

ORDINANCE #68190
Board Bill No. 265

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE 3693 FOREST PARK REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; APPROVING A REDEVELOPMENT PLAN AND A REDEVELOPMENT PROJECT WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE 3693 FOREST PARK SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

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

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

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

WHEREAS, staff and consultants of the City and McGowan Brothers Management Corporation, LLC, a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled the "3693 Forest Park TIF Redevelopment Plan" dated August 29, 2008 (the "Redevelopment Plan"), for an area consisting of one tax parcel located in City Block 2202 which parcel is commonly known and numbered as 3693 Forest Park Avenue (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A**; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by rehabilitation and redevelopment of the building in the Redevelopment Area into commercial and residential space, as set forth in the Redevelopment Plan (the "Redevelopment Project," or "TIF Project"); and

WHEREAS, on October 15, 2008, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Plan, and the Redevelopment Project; and

WHEREAS, on October 15, 2008, the TIF Commission found that completion of the Redevelopment Project would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, 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 October 15, 2008, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iv) approving the Redevelopment Project as described within the Redevelopment Plan, and (v) approving the issuance of one or more tax increment financing revenue notes in the amount as specified in the Redevelopment Plan; and

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

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

WHEREAS, the Redevelopment Area qualifies for the use of tax increment financing to alleviate the conditions that

qualify it as a “blighted area” as provided in the TIF Act and as set forth herein; and

WHEREAS, the property constituting the Redevelopment Area is underutilized and predominantly vacant, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City, and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Project to allow the rehabilitation of the building in the Redevelopment Area into commercial and residential space; and

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

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

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

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

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

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

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

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

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

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

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

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

SECTION THREE. The Redevelopment Plan as reviewed and recommended by the TIF Commission on October 15, 2008, including amendments thereto, if any, and the Redevelopment Project described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FOUR. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the "3693 Forest Park Special Allocation Fund." To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the 3693 Forest Park Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

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

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

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Project and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Project shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the 3693 Forest Park Special Allocation Fund for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Project from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SIX. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Project over the amount of such taxes generated by economic activities within the area of the Redevelopment Project in the calendar year prior to the adoption of the Redevelopment Project by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the 3693 Forest Park Special Allocation Fund.

SECTION SEVEN. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 3693 Forest Park Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

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

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

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

further action of the Board of Aldermen necessary to authorize such changes by the Mayor and the Comptroller or their designated representatives.

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

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

EXHIBIT A

3693 FOREST PARK TIF REDEVELOPMENT PLAN

3693 FOREST PARK

TIF REDEVELOPMENT PLAN

**Submitted to
the City of St. Louis
Tax Increment Financing Commission
August 29, 2008**

3693 FOREST PARK TIF REDEVELOPMENT PLAN

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I. INTRODUCTION

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of one parcel in City Block 2202 located at 3693 Forest Park Avenue (the "Redevelopment Area" or "Area"). The Area currently contains one deteriorated commercial building (the "Building"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

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

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Notes") in an amount up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) plus issuance costs to fund a portion of the costs of the Redevelopment Project. The TIF Notes issued shall be reimbursed solely from the revenue stream of Payments In Lieu of Taxes ("PILOTS") and Economic Activity Taxes ("EATS") generated by the Project over a twenty-three year period. One hundred percent of PILOTS within the Redevelopment Area and fifty percent of EATS will be allocated to retire the TIF Notes. The City may issue TIF Note(s) or other TIF obligations to the developer of the Project ("Developer") or a third party to evidence the City's obligation to reimburse the Developer for a portion of the costs of the Redevelopment Project. Such TIF Note(s) will be paid solely from revenues on deposit in the 3693 Forest Park Special Allocation Fund, in accordance with and pursuant to the TIF Act. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria agreed upon by the City and Developer in a Redevelopment Agreement, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds ("TIF Bonds") to repay the TIF Note.

II. OVERVIEW OF TAX INCREMENT FINANCING

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

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

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

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

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

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

The Area includes the property located at 3693 Forest Park Avenue.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 3693 Forest Park TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

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

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

- Commercial Use Rehabilitation of all or a portion of the Building in the Area into commercial space together with related improvements.
- Residential Use Rehabilitation of all or a portion of the Building in the Area into residential space together with related improvements.

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

It is expected that the Redevelopment Project will capitalize on existing successful redevelopment efforts in Midtown, and, in so doing, will enhance the perception of this portion of St. Louis as a safe and active environment. The project will help stabilize and enhance the perception of security in the area immediate to Saint Louis University and the Aquinas Institute of Theology. In addition, it is expected that the Project will encourage an increase in other redevelopment efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for the Redevelopment Project at this time equal approximately \$12,500,000, excluding developer fees, as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimated based on the knowledge of the Redevelopment Project at this time and that the actual redevelopment cost items for implementing the Redevelopment Project may vary depending on market conditions and other factors.

4. General Land Uses to Apply

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

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Project will be completed within thirty-six (36) months from the execution of a redevelopment agreement between the City and the Developer of this Redevelopment Project as contemplated herein. This date is merely an estimate, and such implementation may be accelerated or delayed as market or site conditions dictate. The estimated date for retirement of obligations incurred to finance the Redevelopment Project shall not be more than twenty-three (23) years from approval of the Redevelopment Project. The anticipated Redevelopment Program Schedule for the TIF Project is included herein as **Appendix 4**.

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

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

7. Estimated Equalized Assessed Value after Redevelopment

The total estimated Equalized Assessed Value of all property subject to PILOTS in the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$1,840,946 (2011).

8. Acquisition

The use of eminent domain is not contemplated within the Area to complete the Redevelopment Project.

9. Blighted Area

As described in greater detail in the Analysis of Conditions Representing a Blighted Area for the 3693 Forest Park Redevelopment Area attached hereto as **Appendix 3** and incorporated herein by this reference, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit attesting to the existence of these conditions, which affidavit is included herein as **Appendix 6**.

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

10. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the development of the City as set forth in the "Strategic Land Use Plan" (2005) and the Midtown Strategic Development Plan (2003).

11. Plan for Relocation Assistance

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

12. Cost Benefit Analysis

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

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

13. Does Not Include Gambling Establishment

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

14. Reports to DED

As required by the TIF Act, the City shall report to the Department of Economic Development regarding the Redevelopment Area.

15. Historical Land Use of Property within the Redevelopment Area

The Building, also known as the Ramsey Accessories Manufacturing Corporation Building, is located at 3693 Forest Park Avenue in close proximity to Saint Louis University and across Spring Avenue from the Aquinas Institute of Theology. The Building was built in approximately 1927 for manufacturing use. The brick and concrete Building has been used for various manufacturing uses including engine accessories manufacturing. The Building was added to the National Register of Historic Places in April 2008 for its historic significance to the St Louis automobile industry.

IV. FINANCING PLAN

1. Eligible Redevelopment Project Costs

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

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project are approximately \$12,500,000, excluding developer fees, and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues; such Project Costs, in accordance with the TIF Act, may include, but are not limited to:

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

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

The following table illustrates the anticipated categories costs that will be funded in part by TIF, assuming the funding of up to \$1,500,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
\$1,500,000	TOTAL

It is not the intent of **Appendix 2**, the table provided above, or this Redevelopment Plan to restrict the City or the Developer

to the cost amounts, categories or allocations as outlined. During the life of the Redevelopment Area, Plan, and Project, other costs may be incurred or adjustments may be made within and among the line items specified in **Appendix 2** and additional categories may be added to the extent allowed by the TIF Act, if necessary and reasonable to accomplish the program objectives of the Redevelopment Plan.

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

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

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

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

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes (“TIF Note”) in an amount up to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00) plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Project and Redevelopment Project Costs as outlined in **Appendix 2**, which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Project. In addition, these Notes or other financial obligations may be privately placed. It is the City’s intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the 3693 Forest Park Special Allocation Fund. The 3693 Forest Park Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

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

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

4. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains a preliminary commitment letter providing evidence of a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Project.

APPENDIX 1
3693 FOREST PARK TIF REDEVELOPMENT PLAN
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA

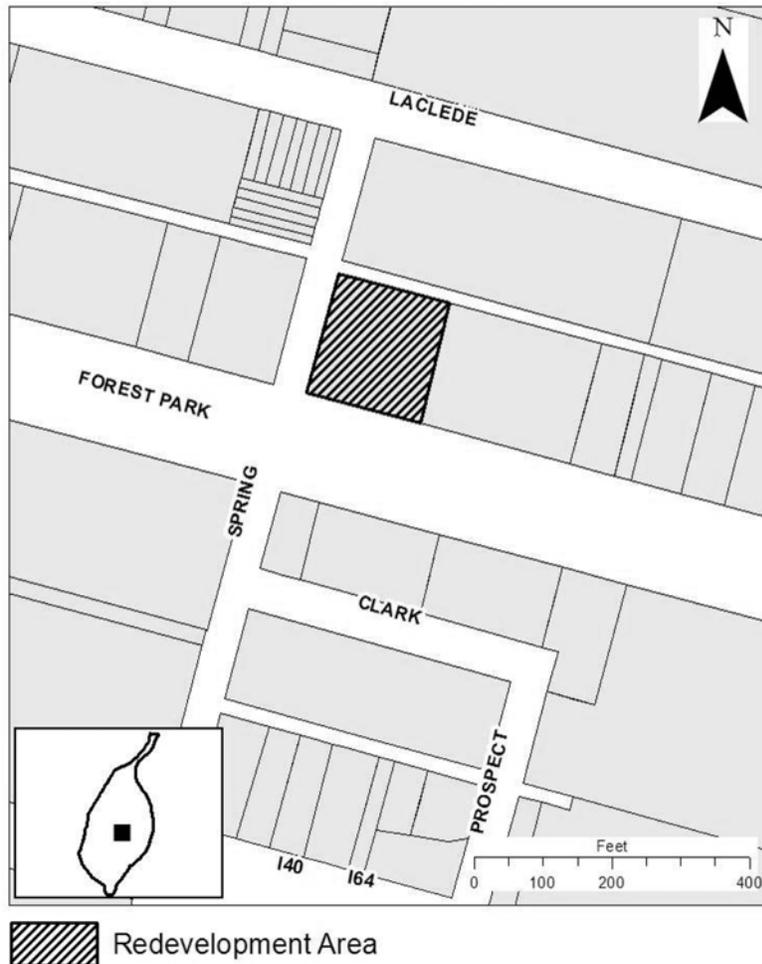
Parcel 1:

A lot in Block 2202 of the City of St. Louis, beginning at the intersection of the North line of Forest Park Avenue and the East line of Spring Avenue; thence Eastwardly along the North line of Forest Park Avenue 150 feet; thence Northwardly 182 feet 5-1/8 inches to an alley; thence Westwardly along the South line of said alley and the straight extension Westwardly thereof 150 feet to the East line of Spring Avenue; thence Southwardly 182 feet 5-1/8 inches, according to Survey and 182 feet 8-1/4 inches, more or less, by deed, to the point of beginning; bounded on the East by property now or formerly of Trinidad Asphalt Manufacturing.

Parcel 2:

Part of Lot No. 23 of Hydraulic Press Brick Company's Subdivision and in Block No. 2202 of the City of St. Louis, and described as fronting 15 feet on North line of Forest Park Avenue, by a depth Northwardly, between parallel lines, of 182.23 feet, more or less, to an alley; bounded West by a line distant 150 feet East of and Parallel with the East line of Spring Avenue.

3693 FOREST PARK REDEVELOPMENT AREA



APPENDIX 2
3693 FOREST PARK TIF REDEVELOPMENT PLAN
ANTICIPATED SOURCES AND USES OF FUNDS

<u>USES (Excluding Developer Fee)</u>	
ACQUISITION TOTAL	\$ 2,100,000
Construction and Rehabilitation	\$ 7,875,000
Contingency	\$ 787,500
CONSTRUCTION TOTAL	\$ 8,662,500
Architect Design	\$ 60,000
Engineering / Survey	\$ 30,000
Pre Development Expenses	\$ 100,000
Environmental	\$ 5,000
Appraisal	\$ 5,000
Legal - TIF	\$ 50,000
Title / Recording / Disbursing	\$ 25,000
Insurance	\$ 40,000
Accounting	\$ 50,000
Operating & Emergency Reserve	\$ 250,000
Advertising / Marketing	\$ 100,000
Loan Fee	\$ 45,000
Construction Period & Lease Up Interest	\$ 920,000
Construction Taxes	\$ 35,000
PROFESSIONAL TOTAL	\$ 1,715,000
TOTAL USES	\$ 12,477,500
 <u>SOURCES</u>	
State Historic Credits Proceeds	\$ 2,409,675
Federal Historic Equity	\$ 2,014,380
TIF	\$ 1,500,000
Owner Equity/Private Financing	\$ 6,553,445
TOTAL SOURCES	\$ 12,477,500

**APPENDIX 3
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE
3693 FOREST PARK REDEVELOPMENT AREA**

**ANALYSIS OF CONDITIONS REPRESENTING
A BLIGHTED AREA**

for the

**3693 FOREST PARK
TIF REDEVELOPMENT AREA**

**3693 FOREST PARK
TIF REDEVELOPMENT PLAN**

August 29, 2008

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

TIF ELIGIBILITY

The 3693 Forest Park Redevelopment Area (the “Redevelopment Area” or “Area”) established in the 3693 Forest Park Redevelopment Plan (the “TIF Redevelopment Plan”) is a blighted area based on the fact that it exhibits the factors set forth in Section 99.805(1) of the Revised Statutes of Missouri (the “TIF Act”).

