reports, surveys, environmental inspections, studies and assessments during normal business hours upon not less than forty-eight (48) hours prior notice. City shall make any inspections, testings, reports, surveys, environmental inspections, studies and assessments in a reasonable manner so as to minimize the interference with the conduct of Lessee's business at the Premises.

Section 605. Utilities. Lessee shall provide for and pay for all utilities used on the Premises.

Section 606. Interference to Air Navigation. Lessee warrants, covenants, and agrees that no obstruction to air navigation as such are defined from time to time by application of the criteria of FAR Part 77 or subsequent and additional regulations of the FAA, will be constructed or permitted to remain on the Premises. Lessee warrants, covenants, and agrees that Lessee will immediately remove any obstructions, at its expense. Lessee warrants, covenants, and agrees not to increase the height of any structure or objects or permit the growth of plantings of any kind or nature whatsoever that would interfere with the line of sight of the control tower and its operations. Lessee further warrants, covenants, and agrees not to install any structures, objects, machinery or equipment that would interfere with operation of navigation aides or that would interfere with the safe and efficient operations of the Airport, or interfere with the operations of other tenants and users of the Airport.

ARTICLE VII CONSTRUCTION OR ALTERATION OF IMPROVEMENTS

Section 701. Construction or Modification By Lessee.

- A. Lessee takes the Premises (which excludes the Fuel Facility) "AS IS" and may, at its sole cost and expense, construct, refurbish or make Improvements on the Premises in accordance with plans and specifications prepared by Lessee. However, any plans to refurbish the exterior or the interior of the building or facilities or make Improvements to the Premises that exceed One Hundred Thousand Dollars (\$100,000) must be prepared by the Lessee and submitted to the Director for approval as provided for in Section 701.B through 701.H. Upon termination of this Agreement, Lessee shall not be required to remove any Improvements to the Premises for which the Director has given his/her Approval under this Section 701, unless otherwise expressly provided for herein.
- B. Lessee agrees that all such work that requires the Director's approval shall be completed according to the Tenant Design Standards, which are filed of record in the office of the Director.
- Lessee shall submit a signed Tenant Construction or Alteration Application ("TCA") including complete construction drawings and specifications, as required by Section 701.C below, to the Airport Properties Department.
 - Lessee shall submit to the Airport Properties Department a building permit number from any and all municipalities, political jurisdictions and regulatory agencies not more than thirty (30) days following submission of the TCA. (A building permit number is required prior to the start of any construction or modification by Lessee.)
 - Lessee shall submit the contractor's liability insurance certificates and payment bonds, required by Sections 701.F and 701.G below, to the Airport Properties Department not more than forty-five (45) days following the TCA approval by the Airport Properties Department and prior to beginning of work.
 - Lessee shall submit to the Airport Properties Department a copy of an occupancy permit from any and all municipalities, political jurisdictions and regulatory agencies, as required by Section 701.H below, prior to occupancy.

If an Environmental Impact Statement is created by Lessee with respect to a TCA, Lessee shall submit to the Airport Properties Department a copy of the Environmental Impact Statement from any and all municipalities, political jurisdictions and regulatory agencies not more than thirty (30) days following submission of the TCA.

- C. Preparations of Plans and Specifications. Lessee shall submit detailed drawings, plans and specifications for improving the Premises. Lessee will begin work on proposed improvements only after it has received the written approval of its plans and specifications from the Director or his/her designee.

- D. Federal Aviation Administration Review. Prior to commencement of any such construction or modification, all preliminary plans, drawings and specifications shall be submitted to the FAA for review and approval, as may be required, with a copy to the Airport Properties Department. The preliminary plans shall show plot plans, the location and elevations of buildings and other improvements, and shall indicate proposed exterior materials and finishes for all structures. It shall be the responsibility of Lessee to file all necessary alteration and construction forms with the FAA for review and approval, as may be required, with a copy to the Airport Properties Department.
- E. Landscaping and Screening. Lessee shall provide and install appropriate landscaping and screening, including lawn, shrubbery, trees, bushes, vines and other plantings and screenings on the Premises as a part of the construction of any new improvements. All proposed landscaping plans and screening designs shall be submitted to Director for review and approval. Lessee further agrees to provide any further landscaping and fencing that may be required, during the term hereof, by the Director, for the purposes of screening the Premises.
- F. Contractor's Liability Insurance. In any construction contract appertaining to the Premises, Lessee shall require the contractor to cause City, its Board of Aldermen, Airport Commission and their respective officers, agents, and employees, to be insured against the risk of claims and demands, just and unjust, by third parties, with bodily injury limits of not less than \$3,000,000 as to any one person and \$10,000,000 as to any one occurrence, and with property damage limits of not less than \$10,000,000 as to any one occurrence to the extent such claims and liabilities arise out of the negligence of the contractor. Said insurance shall be in a form agreeable to City, and Certificates showing proof of coverage shall be delivered to the Director.
- G. Payment Bonds. In order to insure the payment of all laborers and material suppliers of projects requiring the City's Approval, Lessee shall require each of its contractors and supplier of construction materials to furnish Payment Bonds in the amount of the contract in a form acceptable to the City. The bonds shall comply with the coverage requirements and conditions of Section 107.170 R.S.Mo. (2000, as amended) Copies of the bonds shall be given to the City for approval before work begins. Any sum or sums derived from said payment bonds should be used for the completion of said construction and the payment of laborers and material suppliers.
- H. Certificates of Completion. Upon the completion of the improvements hereunder, Lessee shall submit to Director a copy of its acceptance letter certifying completion, and a copy of any certificate or permit, which may be required by any federal, state or local government or agency in connection with the completion or occupancy thereof by Lessee. Lessee at its cost shall deliver to City duplicate copies of "as constructed" plans and specifications of the new facilities on the Premises within sixty (60) days after the date on which Lessee has certified completion thereof.

Section 702. Signs. Lessee agrees that no new signs or advertising display shall be painted on or erected in any manner upon the Premises without the prior written approval of Director, and that such new signs shall conform to reasonable standards established by Director with respect to wording, type, size, design, color and location.

Section 703. Title to Improvements. Title to the Premises and all Improvements constructed or placed in or on the Premises by Lessee including any Existing Improvements and all alterations, modifications and enlargements thereof (unless otherwise expressly provided for herein) shall become part of the Premises with title vesting in City upon expiration or earlier termination of this Agreement; provided, however, that this Section 703 shall not apply to Lessee's trade fixtures, the title to which shall remain in Lessee both during and after the term of this Agreement and which Lessee shall be entitled to remove from the Premises upon the termination, expiration or cancellation of this Agreement. Lessee's obligations to operate, repair, maintain and insure the Improvements, as well as Lessee's right of possession, use and occupancy during the term in accordance with this Agreement shall not be affected by this Agreement.