As defined, a “blighted area” is:

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

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
 - a. Building exteriors and interiors;
 - b. Systems and components.
- 2) Unsanitary and unsafe conditions resulting from:
 - a. Refuse;
 - b. Potentially unstable structural elements;
- 3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:
 - a. Limited safety systems;
 - b. Deteriorating physical components.
- 4) Menace to the Public Health, Safety, Morals or Welfare
- 5) Economic or Social Liability:
 - a. Deferred maintenance and lack of investment; b. Uncompetitive position.

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

A map illustrating the boundaries of the area is attached hereto as Exhibit 1, along with photographs of conditions in the Area attached hereto as Exhibit 2.

DATA COLLECTION METHODS

This study has been designed and conducted to comply with the specific requirements of Section 99.805 (1) RSMo. The study and the requisite field work were performed in August, 2008. Observations and conclusions are based upon on-site inspections of the Redevelopment Area and familiarity with the local market.

In determining whether the proposed Redevelopment Area meets the eligibility requirements for Tax Increment Financing per the TIF Act, a number of sources of information were utilized; including, but not limited to, the following:

- A. Survey of the condition and use of the Redevelopment Area;
- B. Public documents and records relating to the history and/or condition of the Area; and
- C. Analysis of existing uses.

OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists of one building (“Building”) on one parcel in City Block 2206 as shown on Appendix 1 to the TIF Redevelopment Plan.

DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA

1) Deterioration of Site Improvements:

In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling plates, or holes and cracks over limited areas. Deterioration that is not easily curable, however, and that cannot be accomplished in the course of normal maintenance, includes buildings with defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc.

The Building suffers from deterioration of most exterior and interior building components. The exterior suffers from deteriorated windows and masonry work throughout the façade that will require complete replacement or rehabilitation. The original brick and stone façade of the Building was partially covered by a modern concrete covering. Over time, this covering deteriorated and has been stripped off, exposing the original façade. The rehabilitation of this façade will require a massive investment to restore it to an acceptable condition. In addition, the majority of the Building’s windows are boarded and will require complete replacement. In some places, windows are broken and remain uncovered, posing a safety concern.

All interior spaces of the Building are deteriorated. Decades of industrial use has taken its toll on the Building’s walls, fixtures, and components. Portions of the Building have been exposed to the natural elements resulting in damage to primary and secondary building components. In addition, multiple locations show signs of water damage and damage from extreme heat. Whether caused by the natural elements, or by industrial equipment malfunctions, this damage will require extensive rehabilitation or replacement of primary and secondary building components.

Several important building components are outmoded and insufficient for their intended use, including heating, plumbing, electric systems, fire suppression systems, and elevators. All components will likely need replacing. Wiring and plumbing fixtures are exposed in places, and loose wires and nonfunctioning pipes hang from the ceiling. These outmoded and insufficient components are not acceptable for modern use and make it impossible for the Building to be used as it is intended.

The Building suffers deteriorated conditions to both primary and secondary building components. These deficiencies cannot be corrected through normal maintenance but require either rehabilitation and renovation, or replacement in order to be brought to a marketable physical state.

2) Unsanitary or Unsafe Conditions:

In addition to the general physical deterioration stated above, the Area contains unsanitary or unsafe conditions.

The outdated mechanical and utilities infrastructure in the Area is unsafe, especially with respect to electrical and fire prevention systems. Wiring and piping are exposed and hang from the ceiling. There are visible deep vertical cracks in at least one of the primary support columns for the Building. It is unclear if the structural integrity of the column is at risk; however, this could present a very serious unsafe condition. The existence of piles of refuse and abandoned equipment from previous industrial uses inside the Building is clearly detrimental to the use of the space as well as a fire hazard. This is particularly concerning given the lack of fire prevention systems within the Building.

In addition, the overall deteriorated and overgrown condition of the outside of the Building has encouraged significant amounts of vandalism and gang-related graffiti, or "tagging" in the Area. Not only does this lead to crime and delinquency in the Area, the vandalism negatively impacts neighboring properties either directly or indirectly. Vandals have used the roof of the loading dock of the Building to vandalize a neighboring building and to break at least one of the Building's windows. The underutilization of the Area and the deteriorated condition of the Building encourage such behavior and provide a safe haven for criminal activity.

3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:

Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, property maintenance, fire, environmental or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

The deteriorating condition of the Area has resulted in structural conditions that are unsafe and which present a danger to property and personal safety due to fire or other causes. As previously mentioned, the presence of piles of refuse in the Building further constitutes a fire hazard. A site visit to the Area revealed evidence of criminal activity on the roof of the loading dock, including a broken window on the Building, accessible from the roof of the loading dock. This condition endangers lives or property and will likely continue unless the Area is redeveloped.

4) Menace to the Public Health, Safety, Morals, or Welfare:

As discussed above, the Redevelopment Area exhibits many factors that constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe building conditions described above represent a menace to the public health and safety; the economic liability of the deteriorated structure also represents a menace to the public welfare.

5) Economic or Social Liability

Due to the predominance of blighting factors discussed above, the Area in its current condition is a liability to the social welfare and economic independence of the City. As noted above, the Area suffers from neglect and a lack of investment. These conditions have fostered a state of economic obsolescence as the property will soon become unmarketable because of its condition, and will further become an economic burden to the City. Deterioration and subsequent obsolescence of the Area has contributed to the lack of physical maintenance and underutilization of the Area.

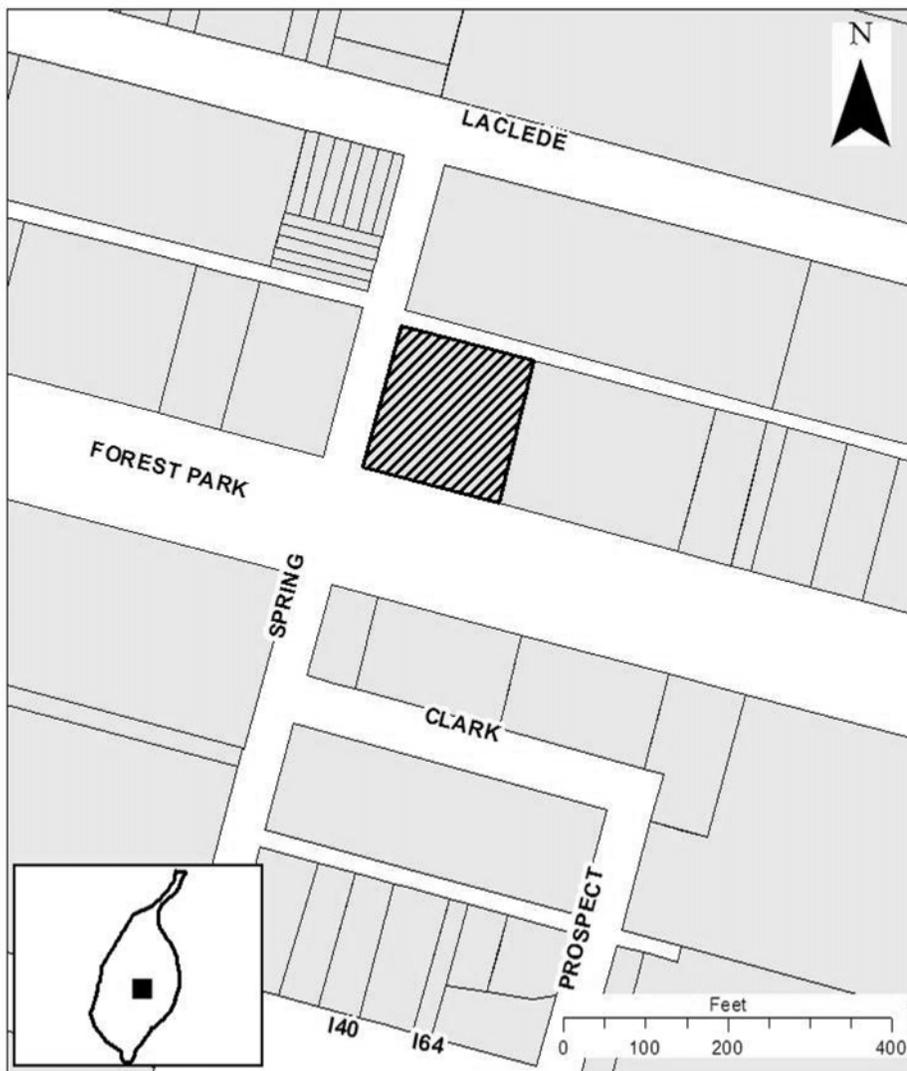
The Area in its current condition hampers the economic vitality and independence of the City by failing to generate tax revenue and discouraging reinvestment in, or maintenance of, the Building. The Area's physical condition, combined with the underutilization of the Building, diminishes its potential to generate property and economic activity tax revenues for the City up to its full potential. Without the comprehensive redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will continue to decline, eventually leaving the building vacant and unmarketable.

The Building represents a social liability to the City. Due to its deteriorated condition and deferred maintenance, the Area has furthered illegal and gang-related activity. The Area is a haven for criminal activity including vandalism and illegal dumping of trash in the alleyway. Unfortunately, the condition of the property has negatively affected surrounding properties. As previously mentioned, vandals have used the roof of the loading dock to spray graffiti on the neighboring building. The illegal dumping of trash and presence of gang activity in the alleyway has also negatively affected the adjacent St. Louis University campus and Thomas Aquinas Institute of Theology. The redevelopment of the Area is necessary to

address the social and economic liability the property is to the City, the neighborhood and nearby institutions.

The physical condition of and resulting lack of reinvestment in the Area have resulted in economic underutilization. The economic underutilization of the property contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity, remediate blighted conditions, and contribute to the growth of the City.

Exhibit 1
3693 Forest Park TIF Redevelopment Area
Blight Analysis



 Predominantly blighted

Exhibit 2: Photographs of Blighted Conditions



View of Building entrance from Forest Park Avenue



View of deteriorated and uneven sidewalks and absence of streetscape improvements



Full view of the Area from Forest Park Avenue



View of Building façade demonstrating need for replacement of windows and rehab of masonry



Severely deteriorated loading dock area



Evidence of graffiti, and vandalism in loading dock area



Severely damaged stone masonry in need of replacement



West exterior of the Building with overgrown and deteriorated conditions



Gang-related “tagging” graffiti on Building in alleyway



Overgrown conditions, broken window and refuse along alleyway



Interior supporting columns with major vertical cracking in concrete are safety concerns



Evidence of water damage and deteriorated conditions throughout the Building



Refuse from industrial uses represents a fire hazard on all floors



Deteriorated conditions exposed to the elements within stairwell area



Nonworking pipes hang from ceiling of third floor



Evidence of years of water and heat damage inside the Building



Damage to interior walls from years of industrial use



Interior view of first floor

**APPENDIX 4
3693 FOREST PARK TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

First TIF Commission Meeting (\$5,000 Application fee due)	8/13/2008
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	8/29/2008
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. 99.830.3)	8/29/2008
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. 99.830.1)	9/16/2008
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	10/1/2008
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	10/6/2008
Public Hearing by TIF Commission (RSMo. '99.825)	10/15/2008
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	10/15/2008
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes (between 14 and 90 days after hearing) (RSMo. 99.820.1[1])	10/31/2008
HUDZ Committee Hearing on TIF Ordinances	11/5/2008
Second Reading of TIF Ordinances	11/7/2008
Perfection of Board Bill(s)	11/14/2008
Board of Estimate & Apportionment	11/12/2008
Third Reading and Final Passage of TIF Ordinances	11/14/2008
Mayor Signs Bills	11/26/2008
Full Construction Commences	3/26/2009
Construction Complete	12/26/2011

**APPENDIX 5
3693 FOREST PARK TIF REDEVELOPMENT PLAN
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE
OF REDEVELOPMENT AREA**

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value (2008)</u>
3693 Forest Park Avenue	12202000140	\$ 260,100

HISTORY OF ASSESSED VALUE

TERM	AV	% CHANGE
2003	\$164,200	-
2004	\$164,200	0%
2005	\$186,000	13.3%
2006	\$186,000	0%
2007	\$260,100	39.8%

*Values consist of the entire property listed above.