Section 704. Mechanics' and Materialmen's Liens. Lessee agrees not to permit any mechanics' or materialmen's or any other lien or encumbrance to be foreclosed upon the Premises or any part or parcel thereof, or the Improvements thereon, by reason of any work or labor performed or materials furnished by any mechanic or materialman or for any other reason.

ARTICLE VIII INSURANCE AND INDEMNIFICATION

Section 801 Liability Insurance. Lessee shall obtain, at its sole expense and maintain at all times during the term of this Agreement, liability insurance, on an occurrence basis, against the risk of all claims and demands by third persons for bodily injury (including wrongful death) and property damage arising or alleged to arise out of the activities of Lessee, its officers, agents, employees, consultants, contractors, licensees, independent contractors and invitees pursuant to this Agreement under the following types of coverage:

- A. Comprehensive General Liability - \$10,000,000 Combined Single Limit;
- B. Comprehensive Automobile Liability (any vehicles, including hired and non-owned vehicles)-\$10,000,000 Combined Single Limit.

The above referenced insurance must provide, and be so stated on the evidence of insurance, for any claims that may arise from Lessee's operation of an automobile within the aircraft operating area (including but not limited to runways, taxiways, and all ramp areas).

The minimum limits of coverage for the above classes of insurance shall equal a combined single limit as shown above or be comprised of such primary and excess policies of insurance as Lessee finds it feasible to purchase during the term of this Agreement.

Insofar as said insurance provides protection against liability for damages to a third party for bodily injury, death and property damage, City and its Board of Aldermen, Airport Commission, officers, agents and employees shall be named as "Additional Insured" excluding claims to the extent resulting from the negligence or willful misconduct of the City. Such liability insurance coverage shall also extend to damage, destruction and injury to City owned or leased property and City personnel, and caused by or resulting from work, acts, operations, or omissions of Lessee, its officers, agents, employees, consultants, contractors, licensees, independent contractors, and invitees. In addition, such insurance shall include contractual liability insurance sufficient to cover Lessee's indemnity obligation hereunder. City, its officers, employees and agents shall have no liability for any premiums charged for such coverage, and the inclusion of City, and its Board of Alderman, Airport Commission, officers, employees and agents as Additional Insured is not intended to, and shall not, make City, its officers, employees and agents a partner or joint venture partner with Lessee in its operations hereunder.

Section 802. Property Insurance. Lessee shall, at all times during the Initial and any Renewal Terms of this Agreement, and at Lessee's sole expense, keep all Improvements (exclusive of Lessee's trade fixtures and equipment) which are existing or may be hereafter erected on the Premises insured against loss, damage or destruction by fire, lightning, extended coverage or other casualty and vandalism hazards except perils of earthquake and flood for one hundred percent (100%) of the full replacement value of such Improvements, with loss payable to Lessee and to City as their interests may appear. Any loss adjustment shall require the written consent of both Lessee and City. City shall be included as a loss payee as City's interest may appear under any form of commercial property insurance.

Insofar as said insurance provides protection against liability for damages to a third party for bodily injury, death and property damage, City and its Board of Aldermen, Airport Commission, officers, agents and employees shall be named as "Additional Insured" excluding claims to the extent resulting from the negligence or willful misconduct of the City. Such property insurance coverage shall also extend to damage, destruction and injury to City owned or leased property and City personnel, and caused by or resulting from work, acts, operations, or omissions of Lessee, its officers, agents, employees, consultants, contractors, licensees, independent contractors, and invitees and contractual liability. City, its officers, employees and agents shall have no liability for any premiums charged for such coverage, and the inclusion of City, and its Board of Alderman, Airport Commission, officers, employees and agents as Additional Insured is not intended to, and shall not, make City, its officers, employees and agents a partner or joint venture partner with Lessee in its operations hereunder.

Section 803. Workers' Compensation. Lessee shall obtain, at its sole expense and at all times during the term of this Agreement for its employees working on Airport Premises Workers' Compensation insurance coverage at least at the statutory limits applicable to Lessee's operations in the State of Missouri.

Section 804. Waiver of Subrogation.

- A. Lessee, on behalf of itself and its insurers, hereby waives any claim or right of recovery from City, its Board of Aldermen, Airport Commission, officers, employees and agents for loss or damage to Lessee or its property or the property of others under Lessee's control, to the extent that such loss is covered by valid insurance policies or could be covered by an "all risk" physical damage property insurance policy. Lessee shall provide notice of this waiver of subrogation to its insurers.
- B. City, on behalf of itself and its insurers, hereby waives any claim or right of recovery from Lessee, its Board of Directors, officers, employees and agents for loss or damage to City or its property or the property of others under City's control, to the extent that such loss is covered by valid insurance policies or could be covered by an "all risk" physical damage property insurance policy. City shall provide notice of this waiver of subrogation to its insurers.

Section 805. Evidence of Insurance. Certificates, or other evidence of insurance coverage and special endorsements required of Lessee in this Article VIII, shall be delivered to Director not less than fifteen (15) days prior to the commencement of the Term hereof

or the date when Lessee shall enter into possession, whichever occurs later.

At least fifteen (15) days prior to the expiration of any such policy, Lessee shall submit to Director a certificate showing that such insurance coverage has been renewed. If such coverage is canceled or reduced, Lessee shall within fifteen (15) days after the date of such written notice from the insurer of such cancellation or reduction in coverage, file with Director a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies.

Each policy of insurance shall provide that the policy may not be materially changed, altered (in a manner that would adversely affect the coverage available to the City or other additional insures hereunder) or canceled by the insurer during its term without first giving thirty (30) days written notice to Director. Each such insurance policy shall also provide primary coverage to City when any policy issued to City provides duplicate or similar coverage and in such circumstances, City's policy will be excess over Lessee's policy.

Lessee and City understand and agree that the minimum limits of the liability insurance herein required may become inadequate, and Lessee agrees that it will increase such minimum limits upon receipt of notice in writing from Director. Such notices to change shall, be issued with no more frequent than once every other year of this Agreement's term; however, said change in liability coverage required shall be reasonable in light of insurance requirements for similar tenants in similar premises at United States airports. City shall provide Lessee with such written notice and Lessee shall comply within sixty (60) days without any adjustment to the rent payment and fees set forth in this Agreement.

Section 806. Indemnification.