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

APPENDIX 6
3693 FOREST PARK TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

APPENDIX 6
3693 FOREST PARK TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

STATE OF MISSOURI)
City OF ST. LOUIS)

AFFIDAVIT

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

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the 3693 Forest Park Tax Increment Financing Redevelopment Plan, initially dated August 29, 2008 (the "Redevelopment Plan").

1. I am a duly authorized representative of the McGowan Brothers Management Company, LLC (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

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

And Further Affiant Sayeth Not.

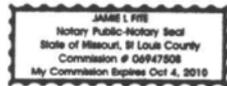
McGowan Brothers Management Company, LLC
a Missouri limited liability company

By: [Signature]
Name: SEANUS MCGOWAN
Title: Managing member

Subscribe and sworn to before me this 16 day of Aug 2008.

[Signature]
Notary Public

My Commission Expires: 10/04/2010



APPENDIX 7
3693 FOREST PARK TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

APPENDIX 7
3693 FOREST PARK TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS



August 19, 2008

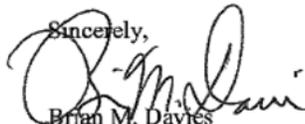
Re: Proposed 3693 Forest Park TIF project, St. Louis, Missouri

Dear Seamus:

The purpose of this letter is to evidence Centrue Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property and rehabilitation of existing structures into residential and commercial uses in the 3693 Forest Park TIF in the City of St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's interest in this Project, and the potential funding of this Project is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of St. Louis, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

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

Should you have any questions, please do not hesitate to call.

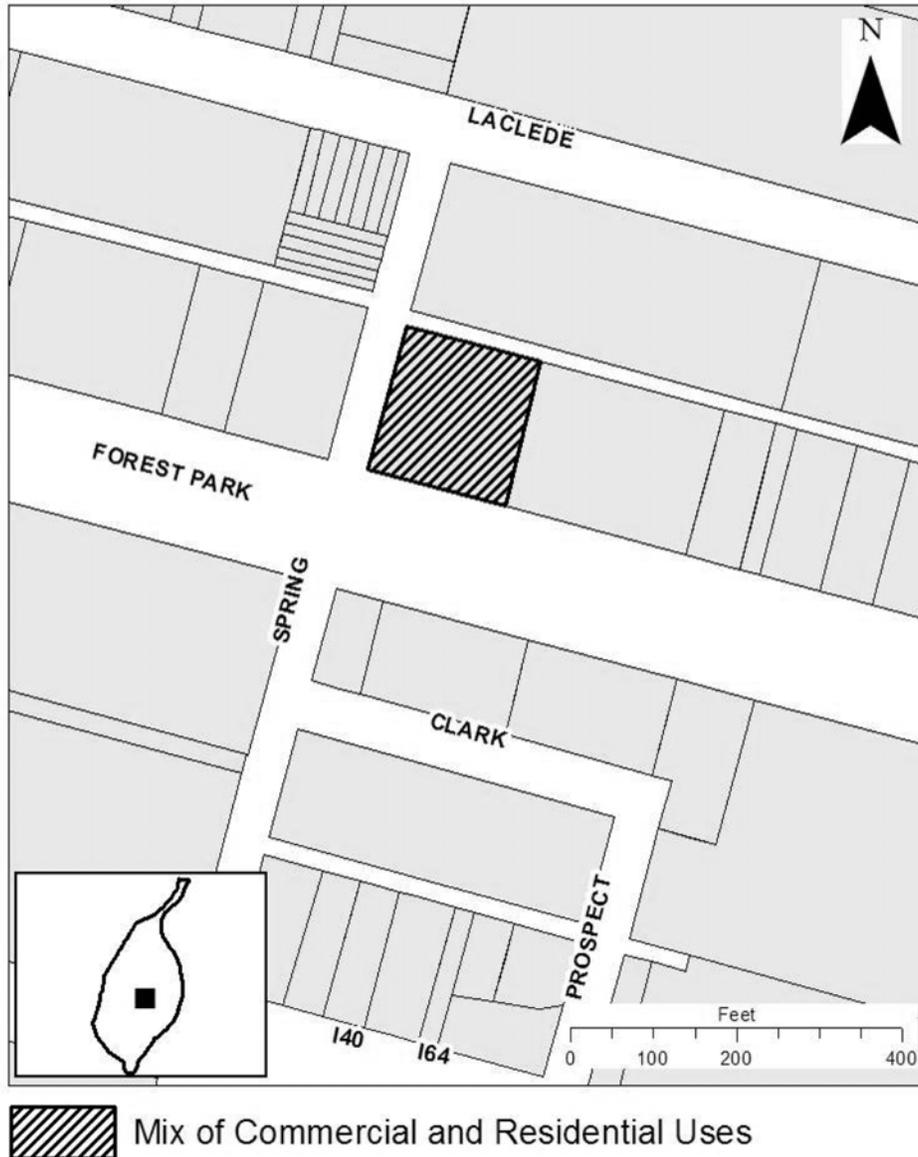
Sincerely,

Brian M. Davies
Senior Vice President

APPENDIX 8
3693 FOREST PARK TIF REDEVELOPMENT PLAN

GENERAL LAND USES TO APPLY

APPENDIX 8
3693 FOREST PARK TIF REDEVELOPMENT PLAN

GENERAL LAND USES TO APPLY



Approved: December 1, 2008

ORDINANCE #68191
Board Bill No. 269

AN ORDINANCE DESIGNATING A PORTION OF THE CITY OF ST. LOUIS, MISSOURI AS A REDEVELOPMENT AREA KNOWN AS THE 374 SOUTH GRAND REDEVELOPMENT AREA PURSUANT TO THE REAL PROPERTY TAX INCREMENT ALLOCATION REDEVELOPMENT ACT; DESIGNATING TWO REDEVELOPMENT PROJECT AREAS WITHIN THE REDEVELOPMENT AREA; APPROVING A REDEVELOPMENT PLAN AND TWO REDEVELOPMENT PROJECTS WITH RESPECT THERETO; ADOPTING TAX INCREMENT FINANCING WITHIN THE REDEVELOPMENT AREA; MAKING FINDINGS WITH RESPECT THERETO; ESTABLISHING THE 374 SOUTH GRAND SPECIAL ALLOCATION FUND; AUTHORIZING CERTAIN ACTIONS BY CITY OFFICIALS; AND CONTAINING A SEVERABILITY CLAUSE.

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

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

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

WHEREAS, staff and consultants of the City, Union Square Enterprises, LLC, a Missouri limited liability company (the "RPA 1 Developer"), and Geyer Avenue Developments, LLC, a Missouri limited liability company (the "RPA 2 Developer") (collectively the "Developers"), prepared a plan for redevelopment titled "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008 (the "Redevelopment Plan"), for an area in the City consisting of three parcels in City Block 2206, generally located at the property commonly known as 374 South Grand, 314 South Grand and 3501 Market Street in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, attached hereto and incorporated herein as **Exhibit A** and which contains two separate and distinct Redevelopment Project Areas (respectively, "Redevelopment Project Area 1" and "Redevelopment Project Area 2" or "RPA 1" and "RPA 2", collectively the "Redevelopment Project Areas"); and

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA 1 by renovating and rehabilitating the buildings that currently exist in the RPA 1 into commercial and residential space, as set forth in the Redevelopment Plan (the "RPA 1 Project"); and

WHEREAS, the Redevelopment Plan proposes to redevelop the RPA 2 by renovating and rehabilitating the building that currently exists in the RPA 2 into residential space, as set forth in the Redevelopment Plan (the "RPA 2 Project", together with RPA 1 Project, the "Redevelopment Projects"); and

WHEREAS, on October 15, 2008, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act and received comments from all interested persons and taxing districts relative to the Redevelopment Area, the Redevelopment Project Areas, the Redevelopment Plan, and the Redevelopment Projects; and

WHEREAS, on October 15, 2008, the TIF Commission found that completion of the Redevelopment Projects would provide a substantial and significant public benefit through the elimination of blighting conditions, the creation of new jobs in the City, increased property values and tax revenues, preservation of historic structures, 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 Projects are not financially feasible and would not otherwise be completed; and

WHEREAS, on October 15, 2008, the TIF Commission voted to recommend that the Board of Aldermen adopt an ordinance in the form required by the Act (i) adopting tax increment financing within the Redevelopment Area, (ii) approving the Redevelopment Plan, (iii) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (iv) approving and designating the Redevelopment Project Areas, (v) approving the Redevelopment Projects as described within the Redevelopment Plan, and (vi) approving the issuance of one or more tax increment financing revenue notes in the amount specified in the Redevelopment Plan; and

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

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

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

WHEREAS, the property constituting the Redevelopment Area is underutilized and predominantly vacant, thus discouraging investment and encouraging crime and vagrancy, and the Redevelopment Area represents a social and economic liability to the City, and

WHEREAS, it is necessary and desirable and in the best interest of the City to approve the Redevelopment Projects to allow the rehabilitation of the buildings in the Redevelopment Area into commercial and residential space; and

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

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

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

A. The Redevelopment Area on the whole is a “blighted area”, as defined in Section 99.805 of the TIF Act, and has not been subject to growth and development through investment by private enterprise and would not reasonably be anticipated to be developed without the adoption of tax increment financing. This finding includes, the Redevelopment Plan sets forth, and the Board of Aldermen hereby finds and adopts by reference: (i) a detailed description of the factors that qualify the Redevelopment Area as a “blighted area,” (ii) an affidavit, signed by the RPA 1 Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met with respect to RPA 1, and (iii) an affidavit, signed by the RPA 2 Developer and submitted with the Redevelopment Plan, attesting that the provisions of Section 99.810.1(1) of the TIF Act have been met with respect to RPA 2, which description and affidavits are incorporated herein as if set forth herein.

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

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

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

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

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

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

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

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

SECTION THREE. The designation of the Redevelopment Project Areas in the Redevelopment Plan is hereby affirmed.

SECTION FOUR. The Redevelopment Plan as reviewed and recommended by the TIF Commission on October 15, 2008, including amendments thereto, if any, and the Redevelopment Projects described in the Redevelopment Plan are hereby adopted and approved. A copy of the Redevelopment Plan is attached hereto as **Exhibit A** and incorporated herein by reference.

SECTION FIVE. There is hereby created and ordered to be established within the treasury of the City a separate fund to be known as the “374 South Grand Special Allocation Fund.” To the extent permitted by law and except as otherwise provided in the Redevelopment Plan, the City hereby pledges funds in the 374 South Grand Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof.

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

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

B. Payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the area selected for the Redevelopment Projects and any applicable penalty and interest over and above the initial equalized assessed value of each such unit of property in the area selected for the Redevelopment Projects shall be allocated to and, when collected, shall be paid to the City Treasurer, who shall deposit such payments in lieu of taxes into the 374 South Grand Special Allocation Fund pursuant to the Redevelopment Agreements for the purpose of paying redevelopment costs and obligations incurred in the payment thereof. Payments in lieu of taxes which are due and owing shall constitute a lien against the real estate of the Redevelopment Projects from which they are derived and shall be collected in the same manner as the real property tax, including the assessment of penalties and interest where applicable.

SECTION SEVEN. In addition to the payments in lieu of taxes described in Section Five of this Ordinance, fifty percent (50%) of the total additional revenue from taxes, penalties and interest which are imposed by the City or other taxing districts, and which are generated by economic activities within the area of the Redevelopment Projects over the amount of such taxes generated by economic activities within the area of the Redevelopment Projects in the calendar year prior to the adoption of the Redevelopment Projects by ordinance, while tax increment financing remains in effect, but excluding personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri (2000) as amended, or taxes levied for the purpose of public transportation pursuant to Section 94.660 of the Revised Statutes of Missouri (2000) as amended, licenses, fees or special assessments other than payments in lieu of taxes and penalties and interest thereon, shall be allocated to, and paid by the collecting officer to the City Treasurer or other designated financial officer of the City, who shall deposit such funds in a separate segregated account within the 374 South Grand Special Allocation Fund pursuant to the Redevelopment Agreements.

SECTION EIGHT. The Comptroller of the City is hereby authorized to enter into agreements or contracts with other taxing districts as is necessary to ensure the allocation and collection of the taxes and payments in lieu of taxes described in Sections Five and Six of this Ordinance and the deposit of the said taxes or payments in lieu of taxes into the 374 South Grand Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof, all in accordance with the TIF Act.

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

parcel of real property within the Redevelopment Area, and shall certify such amount as the total initial equalized assessed value of the taxable real property within the Redevelopment Area.