- A. Subject to and consistent with Sections 202, 304 and 806.B of this Agreement, Lessee shall protect, defend, and hold the City, its Board of Aldermen, Airport Commission, officers, agents and employees completely harmless from and against all liabilities, losses, suits, claims, judgments, fines or demands (together "**Liabilities**") arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs, and expert fees), of any nature whatsoever (including, but not limited to, bodily injury, personal injury or human exposure to the extent arising from or relating to Hazardous Materials) and arising out of or incident to: (1) this Agreement, or (2) the use or occupancy of the Premises by Lessee's officers, agents, employees, contractors, subcontractors, licensees, independent contractors or invitees, or (3) the negligent acts or omissions of Lessee's officers, agents, employees, contractors, subcontractors, licensees, independent contractors or invitees arising out of or incident to this Agreement or the use or occupancy of the Premises regardless of where the injury, death, or damage may occur; provided, however, that Lessee's indemnification under this Section 806.A for bodily injury, personal injury or human exposure arising from or relating to such Hazardous Materials that were present at the Premises on the Commencement Date shall be limited to Liabilities that arise from or are incident to the negligent acts or omission of Lessee's officers, agents, employees, contractors, licensees, independent contractors or invitees. City and Lessee each mutually agree that each will be responsible for their own negligent acts and/or negligent omissions and that the foregoing indemnity under this Section 806.A therefore does not apply to claims to the extent they arise from the negligence or willful misconduct of any of the indemnified parties. Director or his/her designee shall give to Lessee reasonable notice of any such claims or actions. Lessee shall also use counsel reasonably acceptable to the City Counselor of City or his/her designee, after consultation with Director or his/her designee in carrying out its obligations hereunder.
- B. Environmental Indemnity. Lessee shall protect, indemnify, defend, and hold harmless the City and its Board of Aldermen, the Airport Commission and its officers, agents, and employees against any lawsuits, administrative proceedings, claims, or administrative or judicial orders for any liability, cost, expenditure, injury, damage, penalty, or fine arising from or relating to Lessee's material breach of its covenants in Sections 304, 602, 603.F, and 603.G. Further, except as provided in Section 202, Lessee shall protect, indemnify, defend, and hold harmless the City and its Board of Aldermen, the Airport Commission and its officers, agents, and employees against any lawsuits, administrative proceedings, claims, or administrative or judicial orders for any liability, cost, expenditure, injury, damage, penalty, or fine to the extent arising from or relating to Hazardous Materials present in any soil, groundwater, or surface water on, in, or under the Premises (or migrating from the Premises) the presence of which Hazardous Materials was caused by, or originating from, in part or in whole, Lessee, any lessee, tenant, or other person or entity who occupied, used, or performed activities on the Premises pursuant to the Sabreliner Agreements or this Agreement, or the officers, employees, agents, consultants, contractors, subcontractors, licensees, independent contractors, representatives, assigns, guests, patrons, and invitees of the aforementioned persons or entities; provided, however, notwithstanding any other provision of this Section 806.B, that Lessee shall not be obligated to protect, indemnify, defend or hold harmless the City and its Board of Aldermen, the Airport Commission and its officers, agents, and employees to the extent that (1) any such lawsuits, administrative proceedings, claims, or administrative or judicial orders for any liability, cost, expenditure, injury, damage, penalty, or fine is caused by, arises from, or relates to any willful or wanton conduct or misconduct by City and its Board of Aldermen, the Airport Commission and its officers, agents, and employees, or (2) any such penalty or fine is caused by, arises from, or relates

solely to violation of applicable environmental laws by the City or its Board of Aldermen, the Airport Commission or its officers, agents, or employees, provided that such violation of environmental laws does not arise out of (a) Lessee's operations in and around the Airport or Sabreliner's operations at the Premises in violation of applicable environmental law, or (b) the Lessee's or Sabreliner's failure to report or properly respond to or remediate the presence of Hazardous Materials at the Premises as required by this Agreement, or the City's obligation under applicable environmental law to report or properly respond to or remediate the presence of Hazardous Materials at the Premises, which Hazardous Materials Lessee is required to report and/or respond to or remediate under this Agreement, or (3) the Release of Hazardous Materials on, under or around the Premises which is the factual predicate for any such lawsuits, administrative proceedings, claims, or administrative or judicial orders for any liability, cost, expenditure, injury, damage, penalty, or fine, including any exposure to humans or damage to natural resources, that occurs after the termination of this Agreement and does not relate to or arise out of any action or inaction of Lessee or its agents or assigns, and/or any lessee, tenant, or other person or entity who occupied, use, or performed activities on the Premises pursuant to the Sabreliner Agreement or this Agreement, or (4) any such lawsuits, administrative proceedings, claims, or administrative or judicial orders involve any liability, cost, expenditure, injury, damage, penalty, or fine for bodily injury, personal injury, or human exposure to the extent arising from or relating to Hazardous Materials. This indemnification of City by Lessee includes, without limitation, all reasonable and necessary costs and expenses related to the sampling, testing, investigation, clean up, removal, remediation, decontamination, or restoration of the Premises and other affected areas, including, but not limited to, air, land, soil, or underground or surface water, to the extent and in a manner consistent with the standards set forth in Section 304, whether prompted by governmental action or private action, and also includes the reasonable and necessary costs of legal representation in connection with such sampling, testing, investigation, cleanup, removal, remediation, decontamination, or restoration of the Premise and other affected areas. Director or his/her designee shall give to Lessee reasonable notice of any such claims or actions within sixty (60) days after City receives notice of the claim or action or an occurrence that is likely to give rise to a claim or action. Lessee shall also use counsel reasonably acceptable to the City Counselor of City or his/her designee, after consultation with Director or his/her designee in carrying out its obligations hereunder. City shall cooperate fully with Lessee in any defense or settlement against any such claim, action, or liability.

- C. AOA Indemnity. Lessee agrees that if a prohibited incursion into the AOA occurs; or if the safety or security of the AOA, the Field and Runway Area, or other sterile area safety or security is breached by or due to the negligence or willful act or omission of any of Lessee's employees, agents, representatives, contractors, subcontractors, consultants, licensees, independent contractors, invitees, visitors, guests, patrons or permittees and such incursion or breach results in a civil penalty action being brought against City by the U.S. Government, Lessee will reimburse City for all expenses, including attorneys' fees and litigation expenses, incurred by City in defending against the civil penalty action and for any civil penalty or settlement amount paid by City as result of such action or inaction, incursion or breach. City shall notify Lessee of any allegation, investigation, or proposed or actual civil penalty sought by the U.S. Government related to action or inaction of Lessee. Civil penalties and settlements and associated expenses reimbursable under this paragraph include but are not limited to those paid or incurred as a result of violation of FAR Part 107, Airport Security, FAR Part 108, Airplane Operator Security, or FAR Part 139, Certification and Operations: Land Airports Serving Certain Air Carriers.
- D. Lessee acknowledges and agrees that the indemnification obligations set out in this Section 806 shall survive and expiration or early termination of this Agreement.

ARTICLE IX ASSIGNMENT AND SUBLETTING

Section 901. Assignment and Subletting. Lessee shall not assign this Agreement without first obtaining the written approval of City (as required by City Ordinance 63687), which approval shall not be unreasonably withheld. At least one hundred twenty (120) days prior to any contemplated assignment of this Agreement, Lessee shall submit a written request to the Director. No assignment shall be made or shall be effective unless Lessee shall not be in default on any of the terms, covenants and conditions herein contained. The party to whom such assignment is made shall expressly assume in writing the terms, covenants, and conditions contained in this Agreement and such assignment shall not release Lessee from any of the terms, covenants, conditions, or obligations of this Agreement. Any such assignment without the consent of City as provided for above shall constitute a default on the part of Lessee under this Agreement; provided, however, that Lessee shall have the right to assign this Agreement to an affiliate of Lessee having a net worth equal to or greater than that of Lessee at the time of such assignment, including The Boeing Company, provided that such assignment shall not release Lessee from any of the terms, covenants, conditions or obligations of this Agreement. No action or failure to act on the part of any officer, agent, or employee of City shall constitute a waiver by City of this provision of this Agreement. No assignment shall be effective as it pertains to the City until such time as the City receives a fully executed copy of the approved assignment agreement as provided for herein.