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

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

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

SECTION THIRTEEN. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the effective date of an ordinance authorizing the City to enter into a redevelopment agreement pertaining to the Redevelopment Projects, the Developers or its affiliate or designee, has not (i) executed such redevelopment agreement and (ii) paid all fees due to the City in accordance with the terms of the redevelopment agreement, the provisions of this Ordinance shall be deemed null and void and of no effect and all rights conferred by this Ordinance on Developers, shall terminate, *provided further*, however, that prior to any such termination the Developers 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

374 SOUTH GRAND TIF REDEVELOPMENT PLAN

374 SOUTH GRAND

TIF REDEVELOPMENT PLAN

**Submitted to
the City of St. Louis
Tax Increment Financing Commission
August 29, 2008
Revised October 6, 2008**

374 SOUTH GRAND TIF REDEVELOPMENT PLAN

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I. INTRODUCTION

The following is a plan prepared for redevelopment of certain real property in the City of St. Louis (the "City") consisting of three parcels in City Block 2206 located at 374 South Grand, 314 South Grand and 3501 Market Street (the "Redevelopment Area" or "Area"). The Area currently contains one vacant office building, one residential building and one industrial building (the "Buildings"). A legal description and map of the Redevelopment Area are attached hereto as **Appendix 1** and incorporated herein by this reference.

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

The Redevelopment Area contains two separate and distinct Redevelopment Project Areas (each a "Redevelopment Project Area" or "RPA"), each of which contains a separate redevelopment project. The first of the two RPAs consists of the western portion of the Area, which occupies all of parcel numbers 22062200300 and 22062200600, commonly known as 374 South Grand and 3501 Market Street ("RPA1"). This Redevelopment Plan proposes the rehabilitation and renovation of RPA1 into a mix of commercial

and residential uses (“Redevelopment Project 1” or “Project 1”). The second RPA consists of the eastern portion of the Area, which occupies all of parcel number 22062200254, commonly known as 314 South Grand (“RPA2”). This Redevelopment Plan calls for the rehabilitation and renovation of RPA2 into residential uses (“Redevelopment Project 2” or “Project 2”). Together Redevelopment Project 1 and Redevelopment Project 2 comprise the “Redevelopment Projects” or “Projects.”

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes (“TIF Notes”) in an amount up to Three Million Three Hundred Thousand and No/100 Dollars (\$3,300,000.00) for RPA1 plus issuance costs to fund a portion of the costs of Redevelopment Project 1. This Redevelopment Plan also proposes that the City initially authorize and issue one or more Tax Increment Financing Notes (“TIF Notes”) in an amount up to One Million Three Hundred Eighty Thousand and No/100 Dollars (\$1,380,000.00) for RPA2 plus issuance costs to fund a portion of the costs of Redevelopment Project 2. The TIF Notes issued shall be reimbursed solely from the revenue stream of Payments In Lieu of Taxes (“PILOTS”) and Economic Activity Taxes (“EATS”) generated by the Projects over a twenty three year period. One hundred percent of PILOTS within the Redevelopment Area and fifty percent of EATS will be allocated to retire the TIF Notes. The City may issue TIF Note(s) or other TIF obligations to the developer of the Projects (“Developer”) or a third party to evidence the City’s obligation to reimburse the Developer for a portion of the costs of the Redevelopment Projects. Such TIF Note(s) will be paid solely from revenues on deposit in the 374 South Grand Special Allocation Fund, in accordance with and pursuant to the TIF Act. Upon receipt by the City of a written request by Developer and evidence that the Developer has met certain criteria agreed upon by the City and Developer in one or more Redevelopment Agreements, the City shall cause one of its agencies to immediately proceed to issue tax increment financing bonds (“TIF Bonds”) to repay the TIF Notes.

II. OVERVIEW OF TAX INCREMENT FINANCING

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

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

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

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

III. REDEVELOPMENT PLAN INCLUDING NECESSARY FINDINGS

1. Legal Description of the Redevelopment Area

A legal description and map of the Redevelopment Area including RPA1 and RPA2 are included herein as **Appendix 1**.

The Area includes the property located at 374 South Grand, 314 South Grand, and 3501 Market.

2. Redevelopment Plan Objectives

The City of St. Louis has established the following objectives for the 374 South Grand TIF Redevelopment Plan. These objectives are consistent with those purposes outlined in the TIF Act, as amended:

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

3. Redevelopment Projects

As discussed, this Redevelopment Plan divides the Redevelopment Area into two separate RPAs, RPA1 and RPA2, each of which is subject to a separate redevelopment project. To satisfy the objectives stated in this Redevelopment Plan, the Redevelopment Project consists of the following:

- Commercial Use Rehabilitation of all or a portion of the Area into commercial space together with related improvements.
- Residential Use Rehabilitation of all or a portion of the Area into residential space together with related improvements.

RPA1:

- Residential Use Rehabilitation of all or a portion of the Area into residential space together with related improvements.

The Redevelopment Projects are generalized to leave room for design creativity and owner specifications as needed, so that the Developer can respond to prospective occupant’s needs as well as market conditions as redevelopment of the Redevelopment Projects’ progress.

It is expected that the Redevelopment Projects will capitalize on existing successful redevelopment efforts in Midtown, and, in so doing, will enhance the perception of this portion of St. Louis as a safe and active environment. The Projects will help stabilize and enhance the perception of security in the area immediate to Saint Louis University and the Grand Metrolink Station. In addition, it is expected that the Projects will encourage an increase in other redevelopment efforts in the vicinity of the Redevelopment Area.

The total estimated Redevelopment Project Costs for Redevelopment Project 1 at this time equal approximately \$32,569,000, excluding developer fees, as set forth in greater detail in **Appendix 2**. The total estimated Redevelopment Project Costs for Redevelopment Project 2 at this time equal approximately \$34,525,000, excluding developer fees, as set forth in greater detail in **Appendix 2**. It should be noted that the costs set forth in **Appendix 2** are estimated based on the knowledge of the Redevelopment Projects at this time and that the actual redevelopment cost items for implementing the Redevelopment Projects may vary depending on market conditions and other factors.

4. General Land Uses to Apply

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

5. Redevelopment Schedule and Estimated Dates of Completion

It is estimated that implementation of the Redevelopment Projects will be completed within thirty-six (36) months from the execution of a redevelopment agreement between the City and the Developer of these Redevelopment Projects as contemplated herein. This date is merely an estimate, and such implementation may be accelerated or delayed as market or site conditions dictate. The estimated date for retirement of obligations incurred to finance the Redevelopment Projects shall not be more than twenty-three (23) years from approval of the Redevelopment Projects. The anticipated Redevelopment Program Schedule for the TIF Projects is included herein as **Appendix 4**.

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

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

7. Estimated Equalized Assessed Value after Redevelopment

The total estimated Equalized Assessed Value of all property subject to PILOTS in RPA1 of the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$4,437,266 (2011). The total estimated Equalized Assessed Value of all property subject to PILOTS in RPA2 of the Redevelopment Area after redevelopment and completion of the Redevelopment Project Area is approximately \$1,719,286 (2011).

8. Acquisition

The use of eminent domain is not contemplated within the Area to complete the Redevelopment Projects.

9. Blighted Area

As described in greater detail in the Analysis of Conditions Representing a Blighted Area for the 374 South Grand Redevelopment Area attached hereto as **Appendix 3** and incorporated herein by this reference, the Redevelopment Area as a whole is a blighted area, and has not been subject to growth and development through investment by private enterprise and will not reasonably be expected to be developed without the adoption of tax increment financing. The Developer has executed an affidavit for each RPA attesting to the existence of these conditions, which affidavits are included herein as **Appendix 6**.

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

10. Conforms with the Comprehensive Plan of the City

The Redevelopment Plan conforms to the development of the City as set forth in the "Strategic Land Use Plan" (2005) and the Midtown Strategic Development Plan (2003).

11. Plan for Relocation Assistance

As the property in RPA1 is currently vacant, the relocation of residents or businesses is not anticipated to be necessary within the Redevelopment Area with respect to the Redevelopment Project. With respect to RPA2, to the extent any relocation becomes necessary, this Redevelopment Plan adopts the City of St. Louis Relocation Policy (Ordinance No. 62481) as the relocation policy for this Redevelopment Plan.

12. Cost Benefit Analysis

Cost benefit analyses showing the fiscal impact of each of the Projects on each taxing district impacted by this Redevelopment Plan and sufficient information to determine the financial feasibility of the Projects are on file with the St. Louis

Development Corporation, 1015 Locust Street, Suite 1200, St. Louis, MO 63101.

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

13. Does Not Include Gambling Establishment

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

14. Reports to DED

As required by the TIF Act, the City shall report to the Department of Economic Development regarding the Redevelopment Area.

15. Historical Land Use of Property within the Redevelopment Area

The Buildings, formerly known as the Union Plaza Building and the Council Tower Building, are located at 374 South Grand and 314 South Grand, respectively. The Area is in close proximity to Saint Louis University and the Grand Metrolink Station. The Buildings were built between 1964-1968 as part of the Council Plaza complex of buildings to the north of Interstate 64, just east of South Grand Boulevard. The complex was part of the redevelopment and clearance of the Mill Creek Valley neighborhood through the Mill Creek Valley Urban Renewal Program. The former Union Plaza Building and the Council Tower Building were constructed as part of one of the first publicly assisted housing projects for the elderly. The entire complex created a community that included more than 600 units, restaurants, retail shopping, and complete health and dental services to persons over age 62 living on moderate incomes. Over the years, the Buildings became a mixture of office and commercial uses; however, due to the condition of the Union Plaza building, it is currently vacant. The Council Tower Building is not fully occupied and in poor condition. The Buildings were added to the National Register of Historic Places in March 2007.

IV. FINANCING PLAN

1. Eligible Redevelopment Project Costs

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

The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project 1 are approximately \$32,569,000, excluding developer fees, and are set forth in **Appendix 2**. The estimated Redevelopment Project Costs to be incurred in connection with the TIF Project 2 are approximately \$34,525,000, excluding developer fees, and are set forth in **Appendix 2**. More specifically, the TIF Act allows the City and/or its designated developer(s) to incur redevelopment costs associated with implementation of an approved Redevelopment Plan and approved Redevelopment Project. These costs include all reasonable or necessary costs incurred, and any costs incidental to a Redevelopment Project. Thus, this Redevelopment Plan anticipates that a portion of the sources of funds used to pay the Project Costs will come from the TIF revenues; such Project Costs, in accordance with the TIF Act, may include, but are not limited to:

- Costs of studies, surveys, plans and specifications;
- Professional service costs including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services;
- Property assembly costs including, but not limited to, acquisition of land and other real or personal property rights, or interests therein;
- Costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures;
- Costs of construction of public works or improvements;

- Financing costs including, but not limited to, all necessary and incidental expenses related to the issuance of obligations, and which may include the payment of interest on any obligation issued under the provisions of this Redevelopment Plan accruing during the estimated period of construction of any Redevelopment Project for which such obligations are issued and for not more than eighteen months thereafter, and including reasonable reserves related thereto; and
- All or a portion of a taxing district’s capital costs resulting from the Redevelopment Projects necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and Projects, to the extent the City, by written agreement, accepts and approves such costs.

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

The following tables illustrate the anticipated categories costs that will be funded in part by TIF for each project.

Redevelopment Project 1:

Project 1 assumes the funding of up to \$3,300,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender’s legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
\$3,300,000	TOTAL

Redevelopment Project 2:

Project 2 assumes the funding of up to \$1,380,000 in Redevelopment Project Costs.

CATEGORY	
	Acquisition Costs
	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
	Site Preparation and Improvements Costs (includes, but is not limited to, site work, street and sidewalk improvements, utility work, resetting of curbs, landscaping and lighting in the right of way).
	Financing Costs (includes, but is not limited to, loan fees, construction period interest, disbursing fees, construction monitoring and inspection fees, lender's legal fees, loan appraisals, flood certificates, title, recording, disbursing costs, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
	Professional Service Costs (includes, but is not limited to, architectural, engineering, surveying, legal, marketing, advertising, financial, planning, or special services).
	TIF Costs & Issuance Costs incurred by the Developer.
	Rehabilitation, renovation or reconstruction of existing buildings and structures and construction of common improvements to the Redevelopment Area and construction of new structures as permitted by the TIF Act.
\$1,380,000	TOTAL

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

2. Anticipated Sources of Funding to Pay Redevelopment Project Costs

There are six (6) principal sources of potential funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project 1 previously described. These sources are:

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

There are seven (7) principal sources of potential funds that are anticipated to be used to pay the costs of implementation of the Redevelopment Plan and the Redevelopment Project 2 previously described. These sources are:

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

The anticipated type and term of the sources of funds are set forth in **Appendix 2**. It is not the intent of **Appendix 2** or this Redevelopment Plan to restrict the City or the Developer to the sources or source amounts as outlined. During the life of the

Redevelopment Agreement, Plan, and Projects, other sources may be found or adjustments may be made within or in addition to the sources specified in **Appendix 2**.

3. TIF Note Funding

This Redevelopment Plan proposes that the City initially authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount up to Three Million Three Hundred Thousand and No/100 Dollars (\$3,300,000.00) for RPA1 and authorize and issue one or more Tax Increment Financing Notes ("TIF Note") in an amount up to One Million Three Hundred Eighty Thousand and No/100 Dollars (\$1,380,000.00) for RPA2 plus issuance costs to fund a portion of the Redevelopment Project Costs associated with completion of the Redevelopment Project, with a term of retirement for all such issues not more than 23 years. The TIF Notes or other financial obligations will be issued only to finance the Redevelopment Projects and Redevelopment Project Costs as outlined in **Appendix 2**, which are eligible costs as specified in Section 99.805(11) of the TIF Act, including any costs of issuing the TIF Notes or other financial obligations.

The Notes may be issued in one or more series and may include notes, temporary notes, or other financial obligations to be redeemed by TIF Notes upon completion of the Redevelopment Projects. In addition, these Notes or other financial obligations may be privately placed. It is the City's intent to pay for the principal and interest on these Notes or other financial obligations, in any year, solely with money legally available for such purpose within the 374 South Grand Special Allocation Fund.

The 374 South Grand Special Allocation Fund will contain at least two accounts as provided for and in accordance with the TIF Act:

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

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

4. Evidence of Commitment to Finance Redevelopment Project Costs

Appendix 7 contains preliminary commitment letters for each RPA, providing evidence of a commitment to provide financing of Redevelopment Project Costs associated with the Redevelopment Projects.

**APPENDIX 1
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
LEGAL DESCRIPTION AND MAP OF REDEVELOPMENT AREA**

RPA1:

PARCEL 1:

A tract of land in Block 2206-A of the City of St. Louis, Missouri hereinafter known as the North Building Section of Parcel No. 1 and more particularly described as follows: its Northwest corner being located at a point measured from the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence along the said East line of Grand Boulevard North 15 degrees 16 minutes 43 seconds East a distance of 277.153 feet to a point in the South line of Parcel No. 2, said point having coordinates 99704.268 North and 199929.582 East; thence South 76 degrees 28 minutes 25 seconds East along the said South line of Parcel No. 2 a distance of 158.170 feet to the aforesaid Northwest corner, said Northwest corner having coordinates 9967.273 North and 200083.365 East and being bounded by a line commencing at the said Northwest corner; thence South 76 degrees 28 minutes 25 seconds East along the South line of Parcel No. 2 for a distance of 344.080 feet to a point on the West line of Parcel

No. 3, said point having coordinates 99586.795 North and 200417.901 East, thence South 13 degrees 31 minutes 35 seconds West along the said West line of Parcel No. 3, a distance of 164.666 feet to a point, the said point being coincident with the Southwest corner of Parcel No. 3 and having coordinates 99426.697 North and 200379.387 East, thence North 76 degrees 28 minutes 25 seconds West a distance of 344.080 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to the point of beginning.

PARCEL 2:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as the South Building Section of Parcel No. 1 and more particularly described as follows: Its Southwest corner being at the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East, and being bounded by a line commencing at the said Southwest corner; thence South 75 degrees 10 minutes 20 seconds East along the North line of said property owned by the State Highway Commission of Missouri a distance of 255.765 feet to a point having coordinates 99371.457 North and 200103.797 East; thence South 77 degrees 23 minutes 57 seconds East along the said North line of property owned by the State Highway Commission of Missouri a distance of 362.388 feet to a point, the said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East along the West line and the prolongation thereof of the said parcel of ground for Total Energy Plant No. 1 for a distance of 200.00 feet to a point, the said point being coincident with the Northwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East along the North line of said parcel of ground for Total Energy Plant No. 2 for a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence North 10 degrees 33 minutes 18 seconds East along said West line of a 55 foot wide easement, a distance of 77.083 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 2 and having coordinates 99545.791 North and 200588.351 East; thence North 76 degrees 28 minutes 25 seconds West a distance of 119.813 feet to a point in the East line of Parcel No. 3; said point having coordinates 99573.814 North and 200471.861 East; thence South 13 degrees 31 minutes 35 seconds West along said East line of Parcel No. 3 a distance of 164.666 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 3 and having coordinates 99413.716 North and 200433.347 East; thence North 76 degrees 28 minutes 25 seconds West along the South line of said Parcel No. 3 and the extension thereof a distance of 399.580 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to a point on the South line of Parcel No. 2, said point having coordinates 99667.273 North and 200083.365 East; thence North 76 degrees 28 minutes 25 seconds West along said South line of Parcel No. 2 a distance of 158.170 feet to a point in the East line of Grand Boulevard, 90 feet wide, said point having coordinates 99704.268 North and 199929.582 East; thence South 15 degrees 16 minutes 43 seconds West along said East line of Grand Boulevard a distance of 277.153 feet to the point of beginning.

PARCEL 4:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as a parcel of ground for Total Energy Plant No. 1 being more particularly described as follows:

Its Southwest corner being located at a point in the North line of property owned by the State Highway Commission of Missouri 618.150 feet East of the East line of Grand Boulevard, 90 feet wide, measured along the North line of said property owned by the State Highway Commission of Missouri from the point of intersection of the North line of said property of the State Highway Commission of Missouri and the East line of Grand Boulevard, said point of intersection having coordinates 99436.911 North and 199856.549 East and being bounded by a line commencing at the said Southwest corner having coordinates 99292.399 North and 200457.451 East, thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to a point, said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99400.962 North and 200483.566 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 76.590 feet along the South line of the parcel of ground for Total Energy Plant No. 2 to a point in the West line of a 55 foot wide easement, said point having coordinates 99383.049 North and 200558.027 East; thence South 10 degrees 33 minutes 18 seconds West along the said West line of the 55 foot wide easement a distance of 98.880 feet to a point in the North line of property owned by the State Highway Commission of Missouri, said point having coordinates 99285.842 North and 200529.913 East; thence North 87 degrees 28 minutes 21 seconds West along the said North line of property owned by the State Highway Commission of Missouri a distance of 66.260 feet to a point having coordinates 99288.765 North and 200473.715 East; thence continuing along the said North line of property owned by the State Highway Commission of Missouri North 77 degrees 23 minutes 57 seconds West a distance of 16.660 feet to the point of beginning.

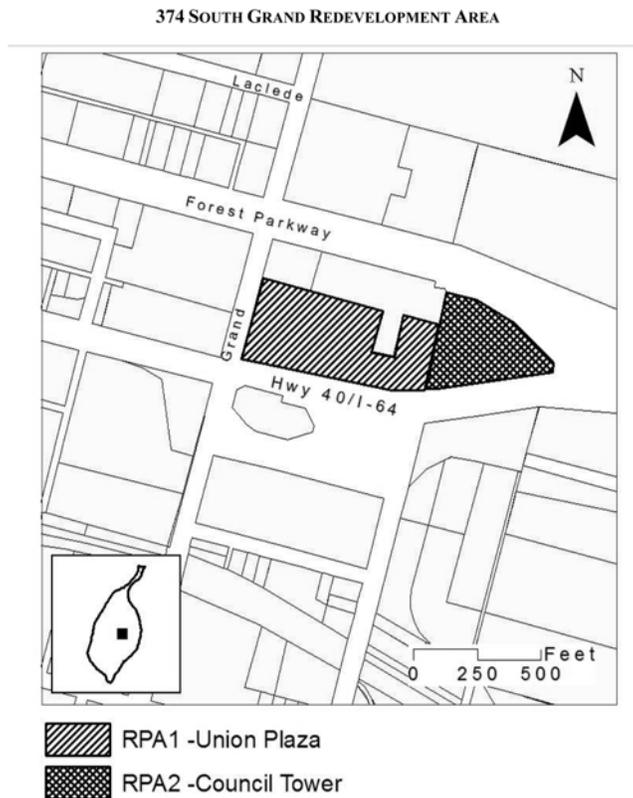
PARCEL 5:

A tract of land in Block 2206-A of the City of St. Louis, Missouri herein known as a parcel of ground for Total Energy Plant No. 2, being more particularly described as follows:

Its Southwest corner being located at a point measure from the intersection of the East line of Grand Boulevard, 90 feet wide, and the North line of property owned by the State Highway Commission of Missouri, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence Eastwardly along the North line of said property owned by the State Highway Commission of Missouri, 618.150 feet to a point having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to the said Southwest corner, said Southwest corner having coordinates 99400.962 North and 200483.566 East and being bounded by a line commencing at said Southwest corner; thence North 13 degrees 31 minutes 35 seconds East a distance of 88.340 feet to a point having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence South 10 degrees 33 minutes 18 seconds West along the said West line of the 55 foot wide easement a distance of 88.460 feet, the said point coincident with the Northeast corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99383.049 North and 200558.027 East; thence North 76 degrees 28 minutes 25 seconds West along the North line of said Parcel of ground for the Total Energy Plant No. 1 a distance of 76.590 feet to the point of beginning.

RPA2:

That parcel bounded by Forest Parkway to the North, Interstate 64 to the south and east, and City of St. Louis Tax Assessor's Office tax identification parcel numbers 22062200270, 22062200300, and 22062200600 to the west, otherwise known as City of St. Louis Assessor's Office tax identification parcel number 22062200254, located in City Block 2206.22.



**APPENDIX 2
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
ANTICIPATED SOURCES AND USES OF FUNDS**

RPA1:SOURCES OF FUNDS

Federal Historic Tax Credit Equity	6,196,592
State Historic Tax Credit Proceeds	6,452,680
State Brownfield Tax Credit Proceeds	1,234,575
TIF	3,300,000
Construction Financing (Debt and Equity)	<u>15,384,745</u>
Total Sources Of Funds	<u>32,568,592</u>

USES OF FUNDS**Acquisition Costs**

Acquisition	4,147,467
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Direct Construction Costs

Site Costs	701,257
Garage rehabilitation	2,939,167
Building rehabilitation	17,909,255
Construction management fee	173,200
Remediation costs	1,900,000
Architectural fee	300,000
Engineering	110,000
Construction contingency	1,077,484

Financing Costs

Construction loan interest	1,675,335
Construction loan fee	94,290
Permanent loan fee	88,500
Property appraisal	10,000

Other Costs

State HTC fee	195,999
State Brownfield fee	37,500
Disbursing fee	30,000
Builders risk insurance	53,400
Legal 125,740	
Accounting	30,000
NPS fee 5,000	
Brownfield approval costs	10,000
General and administrative costs	319,500
Real Estate Taxes	130,000
Operating reserve	255,498
Contingency	<u>200,000</u>

Total Uses Of Funds **32,568,592**

RPA2:USES OF FUNDS**Acquisition Costs**

Acquisition	\$5,500,000
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Direct Construction Costs	
Rehabilitation	\$19,300,000
Environmental Remediation	\$1,500,000
Construction Contingency	\$2,230,000
Architect & Engineering	\$700,000
Survey \$10,000	
Financing Costs	
Construction Interest	\$2,450,000
Construction Period Taxes	\$0
Construction Period Insurance	\$300,000
Construction Loan Fee	\$225,000

Other Costs

TIF Fee \$60,000	
Issuer Fee	\$100,000
Placement Fee	\$175,000
Title & Disbursement	\$85,000
MHDC Application Fee	\$1,500
S&P \$50,000	
Market Appraisal	\$25,000
General Partner Attorney	\$350,000
Limited Partner Attorney	\$50,000
Bond Counsel	\$150,000
Issuers Counsel	\$10,000
Lender Attorney	\$75,000
Historic Fees (MO DED)	\$195,000
MHDC Monitoring Fee	\$33,750
MHDC Fee (7%)	\$110,233
Accounting/ Cost Certification/HTC F	\$140,000
Development Consultant	\$75,000
Underwriter	\$50,000
Bond Reserve	\$300,000
Lease Up \$200,000	
Compliance	\$50,000
Marketing	\$25,000

TOTAL Uses of Funds **\$34,525,483**

SOURCES OF FUNDS

TIF	\$1,380,000
Construction Financing (Debt & Equity)	\$3,758,469
State HTC Equity	\$6,325,898
State LIHTC Equity	\$2,800,000
Federal HTC Equity	\$6,247,175
Federal LIHTC Equity	\$14,013,941

TOTAL Sources Of Funds **\$34,525,483**

**APPENDIX 3
ANALYSIS OF CONDITIONS REPRESENTING A BLIGHTED AREA FOR THE
374 SOUTH GRAND REDEVELOPMENT AREA**

**ANALYSIS OF CONDITIONS REPRESENTING
A BLIGHTED AREA**

for the

374 SOUTH GRAND

TIF REDEVELOPMENT AREA**374 SOUTH GRAND
TIF REDEVELOPMENT PLAN**

**August 29, 2008
Revised October 2, 2008**

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

The 374 South Grand Redevelopment Area (the "Redevelopment Area" or "Area") established in the 374 South Grand Redevelopment Plan (the "TIF Redevelopment Plan") is a blighted area based on the fact that it exhibits the factors set forth in Section 99.805(1) of the Revised Statutes of Missouri (the "TIF Act").