Lessee may sublet the Premises with the prior written approval of the Director. At least thirty (30) days prior to any contemplated

sublease of all or any part of the Premises, Lessee must submit in writing a request to the Director. This request must include a copy of the proposed sublease. Any sublease for space or granting of rights acquired hereunder shall be subject to the review and prior written approval of Director, which shall not be unreasonably withheld. Such a sublease must require at a minimum: (1) strict compliance with all provisions of this Agreement and (2) a provision that the Sublessee will use the facilities solely for the purposes identified in this Agreement and (3) a provision that the term of the sublease shall expire immediately at the expiration or early termination of this Agreement. Lessee shall be responsible for the performance of its Sublessees and shall initiate and take all corrective action should a Sublessee fail to comply with its contract with Lessee or any provision of this Agreement. No sublease shall be effective as it pertains to the City until such time as the City receives a fully executed copy of the approved sublease agreement as provided for herein.

**ARTICLE X
TERMINATION OF AGREEMENT IN ENTIRETY BY REASON OF DEFAULT**

Section 1001. City's Right to Terminate. City, acting by and through its Director, may declare this Agreement terminated in its entirety, in the manner provided in Section 1003 hereof, upon the happening of any one or more of the following events:

- A. If the fees, charges, or other money payments which Lessee herein agrees to pay, or any part thereof, shall be unpaid after the date the same shall become due.
- B. If, during the term of this Agreement, Lessee shall:
 - 1. Apply for, or consent to the appointment of a receiver, trustee, or liquidator of all or a substantial part of its assets;
 - 2. File a voluntary petition in bankruptcy, or admit in writing its inability to pay its debts as they come due;
 - 3. Make a general assignment for the benefit of creditors;
 - 4. File a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law;
 - 5. File an answer admitting the material allegations of a petition filed against any said assignee, lessee, or sublessee in any bankruptcy, reorganization or insolvency proceedings; or if during the term of this Agreement an order, judgment or decree shall be entered by any court of competent jurisdiction, or the application of a creditor, adjudicating Lessee a bankrupt or insolvent, or approving a petition seeking a reorganization of Lessee, and such order, judgment or decree shall continue unstayed and in effect for any period of ninety (90) consecutive days.
- C. If Lessee shall have materially failed in the performance of any term, covenant or condition herein required to be performed by Lessee.

On the date set forth in the notice of termination, the term of this Agreement and all right, title and interest of Lessee shall expire, except as otherwise provided in Section 1003 hereof.

Failure of City to take any authorized action upon default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by Lessee shall not be construed to be or act as a waiver of default or in any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Lessee. The acceptance of monies by City from Lessee for any period or periods after a default by Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by Lessee shall not be deemed a waiver or release of any right on the part of City to terminate this Agreement for failure by Lessee to so perform, keep or observe any of said terms, covenants or conditions.

Section 1002. Lessee's Right to Terminate. Lessee, at its option, may declare this Agreement terminated in its entirety, in the manner provided in Section 1003 hereof for the following causes:

- A. If a court of competent jurisdiction issues an injunction or restraining order against City preventing or restraining the use of the Airport for Airport purposes in its entirety or substantial entirety.
- B. If City shall have abandoned the Airport for a period of at least ninety (90) days and shall have failed to operate and maintain the Airport in such manner as to permit landings and takeoffs of airplanes.

- C. In the event of destruction of all or a material portion of the Airport or the Airport facilities, or in the event that any agency or instrumentality of the U.S. Government or any state or local government shall occupy the Airport or a substantial part thereof, or in the event of military mobilization or public emergency wherein there is a curtailment, either by executive decree or legislative action, of normal civilian traffic at the Airport or of the use of motor vehicles or airplanes by the general public, and any of said events shall result in material interference with Lessee's normal business operations or substantial diminution of Lessee's gross revenue from the operation at the Airport, continuing for a period in excess of one hundred and eighty days (180) days.
- D. If City shall have materially failed in the performance of any term, covenant or condition within the control of City and herein required to be performed by City.

Section 1003. Procedures for Termination. No termination declared by either party shall be effective unless and until not less than ninety (90) days have elapsed after notice by either party to the other specifying the date upon which such termination shall take effect, and the cause for which this Agreement is being terminated and no such termination shall be effective if such cause of default is cured within said ninety (90) day period, or if by its nature cannot be cured within such ninety (90) day period, and if the party at default commences to correct such default within said ninety (90) days and corrects the same as promptly as is reasonably practicable. In the event that suit shall be instituted by City upon the default of payment of charges and fees as provided herein, then Lessee agrees also to pay a reasonable attorney's fee, court costs and expenses.

Section 1004. Rights Cumulative. It is understood and agreed that the rights and remedies of City and Lessee specified in this Article are not intended to be, and shall not be exclusive of one another or exclusive of any common law right of either of the parties hereto.

ARTICLE XI MISCELLANEOUS PROVISIONS

Section 1101. Notice. Except as herein otherwise expressly provided, all notices required to be given to City hereunder shall be in writing and shall be delivered personally, or shall be sent by United States registered or certified mail, return receipt requested, postage prepaid, or shall be sent by telex, telegram, telecopy, fax or other similar form of rapid transmission confirmed by the mailing (by first class or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission; and, shall be addressed to the parties at the respective addresses set forth below. A party may change its address for receipt of notice by service of notice of such change in accordance herewith. Notice shall be deemed received at the earlier of actual receipt or three (3) calendar days after being sent in the manner provided for above.

If to the City: Director of Airports
Lambert-St. Louis International Airport®
P.O. Box 10212, Lambert Station
10701 Lambert International Blvd.
St. Louis, MO 63145

with a copy to the Deputy Director of Airports and the Airport Properties Manager at the same address.

If to the Lessee: McDonnell Douglas Corporation
P. O. Box 516, Mailcode S001-2260
St. Louis, MO 63166-0516
Attention: Mr. Stephen Gill
Fax 314-233-0516

with a copy to: The Boeing Company
P. O. Box 516, Mailcode S306 5565
St. Louis, MO 63166 0516
Attention: Mr. Marc Poulin
Fax 314-233-9095

and

Bryan Cave LLP
211 N. Broadway, Suite 3600
St. Louis, MO 63102
Attn: Linda M. Martinez, Esq.