As defined, a "blighted area" is:

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

Blighting factors and conditions present in the Redevelopment Area include:

- 1) Deterioration of Site Improvements:
 - a. Building exteriors and interiors;
 - b. Systems and components.
- 2) Unsanitary and unsafe conditions resulting from:
 - a. Deteriorated structural elements;
 - b. Collection of rainwater;
 - c. Infestation of property by pests;
 - d. Unreliability of elevators.
- 3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:
 - a. Absence of safety systems;
 - b. Deteriorating physical components;

These factors and conditions constitute the following:

- 4) Menace to the Public Health, Safety, Morals or Welfare
- 5) Economic or Social Liability:

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

A map illustrating the boundaries of the area is attached hereto as Exhibit 1, along with photographs of conditions in the Area attached hereto as Exhibit 2.

DATA COLLECTION METHODS

This study has been designed and conducted to comply with the specific requirements of Section 99.805 (1) RSMo. The study and the requisite field work were performed in August 2008. Observations and conclusions are based upon on-site inspections of the

Redevelopment Area and familiarity with the local market.

In determining whether the proposed Redevelopment Area meets the eligibility requirements for Tax Increment Financing per the TIF Act, a number of sources of information were utilized; including, but not limited to, the following:

- A. Survey of the condition and use of the Redevelopment Area;
- B. Public documents and records relating to the history and/or condition of the Area; and
- C. Analysis of existing uses.

OVERVIEW OF THE REDEVELOPMENT AREA

The Redevelopment Area consists of three buildings (“Buildings”), including the Union Plaza Building and the Council Tower Building, on three parcels in City Block 2206 as shown on Appendix 1 to the TIF Redevelopment Plan. The Union Plaza Building is vacant.

DISCUSSION OF BLIGHT IN THE REDEVELOPMENT AREA

1) Deterioration of Site Improvements:

In general, deterioration refers to any physical deficiencies or disrepair in buildings or site improvements requiring treatment or repair. Deterioration may be evident in basically sound buildings containing minor defects, such as a lack of painting, loose or missing roof tiles, floor or ceiling plates, or holes and cracks over limited areas. Deterioration that is not easily curable, however, and that cannot be accomplished in the course of normal maintenance, includes buildings with defects in the primary and secondary building components. Primary building components include the foundation, exterior walls, floors, roofs, wiring, plumbing, etc. Secondary building components include the doors, windows, frames, fire escapes, gutters, downspouts, fascia materials, etc.

The Buildings suffer from deterioration of exterior and interior building components. The exteriors suffer from deteriorated masonry work throughout the façade that will require replacement and tuckpointing. In addition, many windows/doors are cracked and broken or simply missing altogether. The exterior common areas for the Council Tower Building are in a state of general disrepair. City building inspectors condemned a portion of the Council Tower Building in 2007 after pieces of the façade falling off the building. Concerns have been raised by the City of debris landing on Interstate 64, which is adjacent to the building. In addition to the condemnation issue, the most recent building inspection (performed in 2007) found a total of 27 violations ranging from trash, infestations, non-working elevators, and bad plumbing. Furthermore, the building was cited for 15 violations in housing court in the fall of 2007.

A number of the interior spaces of the Union Plaza Building are severely deteriorated. There is standing water inside the building, due to the large number of missing windows and doors. Floors, walls, and ceilings will need major repairs and a complete gutting and rehabilitation for the Union Plaza Building to be in usable condition. Many of the important primary building components are damaged. The Union Plaza Building’s secondary building components are either deteriorated, nonfunctioning, or missing altogether. The Union Plaza Building lacks heating, plumbing, electric systems, fire suppression systems, and functioning elevators. Due to previous demolition work on the Union Plaza Building, the remaining wiring and plumbing fixtures are exposed, and loose wires hang from the ceiling.

In summary, the Buildings suffer deteriorated conditions to both primary and secondary building components. These deficiencies cannot be corrected through normal maintenance but require either rehabilitation and renovation, or replacement in order to be brought to a marketable physical state.

2) Unsanitary or Unsafe Conditions:

In addition to the general physical deterioration stated above, the Area contains unsanitary or unsafe conditions.

The outdated mechanical and utilities infrastructure in the Area is unsafe, especially with respect to electrical and fire prevention systems. There are currently no fire prevention systems in the Union Plaza Building. Remaining live electrical wiring is exposed. The safety concerns have discouraged the Union Plaza Building from being safely used for any purpose.

In the Council Tower Building, there have been frequent complaints of non-working elevators. This building is home to

well over 100 elderly and disabled residents. In case of a fire, the lack of properly working elevators is extremely dangerous and could lead to extreme tragedy. In addition, the unstable and crumbling façade of the building poses a potential safety concern as debris could land on the adjacent highway and cause a major traffic accident. The Council Tower Building has also had complaints of roach and other pest infestations. This is both unsanitary and unsafe, especially considering the higher susceptibility of the elderly to disease.

Rainwater has collected in large pools throughout the Union Plaza Building due to missing windows and doors. This has created an unsanitary and unsafe condition in the Union Plaza Building and has discouraged its use. It has also allowed gang-related activity and the illegal dumping of trash on the property to occur.

Previous demolition efforts have left holes in the floors, walls, and ceilings. There is one particular gaping hole in the walkway over the courtyard between the north and south wings that presents a danger to both the structural integrity of the walkway, but also to any pedestrian below. The parking garage is currently unsafe for use as is evidenced by exposed rebar and other serious deterioration. Remediation of these unsanitary and unsafe conditions requires the complete redevelopment of the Area.

3) Existence of Conditions which Endanger Lives or Property by Fire or Other Causes:

Endangerment by fire and other causes is typically due to the presence of structures below minimum code standards. Such code standards include building, property maintenance, fire, environmental or other governmental codes applicable to a particular property. The principal purpose of such codes is to require buildings to be constructed and maintained so that they will have the capacity to support the type of occupancy, and necessary fire and similar hazard protection, or to establish the minimum standards essential for safe and sanitary use, occupation, and/or habitation.

The deteriorating condition of the Area has resulted in structural conditions that are unsafe and which present a danger to property and personal safety due to fire or other causes. As previously mentioned, the Council Tower Building has been cited for non-working elevators and has portions of its façade that are unstable. Both situations pose an extreme danger to life and property and must be addressed as soon as possible.

Also, the Union Plaza Building lacks fire prevention systems required for its use. There are holes in the floors, walls, and ceilings of the buildings which endanger lives or property. Windows and doors are missing throughout the building which poses a danger of a severe accident occurring. In addition, a recent site visit to the Area found evidence of gang-related graffiti or "tagging." The Area has also become a dumping ground for trash. Due to the extremely deteriorated condition of the building, the use of the Area for illegal activity is a danger to those persons trespassing and a liability to its owner.

4) Menace to the Public Health, Safety, Morals, or Welfare:

As discussed above, the Redevelopment Area exhibits many factors that constitute a menace to the public health, safety, morals, or welfare in its present condition and use. The deteriorating, unsanitary, and unsafe building conditions described above represent a menace to the public health and safety; the economic liability of the deteriorated structure also represents a menace to the public welfare.

5) Economic or Social Liability

Due to the predominance of blighting factors discussed above, the Area in its current condition is a liability to the social welfare and economic independence of the City. As noted above, the Area suffers from neglect and a lack of investment. These conditions have fostered a state of economic obsolescence as the property will soon become unmarketable because of its condition, and will further become an economic burden to the City. Deterioration and subsequent obsolescence of the Area has contributed to the lack of physical maintenance and underutilization of the Area.

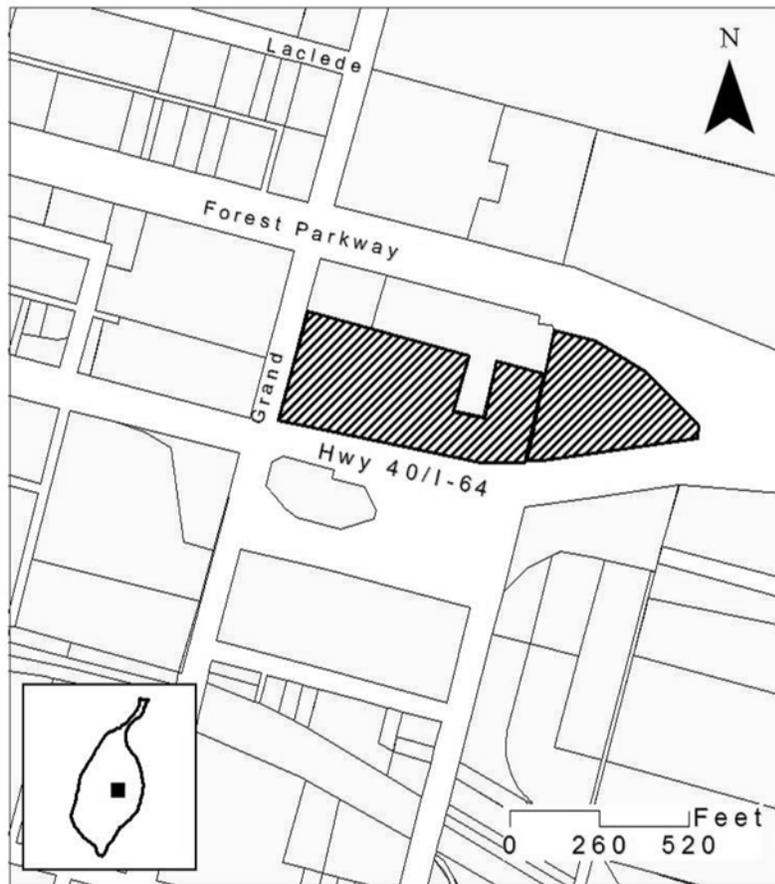
The Area in its current condition hampers the economic vitality and independence of the City by failing to generate tax revenue and discouraging reinvestment in, or maintenance of, the Buildings. The Area's physical condition, combined with the vacancy and underutilization of the Buildings, diminishes its potential to generate property and economic activity tax revenues for the City up to its full potential. In addition the poor condition of the site has a direct negative impact on the adjacent St. Louis University, Harris-Stowe University and the Grand Metrolink Station. In many ways this property serves as the gateway from Interstate 64 and the Grand Metrolink Station to the universities and to the Grand Center Arts District. Without the comprehensive redevelopment of the Area, its physical condition will continue to deteriorate and its economic efficiency will continue to decline, eventually leaving the Buildings unmarketable and continuing to negatively impact several of the City's and the St. Louis region's most important institutions.

In addition, the deteriorated condition and underutilization of the Buildings is a social liability to the City. Due to conditions mentioned previously, the Area is the site of gang-related and criminal activity. The City of St. Louis Citizens' Service Bureau reported over 50 complaints in the last 12 years including illegal drug activity, various animal infestations and general lack of property maintenance. This negatively impacts the neighboring apartment complex, the Grand Metrolink Station, adjacent businesses, and St. Louis University.

The physical condition of and resulting lack of reinvestment in the Area have resulted in economic underutilization. The economic underutilization and the social liability of the property contributes to the eligibility of the Redevelopment Area. The comprehensive redevelopment of the site will foster much needed economic activity and contribute to the growth of the City while eliminating blighted conditions in the Area.