Section 1102. Environmental Notice. Lessee shall promptly notify in writing the Director or his/her designee of (1) any change in the nature of Lessee's operation on the Premises that will materially change Lessee's or City's potential obligations or liabilities under the environmental laws; or (2) the commencement by any governmental entity of a formal administrative proceeding before an administrative law judge or a civil or criminal action before a judicial tribunal alleging a violation of environmental law in connection with Lessee's operations on the Premises.

Section 1103. Condemnation.

- A. Total Take - If the whole of the Premises or Lessee's improvements should be taken by the exercise of the power of eminent domain by any public entity including City, then in such case this Agreement shall terminate as of the date of vesting of title in the condemning authority.
- B. Partial Take - If less than the whole of the Premises or Lessee's improvements should be taken by the exercise of the power of eminent domain by any public entity including City, then this Agreement shall terminate only as to that portion of the Premises so taken as of the date of the vesting in the condemning authority of title to such portion, but this Agreement shall remain in full force and effect with respect to that portion of the Premises not so taken, provided that the Director and the Lessee, after good faith discussions, determine that the remainder of the Premises may be feasibly used for the purposes contemplated by this Agreement. After a partial condemnation of the Premises, the rent for the Premises shall be adjusted by multiplying the remaining square footage of the Premises by the per square foot rental rate(s) then in effect under this Agreement.
- C. Possession by Lessee - Notwithstanding any termination of this Agreement in whole or in part under Paragraphs A and B of this Section, Lessee may remain in possession of each portion of the Premises as shall be so taken at the rent herein provided, until the condemning authority shall require Lessee to surrender such possession. Any rent or charge in the nature of rent which Lessee is required to pay to the condemning authority in consideration of such remaining in possession shall be paid by Lessee and shall reduce pro tanto the obligation of Lessee to payment hereunder.
- D. Whether all or a portion of the Premises should be taken in a condemnation proceeding, Lessee shall be entitled to receive from the City that portion of the condemnation award allocable to the value of Lessee's Improvements on the Premises as well as the value of Lessee's leasehold interest in the Premises.

Section 1104. Non Discrimination and Affirmative Action Program.

- A. Lessee hereto understands and agrees that City in operation and use of Lambert-St. Louis International Airport will not on the grounds of race, creed, color, religion, sex, national origin or ancestry, discriminate or permit discrimination against any person or group of persons in a manner prohibited by Part 21 of the Federal Aviation Regulations of the Office of the Secretary of Transportation. Lessee hereby agrees that its Premises shall be posted to such effect as required by such regulation.
- B. Lessee agrees that in performing under this Agreement, neither he nor anyone under his control will permit discrimination against any employee, worker or applicant for employment because of race, creed, color, religion, sex, national origin or ancestry. Lessee will take affirmative action to insure that applicants are employed and that employees are treated fairly without regard to race, creed, color, religion, sex, national origin or ancestry. Such action must include, but shall not be limited to action to bar, employ, upgrade or recruit; expel, discharge, demote or transfer; layoff, terminate or create intolerable working conditions, rates of pay or other forms of compensation and selection for training including apprenticeship.
- C. Lessee will in all printed or circulated solicitations or other advertisement or publication for employees placed by or on behalf of Lessee state that all qualified applicants shall receive meaningful consideration for employment without regard to race, creed, color, religion, sex, national origin or ancestry. All advertisements or solicitations for applicants for employment must contain the phrase "An Equal Opportunity Employer." Lessee shall not make inquiry in connection with prospective employment, which expresses directly or indirectly any limitation, specification or discrimination because of race, creed, color, religion, sex, national origin or ancestry.
- D. Lessee agrees that should it be determined by Lessee or City that he will be unable to conform to its approved positive employment program submitted to determine eligibility under the fair employment practices provisions of the City Code, Lessee will notify the Fair Employment Practices Division of the Civil Rights Enforcement Agency (CREA) within ten (10) days of such determination, as to the steps to be taken by Lessee to achieve the provisions of its program.

- E. Lessee will permit reasonable access by City to such persons, reports and records as are necessary for the purpose of ascertaining compliance with fair employment practices.
- F. Lessee further agrees that these clauses (B through E) covering discrimination and equal opportunity practices in all matters of employment and training for employment will be incorporated by Lessee in all contracts or agreements he enters into with suppliers of materials or services, contractors and subcontractors, and all labor organizations, furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or service in connection with this Agreement.
- G. Whenever Lessee is sued by a subcontractor, vendor, individual, group or association as a result of compliance with the clauses (A through F) of these provisions relating to fair employment practices, Lessee shall notify the City Counselor in writing of such suit or threatened suit within ten (10) business days.
- H. In event of Lessee's noncompliance with nondiscrimination clauses of this Agreement, or to furnish information or permit his books, records and account to be inspected within twenty (20) days from date requested, this Agreement may be canceled, terminated or suspended, in whole or in part subject to Article X above, and Lessee may be declared ineligible for further City contracts for a period of one year by option of City, provided, further, if this Agreement is canceled, terminated or suspended for failure to comply with fair employment practices, Lessee shall have no claims for any damages or loss of any kind whatsoever against City.
- I. Lessee will establish and maintain for the term of this Agreement an affirmative action program according to the Mayor's Executive Order on Equal Opportunity in Employment and City reserves the right to take such action as the City of St. Louis and the U.S. Government may direct to enforce the above covenants.
- J. Lessee assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Lessee assures that it will require that its covered sub-organizations provide assurances to the City that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

Section 1105. No Personal Liability. No Alderman, Commissioner, Director, officer, board member, employee or other agent of either party shall be personally liable under or in connection with this Agreement.

Section 1106. Force Majeure. Neither City nor Lessee shall be deemed in violation of this Agreement, if it is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortage of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, riots, rebellions, or sabotage, or any other circumstances for which it is not responsible and which is not within its control.

Section 1107. Successors and Assigns. All of the terms, provisions, covenants, stipulations, conditions and considerations of this Agreement shall extend to and bind the legal representatives, successors, sublessees and permitted assigns of the respective parties hereto.

Section 1108. Quiet Enjoyment. Subject to the terms, covenants and conditions of this Agreement, City covenants that Lessee on paying the rents and otherwise performing its covenants and other obligations hereunder shall have quiet and peaceable possession of the Premises.

Section 1109. Operation and Maintenance of Airport. City shall at all times operate the Airport properly and in a sound and economical manner; and City shall use reasonable effort to maintain, preserve and keep the same or cause the same to be maintained, preserved and kept, with the appurtenances in good repair, working order and condition, and shall from time to time use reasonable effort to make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the Airport may be properly and advantageously conducted in conformity with standards customarily followed by municipalities operating airports of like size and character.

Section 1110. Title to Site. The Premises from the date hereof until the expiration or early termination of this Agreement shall be owned in fee simple title by City or in such lesser estate as in the opinion of the City Counselor is sufficient to permit the letting thereof by City as herein provided for the full term provided in this Agreement.

Section 1111. Agreements with the United States. This Agreement is subject and subordinate to the provisions of any agreements

heretofore made between City and the United States, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of Federal rights or property to City for Airport purposes, or to the expenditure of Federal funds for the extension, expansion, or development of the Airport, including the expenditure of Federal funds for the development of the Airport in accordance with the provisions of the Airport and Airway Development Act as it has been amended from time to time.

Section 1112. Modifications to Maintain Federal Compliance. In the event that the FAA requires, as a condition precedent to granting of funds for the improvement, development, or expansion of the Airport, modifications or changes to this Agreement or determines this Agreement to be inconsistent with City's grant assurances, current or future, Lessee agrees to consent to such reasonable amendments, modifications, or changes to this Agreement as may be reasonably required to enable the City to obtain said funds or comply with the City's grant assurances.

Section 1113. Governing Law. This Agreement shall be deemed to have been made in, and be construed in accordance with the laws of the State of Missouri and is subject to the City's Charter and ordinances, as may be amended from time to time.

Section 1114. Headings. The headings of the Articles and Sections of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 1115. Amendments. This Agreement may be amended from time to time by written agreement, duly authorized and executed by all the signatories to this Agreement.

Section 1116. Previous Agreements. It is expressly understood by the Parties that the provisions of this Agreement shall in no way affect or impair the terms, covenants, conditions, or obligations of any other existing or prior agreement between the Lessee and the City.

Section 1117. Withholding Required Approvals. Whenever the approval of City, or Director, or of Lessee is required herein, no such approval shall be unreasonably requested, delayed, or withheld.

Section 1118. Waivers. No waiver of default by either party of any of the terms, covenants or conditions hereto to be performed, kept and observed by the other party shall be construed as, or operate as, a waiver of any subsequent default of any of the terms, covenants or conditions herein contained to be performed, kept and observed by the other party. No waiver shall be binding unless executed in writing by the party granting the waiver.

Section 1119. Invalid Provisions. In the event any term, covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such term, covenant, condition or provision shall in no way affect any other term, covenant, condition or provision herein contained, provided the invalidity of any such term, covenant, condition or provision does not materially prejudice either City or Lessee in its respective rights and obligations contained in the valid terms, covenants, conditions and provisions of this Agreement.

Section 1120. Americans with Disabilities Act ("ADA"). Lessee shall be responsible for compliance with the Federal ADA, plus any State laws and City Ordinances pertaining to the disabled individual having access to the Premises.

Section 1121. Advertising. Lessee shall have no right to use the trademarks, symbols, trade names or name of the Airport, either directly or indirectly, in connection with any production, promotion service or publication without the prior written consent of Director.

Section 1122. Time is of the Essence. Time is of the essence in this Agreement. The parties agree that time shall be of the essence in the performance of each and every obligation and understanding of this Agreement.

Section 1123. Acknowledgment of Terms and Conditions. The parties affirm each has full knowledge of the terms, covenants, conditions and requirements contained in this Agreement. Each party acknowledges that such party and its counsel, after negotiation and consultation, have reviewed and revised this Agreement. As such, the terms of this Agreement shall be fairly construed and the usual rule, of construction, if applicable, to the effect that any ambiguities herein should be resolved against the drafting party, shall not be employed, in the interpretation of this Agreement or any amendments, modifications or exhibits thereto.

Section 1124. Entire Agreement. The terms, covenants, warranties, conditions, and provisions of this agreement are intended by the parties as a final expression of their agreement with respect to said provision as are included in this Agreement and may not be contradicted by evidence of any prior or contemporaneous agreement. This Agreement, together with all exhibits attached hereto,

Register	Date
City of St. Louis	

McDONNELL DOUGLAS CORPORATION:

BY: _____
 NAME: _____
 TITLE: _____
 DATE: _____

MDC-AL-205-CLEAN FINAL DRAFT 5-8-08, MAP

TABLE OF EXHIBITS

EXHIBIT "A"	PREMISES DESCRIPTION
EXHIBIT "B"	DESCRIPTION OF EXISTING IMPROVEMENTS
EXHIBIT "C"	FUEL FACILITY
EXHIBIT "D"	BASELINE INVESTIGATION
EXHIBIT "E"	ANNUAL RENT SCHEDULE ASSUMING MAXIMUM PERCENTAGE INCREASES

EXHIBIT "A"**PREMISES DESCRIPTION**

A tract of land being part of Lambert St. Louis International Airport property located in Fractional Section 4 and Fractional Section 9, Township 46 North, Range 6 East of the 5th Principal Meridian, St. Louis County, Missouri, and being more particularly described as follows; and the following State Plane Coordinates (SPC) being Missouri State Plane Coordinates-NAD 83 (CORS 2002)-East Zone (meters):

COMMENCING at a point, said point being the GPS Continuously Operating Reference Station "Seiler STL1" with CORS ID "SIHQ" and NGS PID number DH7921 (SPC-North 307,149.887, East 262,919.021); THENCE North 00 degrees 51 minutes 41 seconds West a distance of 54,589.73 feet to a cross found on concrete, being the **POINT OF BEGINNING** of the tract herein described (SPC-North 323,785.490, East 262,668.903); THENCE North 88 degrees 55 minutes 34 seconds East a distance of 750.16 feet to a point (SPC-North 323,789.775, East 262,897.491); THENCE South 01 degrees 05 minutes 35 seconds East a distance of 817.85 feet to a point (SPC-North 323,540.562, East 262,902,246); THENCE South 88 degrees 12 minutes 02 seconds West a distance of 200.45 feet to a point (SPC-North 323,538.643, East 262,841.183); THENCE South 32 degrees 06 minutes 26 seconds West a distance of 401.05 feet to a point (SPC-North 323,435.108, East 262,776.217); THENCE North 57 degrees 49 minutes 45 seconds West a distance of 394.84 feet to a point (SPC-North 323,499.180, East 262,674.356); THENCE North 01 degrees 05 minutes 27 seconds West a distance of 939.59 feet to the **POINT OF BEGINNING**.

Said tract containing approximately 727,119 square feet or 16.69 acres of land, more or less.

EXHIBIT B**DESCRIPTION OF EXISTING IMPROVEMENTS****Hangar Number 6**

A gross building area of 65,724 square feet, of which 29,104 square feet is finished office space. The building has been demised among a two-story brick veneer structure on the west side of the hangar that contains 25,452 square feet of office space and an additional 3,652 square feet of one-story office space. The metal hangar area encompasses approximately 36,620 square feet, which includes 2,526 square feet of floor area in four enclosures for parts and service. The office portion of the building is heated and air-conditioned. The hanger portion has suspended space heaters.

Hangar Number 7

A gross building area of approximately 52,049 square feet, of which approximately 10,000 square feet is finished office space. The remaining building area has been demised into hangar space, 33,517 square feet, and parts and service space, 8,532 square feet.