Exhibit 1
374 South Grand TIF Redevelopment Area
Blight Analysis

Exhibit 1
374 South Grand TIF Redevelopment Area
Blight Analysis



 Predominantly blighted

Exhibit 2: Photographs of Blighted Conditions

Exhibit 2: Photographs of Blighted Conditions



View of the interior court of the Union Plaza Building



View of overgrown conditions in Area along Grand Boulevard



Evidence of gang related graffiti “tagging” on the Union Plaza Building



Vacant and deteriorated interior of west wing of the Union Plaza Building; note missing windows and doors



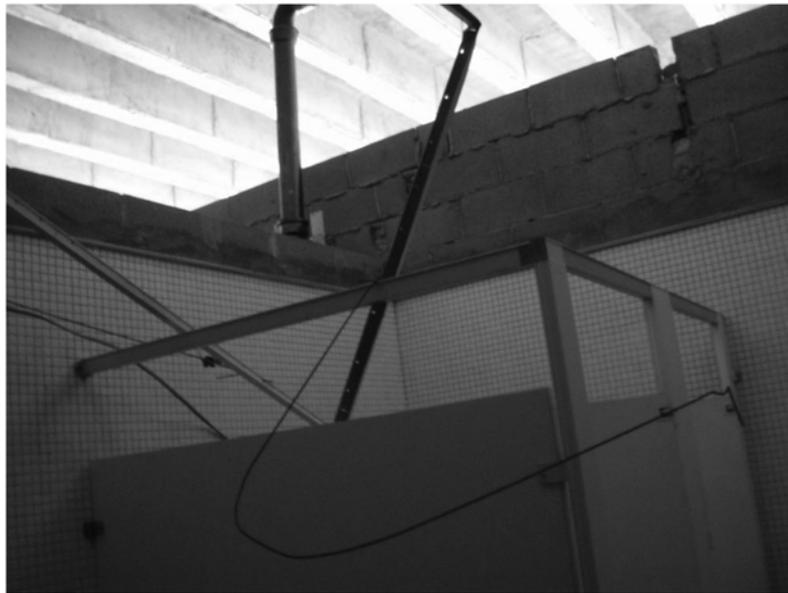
Deteriorated supporting columns of the Union Plaza Building



Pools of rainwater inside the Union Plaza Building due to missing windows in south wing



Deteriorated restroom facilities in south wing of the Union Plaza Building



Wires and support beams hang from ceiling in deteriorated restroom facilities



View of north wing of Union Plaza Building



Abandoned pool facilities



Deteriorated conditions and nonworking elevator in north wing



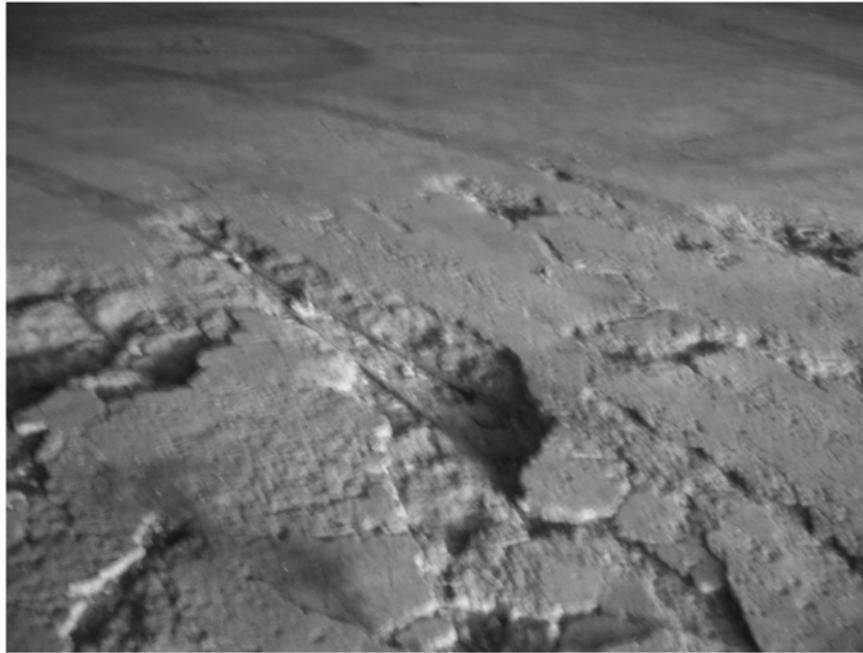
View of one of many holes in the floor of the Union Plaza Building



Nonfunctioning elevators in south wing of the Union Plaza Building



Dangerously deteriorated parking facility in need of rehabilitation



Cracked concrete with exposed rebar in parking facility



Improperly drained area in front of parking facility. Note missing windows and doors.



View of west wing of Union Plaza Building from Grand Boulevard



View of south side of Council Tower Building, note deteriorated common area



Aging and deteriorated utility building



View of north side of Council Tower Building

**APPENDIX 4
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
ANTICIPATED REDEVELOPMENT PROJECT SCHEDULE**

First TIF Commission Meeting (\$5,000 Application fee due)	8/13/2008
Submit Redevelopment Plan to TIF Commission (at least 45 days prior to public hearing)	8/29/2008
Mailing of Notice of TIF Commission Public Hearing to Taxing Districts (not less than 45 days prior to hearing) (RSMo. 99.830.3)	8/29/2008
First Publication of Notice of TIF Commission Public Hearing (not more than 30 days prior to hearing) (RSMo. 99.830.1)	9/16/2008
Written Notice to Property Owners (not less than 10 days prior to public hearing) (RSMo. 99.830.3)	10/1/2008
Second Publication of Notice of TIF Commission Public Hearing (not more than 10 days prior to public hearing) (RSMo. 99.830.1)	10/6/2008
Public Hearing by TIF Commission (RSMo. '99.825)	10/15/2008
TIF Commission Recommendation to Board of Aldermen (within 90 days of TIF Public Hearing) (RSMo. 99.820.3)	10/15/2008
TIF Ordinances Introduced adopting plan, approving project, establishing district, establishing special allocation fund, approving redevelopment agreement and authorizing issuance of TIF Notes (between 14 and 90 days after hearing) (RSMo. 99.820.1[1])	10/31/2008
HUDZ Committee Hearing on TIF Ordinances	11/5/2008
Second Reading of TIF Ordinances	11/7/2008
Perfection of Board Bill(s)	11/14/2008
Board of Estimate & Apportionment	11/12/2008
Third Reading and Final Passage of TIF Ordinances	11/14/2008
Mayor Signs Bills	11/26/2008
Full Construction Commences	3/26/2009
Construction Complete	12/26/2011

**APPENDIX 5
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
CURRENT AND HISTORICAL INFORMATION CONCERNING THE EQUALIZED ASSESSED VALUE
OF REDEVELOPMENT AREA**

<u>Street Address</u>	<u>Tax ID</u>	<u>Equalized Assessed Value (2008)</u>
RPA1:		
374 South Grand Blvd	22062200300	\$ 1,206,200
3501 Market St	22062200600	\$26,300

RPA2:

314 South Grand Blvd

22062200254

\$332,500

HISTORY OF ASSESSED VALUE

TERM	AV	% CHANGE
2003	\$1,524,900	-
2004	\$1,428,900	-6.7%
2005	\$1,429,500	.04%
2006	\$1,429,500	0%
2007	\$1,565,000	8.7%
2008	\$1,565,000	0%

*Values consist of the entire property listed above per City of St. Louis Assessor's Office

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

APPENDIX 6
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

APPENDIX 6
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
DEVELOPER'S AFFIDAVIT

RPA1:

STATE OF MISSOURI)
County OF ST. LOUIS)

AFFIDAVIT

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

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for the Redevelopment Area described in the 374 South Grand Tax Increment Financing Redevelopment Plan, initially dated August 29, 2008 (the "Redevelopment Plan").

1. I am a duly authorized representative of the Union Square Enterprises, LLC (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

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

And Further Affiant Sayeth Not.

Union Square Enterprises, LLC
a Missouri limited liability company

By: [Signature]
Name: [Name]
Title: [Title]

Subscribe and sworn to before me this 4th day of August 2008.

[Signature]
Notary Public

My Commission Expires: 10-30-2010



RPA2:

STATE OF MISSOURI)
)
County OF ST. LOUIS)

AFFIDAVIT

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

The undersigned swears, affirms and certifies the following to be true to induce the approval of Tax Increment Financing for Redevelopment Project Area 2 ("RPA2") described in the 374 South Grand Tax Increment Financing Redevelopment Plan, initially dated August 29, 2008 (the "Redevelopment Plan") and subsequently revised to include RPA2.

1. I am a duly authorized representative of Geyer Avenue Developments, LLC (the "Developer") and am authorized by the Developer to attest to the matters set forth herein.

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

And Further Affiant Sayeth Not.

Geyer Avenue Developments, LLC
a Missouri limited liability company

By: [Signature]
Name Richard K. Yackey
Title Member

Subscribe and sworn to before me this 21 day of September, 2008.

Amy Courtwright
Notary Public

My Commission Expires: June 3, 2011



APPENDIX 7
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

APPENDIX 7
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
EVIDENCE OF COMMITMENT TO FINANCE PROJECT COSTS

RPA1:

700 Corporate Park Drive
Clayton, MO 63105
Phone: (314) 727-7070
Fax: (314) 746-0175
www.mySouthwestBank.com



August 28, 2008

Mr. Richard Yackey, Member
Union Square Enterprises, LLC
6336 Westminster
St. Louis, MO 63130

Re: Proposed 374 South Grand TIF project, St. Louis, Missouri

Dear Mr. Yackey:

The purpose of this letter is to evidence Southwest Bank, an M&I Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property and rehabilitation of existing structures into residential and commercial uses in the 374 South Grand TIF in the City of St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's interest in this Project, and the potential funding of this Project is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of St. Louis, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

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

Should you have any questions, please do not hesitate to call.

Sincerely,

Scott Z. Larson
Senior Vice President

RPA2:

700 Corporate Park Drive
Clayton, MO 63105
Phone: (314) 727-7070
Fax: (314) 746-0175
www.mySouthwestBank.com



September 17, 2008

Mr. Richard Yackey
6336 Westminster
St. Louis, MO 63130

Re: Proposed 374 South Grand TIF project, St. Louis, Missouri

Dear Mr. Yackey:

The purpose of this letter is to evidence Southwest Bank, an M&I Bank's preliminary commitment to provide financing for your proposed project involving the redevelopment of certain real property and rehabilitation of existing structures into commercial and residential uses in the RPA2 of the 374 South Grand TIF (Council Tower) in the City of St. Louis, Missouri (the "Project"). This correspondence is intended as a preliminary expression of the Bank's interest in this Project, and the potential funding of this Project is subject to several contingencies, including the review of customary due diligence, the issuance of the necessary tax increment financing by the City of St. Louis, and the review and approval of the Bank's Loan Committee, acting in its sole subjective discretion.

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

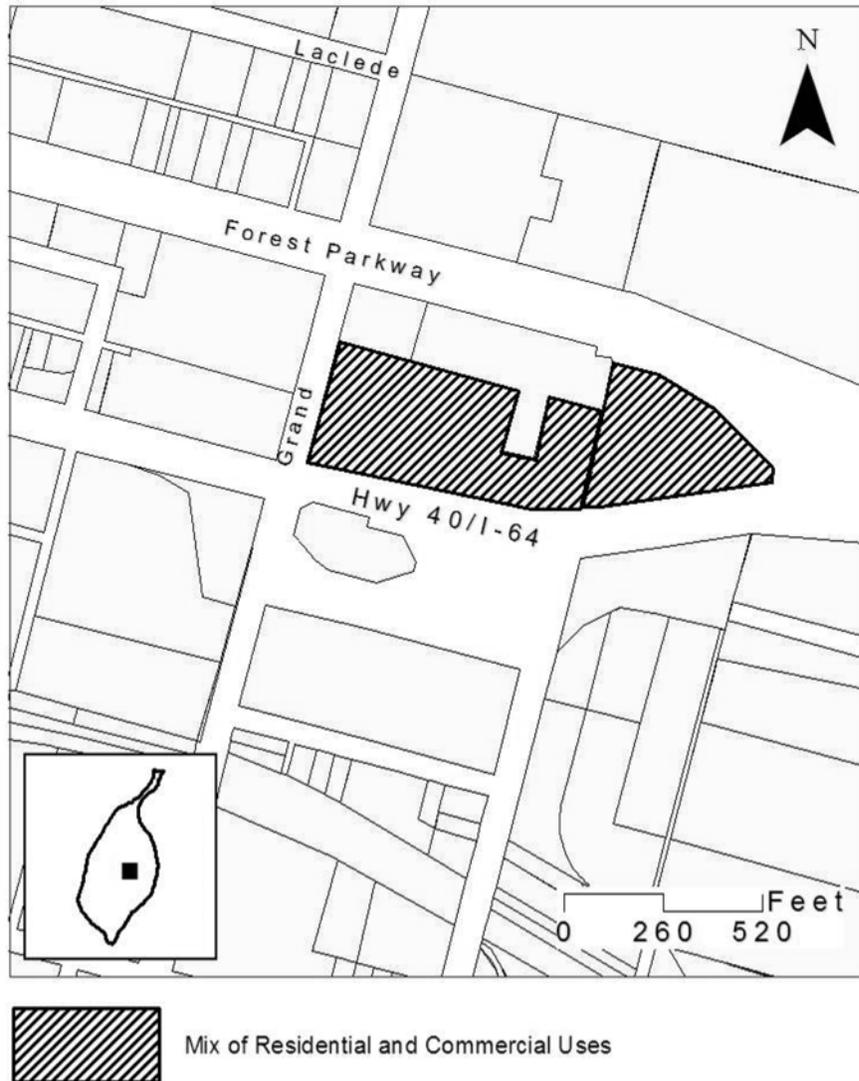
Should you have any questions, please do not hesitate to call.