Building has two, two-story concrete block structures with brick veneer interiors, located at the southwest and northwest corners of the hangar. The 8,532 square feet of parts and service space is housed in two concrete one-story areas located on the east side of the hangar.

Parking Lot

Approximately 115,000 square feet of asphalt paved parking.

Aircraft Parking Ramp

Approximately 515,000 square feet of heavy duty concrete aircraft parking apron.

Storage Buildings

Two metal storage buildings of approximately 4000 and 2032 square feet.

EXHIBIT C**FUEL FACILITY**

The Fuel Facility means the underground storage tanks and any associated piping, connections, distribution systems, pumps, conduit and other related equipment or structures existing on the Premises at the termination of the Sabreliner Lease and the Commencement Date of this Agreement.

EXHIBIT D**BASELINE INVESTIGATION**

- All items listed on Attachment A to this Exhibit D
- 2004 Report [more specific citation to be provided]
- Baseline Site Investigation Data Summary 6161 Aviation Drive, Berkeley, MO prepared for: The Boeing Company – St. Louis, Missouri (July 6, 2007) ERM Project No. 0059256.02

ATTACHMENT A TO EXHIBIT D**DESCRIPTIONS OF DISCLOSED ENVIRONMENTAL MATTERS****Underground Storage Tanks**

- Two 12,000 gallon and three 10,000 gallon underground storage tanks (Ref. Due Dil. File A-9 & AI-13), and associated piping. Below is a chronology of the work associated with the tanks:
- May 4, 1994, a release was discovered at the tank farm. Free product was observed and recovered.
- May 23, 1994, Draft of 20-Day Report, Initial Abatement Steps. (Ref. Due Dil. File A-9)
- June of 1995, groundwater contamination was documented to be present at the site during a series of subsurface investigations performed by Environmental Resource Management, Inc. (ERM). A summary report was provided to the Missouri Department of Natural Resources dated July 25, 1997. (Ref. Due Dil. File AI-1)
- November 13, 1996, ATS had a 61-gallon fuel spill on the ramp. (Ref. Due Dil. File AI-9)
- December 20, 1997, one 3,000 gallon Auto gas fuel tank was removed from the North side of Hangar 7. A letter of closure was issued by MDNR on March 9, 1998. (Ref. Due Dil. File AI-2).
- June 18, 1999, O'Brien and Gere "Site Characterization Report from Sampling and Analyses of Soils at the Trench Intercepts." (Ref. Due Dil. File AI-1)

- June 26, 1998, BioVac provided additional investigative findings in a report entitled Subsurface Site Characterization Report.
- Starting in October of 2000 and proceeding over the next eight (8) quarters BioVac performed quarterly groundwater monitoring. (Ref. Due Dil. File A1-8)
- September 28, 2002, ATS/Air BP reported a 1,126-gallon jet fuel spill. (Ref. Due Dil. File A1-9)
- January 27, 2003, Sabreliner Lambert Fuel Farm Site Results of Additional Subsurface Investigation, Groundwater Sampling and Elevation Gauging Activities Performed in November and December, 2002. The plan is to treat the soil, groundwater and tank pits with an oxygen release compound. (Report FedEx'd to Boeing on January 27, 2003)
- March 18, 2003, Letter from BioVac re: Sabreliner Lambert FBO fuel farm site proceeding with follow up sampling event #1, etc.
- March 19, 2003, Letter from BioVac re: Sabreliner Lambert FBO fuel farm site tank recovery well installation and interim groundwater recovery activities performed in February through May of 2002 (Reference ST0006161, Claim 50766)
- April 30, 2003, Letter from MDNR re: Comments to BioVac report dated January 27, 2003
- May 9, 2003, Letter from BioVac re: Sabreliner Corporation correspondence letter dated April 30, 2003 (Reference ST0006161, R0004740)
- May 15, 2003 Letter from BioVac re: Results of additional groundwater sampling activities performed on April 29 and 30, 2003 at the Sabreliner Lambert FBO Fuel Farm Site (Reference ST0006161, R0004740)
- December 14, 2004, Letter from MDNR re: Sabreliner, 6161 Aviation Drive, St. Louis, St. Louis County, MO, ST0006161, R0004740)
- July 7, 2005, Letter from City of St. Louis Airport Authority to Sabreliner Corporation requesting status of delineation of jet fuel contamination at Sabreliner leasehold.
- July 19, 2005, Letter from Sabreliner Corporation to City of St. Louis Airport Authority responding to request for status of delineation of jet fuel contamination at Sabreliner leasehold.
- October 31, 2003, Tank Testing Report Form

Spills, Releases, Etc.

- Fuel Spill Report. September 28, 2002, ATS – 1126 Gallons (Ref. Due Dil. File A1-9)
- Fuel Spill Report. November 13, 1996, ATS – 61 Gallons (Ref. Due Dil. File A1-9)
- Declarations and Certifications Endorsement for Financial Responsibility – Period coverage 04/01/2007 to 04/01/2008 (Provided to Boeing 8/10/07 Via Email)

Chemicals used and wastes generated

- Sabreliner has one 55 gallon drum used to store compressor oil until picked up by Safety Kleen and house paints in original containers.
- ATS/Air BP sells Jet-A fuel and Low Lead Avgas and Engine Oils.
- Air Cargo uses and generates as waste:
 - Hydraulic Oil and Skydrol Oil and Motor Oil
 - Lacquer thinner and reducer
 - Enamel paints (small quantities)
 - Ethylene Glycol

- Gasoline
 - Anti-freeze
 - Carb cleaner
 - WD-40
 - Brake Fluid
 - Transmission Fluid
 - Used Jet-A fuel and oil
 - #18 Solvent supplied by SAFETY-KLEEN
- Professional Aircraft Line Service uses:
 - Turbo Oil and Skydrol Oil

Asbestos areas present (Ref. Due Dil. File A1-3)

- Hangar 6, Flight Safety Electrical Room – White 12x12-inch black speckled floor tile and black mastic in good condition. Tile: 2% - 3% Mastic: 2% - 3%
- Hangar 6, 2nd Floor, Flight Safety Classroom – White 12x12-inch brown speckled floor tile and black mastic in good condition. Tile: 2% - 3% Mastic: 2% - 3%
- Hangar 6, 1st Floor, Overhaul Shop – Brown 9x9-inch speckled floor tile and black mastic in good condition. Tile: Non-Detected (“N.D.”) Mastic: 3% - 5%
- Hangar 7, Section of Offices – White floor tile and black mastic. Tile: N.D. Mastic: 5% - 10%
- Hangar 7, Maintenance – White 12x12-inch floor tile and mastic in good condition. Tile: N.D. Mastic: 2% - 3%
- Hangar 7, Maintenance – Grey 10x10-inch floor tile and gold mastic in good condition. Tile: 2% - 3% Mastic: N.D.
- Hangar 7, Offices – White 2x3-foot ceiling tile in good condition. 2%

Facility Permits

- Hazardous waste generators permit (#MOD 071982037-003371)
- Underground Storage Tank Registration (#6161)
- January 27, 2004 – Letter from St. Louis County Health Department with Air Pollution Control Operating Permit (County Id#2992A) (Provided to Boeing 8/10/07 Via Email)
- Declarations and Certifications Endorsement for Financial Responsibility – Period coverage 04/01/2007 to 04/01/2008 (Provided to Boeing 8/10/07 Via Email)

MDNR 3rd Party Letters

- January 18, 1995, Acknowledgment letter for “45-Day Report and Initial Site Characterization Report.”
- May 5, 1995, First “Site Characterization,” approval letter.
- April 23, 1997, Approval letter for supplement site investigation activity.
- February 10, 1998, “Closure Letter for Auto Gas Tank.” (Ref. Due Dil. File A1-2)
- February 18, 1998, Approval letter for site investigation.
- March 9, 1998, Auto gas sludge disposal letter.
- February 2, 1999, Letter discussing groundwater data.

- July 2, 1999, Letter on O'Brien and Gere's investigation.
- October 1, 1999, Approval letter for further work.
- January 10, 2000, Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- March 6, 2000, Second Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- June 13, 2000, Third Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- October 16, 2000, Fourth Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- February 5, 2001, Fifth Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- August 10, 2001, Sixth Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- December 4, 2001, Seventh Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- April 8, 2002, Eighth Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- July 8, 2002, "Letter of Warning". (Ref. Due Dil. File A1-6)
- August 9, 2002, Ninth Quarterly Ground Water Sampling Results. (Ref. Due Dil. File A1-8)
- December 19, 2002, Boeing excavation pit vertical profile soil testing analytical results from the sampling activities. (Ref. Due Dil. File A1-8)
- November 3, 2003, Letter from BioVac on results of sampling activities
- July 7, 2005, Letter from Lambert St. Louis International Airport requesting update on determination of contamination extent
- Airport Authority letter request for update on status of UST investigation dated June 28, 2006.
- Sabreliner's response to Airport Authority request on status of UST investigation dated July 5, 2006.
- PSTIF letter dated September 14, 2006 informing Sabreliner of changes affecting insurance renewals for underground storage tanks – no reply required
- December 11, 2006, Sabreliner's letter to PSTIF confirming that Policy number ST0006161-01 is in effect. (Provided to Boeing 8/10/07 Via Email)
- December 13, 2006, Response from PSTIF confirming Policy No. 0006161-01 is in effect. (Provided to Boeing 8/10/07 Via Email)
- February 22, 2007, Letter from MDNR stating they have reviewed the file for the site regarding groundwater monitoring. (Provided to Boeing 8/10/07 Via Email)
- March 26, 2007, Sabreliner's response to MDNR letter of February 22, 2007. (Provided to Boeing 8/10/07 Via Email)

Audits

- PSTIF Inspection April 18, 2006
- May 1995, Asbestos Audit (Ref. Due Dil. File A1-3)

Omissions

- No hazardous substances used by Boeing at, on, in, and under the Real Property are listed on this schedule.

Other

- Reference Due Diligence file box provided to Marc Poulin for copies of referenced documents and other documents related to this schedule.
- Tier II registration for March 1, 2006 to February 28, 2007
- PSTIF Declarations & Certifications for Financial Responsibility from April 1, 2007 to April 1, 2008

EXHIBIT E TO MDC LEASE AGREEMENT AL-205

	Year INITIAL TERM OF 26 YEARS	Estimated Monthly Rent	Escalation	Estimated Annual Rent
Contract Year 1	1/1/2009	\$ 15,754.24		\$ 189,050.94
Contract Year 2	1/1/2010	15,754.24		189,050.94
Contract Year 3	1/1/2011	15,754.24		189,050.94
Contract Year 4	1/1/2012	15,754.24		189,050.94
Contract Year 5	1/1/2013	15,754.24		189,050.94
Contract Year 6	1/1/2014	18,905.09	0.20	226,861.13
Contract Year 7	1/1/2015	18,905.09		226,861.13
Contract Year 8	1/1/2016	18,905.09		226,861.13
Contract Year 9	1/1/2017	18,905.09		226,861.13
Contract Year 10	1/1/2018	18,905.09		226,861.13
Contract Year 11	1/1/2019	22,686.11	0.20	272,233.36
Contract Year 12	1/1/2020	22,686.11		272,233.36
Contract Year 13	1/1/2021	22,686.11		272,233.36
Contract Year 14	1/1/2022	22,686.11		272,233.36
Contract Year 15	1/1/2023	22,686.11		272,233.36
Contract Year 16	1/1/2024	27,223.34	0.20	326,680.03
Contract Year 17	1/1/2025	27,223.34		326,680.03
Contract Year 18	1/1/2026	27,223.34		326,680.03
Contract Year 19	1/1/2027	27,223.34		326,680.03
Contract Year 20	1/1/2028	27,223.34		326,680.03
Contract Year 21	1/1/2029	32,668.00	0.20	392,016.04
Contract Year 22	1/1/2030	32,668.00		392,016.04
Contract Year 23	1/1/2031	32,668.00		392,016.04
Contract Year 24	1/1/2032	32,668.00		392,016.04
Contract Year 25	1/1/2033	32,668.00		392,016.04
Contract Year 26	1/1/2034	39,201.60	0.20	470,419.25
Sub-Total 26 Years				\$ 7,504,626.75
2 Additional 8 Year Terms				
Contract Year 27	1/1/2036	39,201.60		470,419.25
Contract Year 28	1/1/2037	39,201.60		470,419.25
Contract Year 29	1/1/2038	39,201.60		470,419.25
Contract Year 30	1/1/2039	39,201.60		470,419.25
Contract Year 31	1/1/2040	47,041.93	0.20	564,503.10
Contract Year 32	1/1/2041	47,041.93		564,503.10
Contract Year 33	1/1/2042	47,041.93		564,503.10
Contract Year 34	1/1/2043	47,041.93		564,503.10
Contract Year 35	1/1/2044	47,041.93		564,503.10
Contract Year 36	1/1/2045	56,450.31	0.20	677,403.72
Contract Year 37	1/1/2046	56,450.31		677,403.72
Contract Year 38	1/1/2047	56,450.31		677,403.72
Contract Year 39	1/1/2048	56,450.31		677,403.72

Contract Year 40	1/1/2049	56,450.31		677,403.72
Contract Year 41	1/1/2050	67,740.37	0.20	812,884.46
Contract Year 42	1/1/2051	67,740.37		812,884.46
Sub-Total Add'l 16 Years				\$ 9,716,980.02
TOTAL - 42 YEARS				<u>\$ 17,221,606.77</u>

ATTACHMENT "3"
LAMBERT-ST. LOUIS INTERNATIONAL AIRPORT®
AIRPORT TERMINAL SERVICES, INC
LEASE AGREEMENT
NO. AL-542

Is on file in the Register's Office.

Approved: October 6, 2008