Sincerely,

Scott Z. Larson
Senior Vice President

**APPENDIX 8
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
GENERAL LAND USES TO APPLY**

**APPENDIX 8
374 SOUTH GRAND TIF REDEVELOPMENT PLAN
GENERAL LAND USES TO APPLY**



Approved: December 1, 2008

ORDINANCE #68192
Board Bill No. 270

AN ORDINANCE AFFIRMING ADOPTION OF A REDEVELOPMENT PLAN, REDEVELOPMENT AREA, REDEVELOPMENT PROJECT AREAS AND REDEVELOPMENT PROJECTS; AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF ST. LOUIS AND UNION SQUARE ENTERPRISES, LLC; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; DESIGNATING UNION SQUARE ENTERPRISES, LLC AS DEVELOPER OF REDEVELOPMENT PROJECT AREA 1; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF CERTAIN PROPERTY WITHIN THE REDEVELOPMENT AREA; AND CONTAINING A SEVERABILITY CLAUSE.

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

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

WHEREAS, on October 15, 2008, after all proper notice was given, the TIF Commission held a public hearing in conformance with the TIF Act (hereinafter defined) and received comments from all interested persons and taxing districts affected by the Redevelopment Plan and the redevelopment projects described therein; and

WHEREAS, pursuant to the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri (2000), as amended (the "Act" or "TIF Act"), and after due consideration of the TIF Commission's recommendations, the Board of Aldermen of the City of St. Louis, Missouri adopted Ordinance No. _____ [Board Bill No. ____] on _____, 2008, which Ordinance: (i) adopted and approved a redevelopment plan entitled the "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008 (the "Redevelopment Plan"), (ii) designated the 374 South Grand Redevelopment Area (as described in the Redevelopment Plan) as a "redevelopment area" as that term is defined in the TIF Act (the "Redevelopment Area"), (iii) approved and designated the Redevelopment Project Areas, (iv) adopted and approved the redevelopment projects described in the Redevelopment Plan (collectively, the "Redevelopment Projects" and each a "Redevelopment Project"), (v) adopted tax increment allocation financing within the Redevelopment Area, (vi) established the City of St. Louis, Missouri "374 South Grand Special Allocation Fund," and (vii) made certain findings with respect thereto, all as set forth in such Ordinance and in accordance with the requirements of the Act; and

WHEREAS, the Redevelopment Plan proposes to redevelop the Redevelopment Area by the acquisition of the property within the Redevelopment Area, the preparation of the site, and the development of commercial and residential space, as set forth in the Redevelopment Plan (the "Redevelopment Project Area 1," or "RPA 1"); and

WHEREAS, pursuant to Ordinance No. _____ [Board Bill No. _____], the Board of Aldermen has determined that completion of the Redevelopment Project for RPA 1 is of economic significance to the City, will serve to benefit the general welfare, qualifies for the use of tax increment allocation financing to alleviate the conditions that qualify it as a "blighted area" as provided in the TIF Act, and further, that redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan is not financially feasible without the adoption of tax increment allocation financing and would not otherwise be completed; and

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

WHEREAS, it is necessary and desirable and in the best interest of the City to enter into an agreement with Union Square Enterprises, LLC, a Missouri limited liability company (the "Developer"), in order that Developer may complete a Redevelopment Project for RPA 1 which will provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan which redevelopment includes, but is not limited to, assistance in the physical, economic, and social development of the City of St. Louis, preservation of historic structures, providing for a plan for the optimal growth of the City of St. Louis, encouragement of a sense of community identity, safety and civic pride and the elimination of impediments to development in the City of St. Louis; and

WHEREAS, pursuant to the provisions of the TIF Act, the City is authorized to enter into a redevelopment agreement with Union Square Enterprises, LLC, a Missouri limited liability company, as Developer, setting forth the respective rights and obligations of the City and Developer with regard to the redevelopment of RPA 1 (the "RPA 1 Redevelopment Agreement" or the "Redevelopment Agreement"); and

WHEREAS, the Board of Aldermen hereby determines that the terms of the RPA 1 Redevelopment Agreement attached as **Exhibit A** hereto and incorporated herein by reference are acceptable and that the execution, delivery and performance by the City and the Developer of their respective obligations under the Redevelopment Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the TIF Act and the Redevelopment Plan.

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

SECTION ONE. The Board of Aldermen hereby ratifies and confirms its approval of the Redevelopment Plan, Redevelopment Area, Redevelopment Project Areas and Redevelopment Projects. The Board of Aldermen further finds and determines that it is necessary and desirable to enter into the RPA 1 Redevelopment Agreement with Union Square Enterprises, LLC, a Missouri limited liability company, as Developer of the Redevelopment Project Area 1, in order to implement the Redevelopment Project for RPA 1 and to enable the Developer to carry out its proposal for completion of the Redevelopment Project for RPA 1.

SECTION TWO. The Board of Aldermen finds and determines that the assistance of tax increment financing is necessary and desirable in order to implement the Redevelopment Projects and to enable Union Square Enterprises, LLC as Developer of the RPA 1, to carry out its proposal for completion of the Redevelopment Project for RPA 1.

SECTION THREE. The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement by and between the City and the Developer attached hereto as **Exhibit A**, and the City Register is hereby authorized and directed to attest to the Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment Agreement shall be in substantially the form attached, with such changes therein as shall be approved by said Mayor and Comptroller executing the same and as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

SECTION FOUR. The Mayor and Comptroller of the City or their designated representatives are hereby authorized and directed to take any and all actions to execute and deliver for and on behalf of the City any and all additional certificates, documents, agreements or other instruments as may be necessary and appropriate in order to carry out the matters herein authorized, with no such further action of the Board of Aldermen necessary to authorize such action by the Mayor and the Comptroller or their designated representatives.

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

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

SECTION SEVEN. After adoption of this Ordinance by the Board of Aldermen, this Ordinance shall become effective on the 30th day after its approval by the Mayor or adoption over his veto; *provided that* if, within ninety (90) days after the effective date of this Ordinance, the Developer has not (i) executed a redevelopment agreement pertaining to the Redevelopment Project for RPA 1 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

374 South Grand TIF RPA 1 REDEVELOPMENT AGREEMENT

REDEVELOPMENT AGREEMENT

Between the

CITY OF ST. LOUIS, MISSOURI

And

Union Square Enterprises, LLC

Dated as of

_____, 2008

374 South Grand Redevelopment Project

Project Area 1

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REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into as of this ____ day of _____, 2008, by and between the CITY OF ST. LOUIS, MISSOURI (the “City”), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and UNION SQUARE ENTERPRISES, LLC (the “Developer”), a limited liability company duly organized and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in Article I of this Agreement.)

RECITALS

A. Pursuant to Ordinance No. 62477, adopted and approved on December 20, 1991, the Board of Aldermen duly formed the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”), in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, (2000) (the “TIF Act”), and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act.

B. The City published a notice on _____, 2008 and _____, 2008 in the St. Louis Daily Record, a newspaper of general circulation within the City, soliciting proposals for the redevelopment of the

Redevelopment Area (as hereinafter defined), and made such requests for proposals available for potential developers of the Redevelopment Area.

C. Developer submitted its development proposal dated _____, 2008 (as may be amended from time to time, the "Redevelopment Proposal") to the TIF Commission for redevelopment of the Redevelopment Area.

D. On October 15, 2008, following a public hearing held on that date, in accordance with the TIF Act, the TIF Commission adopted a resolution approving the Redevelopment Plan titled "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008 (the "Redevelopment Plan"), the redevelopment projects described in the Redevelopment Plan (collectively, the "Redevelopment Projects") and the Redevelopment Area, which contains two separate and distinct Redevelopment Project Areas (respectively, "Redevelopment Project Area 1" and "Redevelopment Project Area 2" or "RPA 1" and "RPA 2", collectively, the "Redevelopment Project Areas"), and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (c) designating two Redevelopment Project Areas within the Redevelopment Area, (d) approving the Redevelopment Project for RPA 1, and (e) creating the 374 South Grand Special Allocation Fund.

E. On _____, 2008, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. _____ [Board Bill No. ____] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, designating two Redevelopment Project Areas within the Redevelopment Area, approving the Redevelopment Plan, and approving the Redevelopment Projects described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

F. On _____, 2008, the Mayor signed Ordinance No. [Board Bill No. ____] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating the Developer as developer of the Redevelopment Area for RPA 1, and authorizing the City to enter into this Agreement with Developer.

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

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

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

AGREEMENT

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

ARTICLE I. DEFINITIONS

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

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

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

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

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

“*Approving Ordinance*” means Ordinance No. [Board Bill No.] designating the Redevelopment Area, designating two Redevelopment Project Areas within the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Projects, adopting tax increment allocation financing within the Redevelopment Area, and establishing the Special Allocation Fund.

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

“*Authorizing Ordinance*” means Ordinance No. [Board Bill No.] affirming approval and adoption of the Redevelopment Plan, Redevelopment Projects, and designation of the Redevelopment Area and Redevelopment Project Areas, designating Developer as the developer of the Redevelopment Area, and authorizing the City to enter into a Redevelopment Agreement with Developer.

“*Available Revenues*” means all monies on deposit from time to time (including investment earnings thereon) in (a) the RPA 1 PILOTS Account, and (b) subject to annual appropriation, the RPA 1 EATS Account that have been appropriated to the repayment of the 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.

“*Board of Aldermen*” means the Board of Aldermen of the City.

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

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

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

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

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

“*City*” means the City of St. Louis, Missouri, a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri.

“*City Clerk*” means the Register of the City.

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

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

“*Developer*” means Union Square Enterprises, LLC, a limited liability company duly organized and existing under the laws of the State of Missouri, or its permitted successors or assigns in interest.

“*Disclosure Counsel*” means Armstrong Teasdale LLP, St. Louis, Missouri, or an attorney at law or a firm of attorneys

acceptable to the City of nationally recognized standing in matters pertaining to offerings of municipal securities duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

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

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

“*Issuance Costs*” means the amount set forth in **Section 2.2(v)** of this Agreement incurred by the City in furtherance of the issuance of TIF Notes plus all costs reasonably incurred by the City in furtherance of the issuance of TIF Obligations, including without limitation the fees and expenses of financial advisors and consultants, the City’s attorneys (including issuer’s counsel, Disclosure Counsel and Bond Counsel), the City’s administrative fees and expenses (including fees and costs of its planning consultants and the SLDC), underwriters’ discounts and fees, the costs of printing any TIF Obligations and any official statements relating thereto, the costs of credit enhancement, if any, capitalized interest, debt service reserves and the fees of any rating agency rating any TIF Obligations.

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

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

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

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

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

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

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

“*Post Completion Funding Source*” means each of the following sources:

(i) Tax Credits:

(a) the total value of the proceeds from the sale of any transferable tax credits approved for the Redevelopment Project, based on the amounts approved by the tax credit issuing authority and the purchase prices for such credits set forth in any tax credit purchase agreement; if, pursuant to such purchase agreement, any portion of the proceeds is to be paid subsequent to the date upon which the statement required by Section 4.3 is submitted, the present value of such portion shall be calculated by the City using a time period determined by the City to be reasonable and a 7% present value rate; if no tax credit purchase agreement has been executed, then the total value of such proceeds shall be calculated as 87% of the amount approved by the tax credit issuing authority.

(b) the equity and/or loan proceeds available from investor members or partners in the Redevelopment Project who will be entitled to receive any non-transferable tax credits approved for the Redevelopment Project, per the ownership documentation for the Redevelopment Project property; if, pursuant to such purchase agreement, any portion of the proceeds is to be paid subsequent to the date upon which the statement required by Section 4.3 is submitted, the present value of such portion shall be calculated by the City using a time period determined by the City to be reasonable and a 7% present value rate ; provided, that, if the Project has been approved for a New Markets Tax Credit investment by a New Markets Tax Credit allocate, but has not yet entered into any agreement pursuant to which such loan or equity proceeds shall be made available, then the value of such proceeds shall be 25% of the face value of the approved New Markets Tax

Credit investment.

The Developer shall substantiate the amount of any tax credits approved for the Redevelopment Project and the proceeds or equity related thereto by providing to the City documentation from accountants, tax credit authorities and tax credit purchasers or investors.

(ii) Sales Proceeds:

(a) all net sales proceeds actually derived from the sale of any portion of the Redevelopment Project, which net sales proceeds shall be documented by copies of the seller's closing statements for such sales, and (b) if, at the time of the submittal required pursuant to Section 4.3 of this Agreement, there remain units or portions of the Redevelopment Project which are being marketed and listed as for-sale but are unsold, ninety percent (90%) of the average sale price for all sold units or portions, taking into account the size, location and amenities associated with such sold units as compared to the unsold units or portion, discounted by (a) a percentage equal to the average sales commissions paid to unrelated third parties and applied to the discounted listing price; and (b) closing costs for sold units (stated as the average amount of closing costs for such sold units).

(iii) TIF Financing: the maximum amount of TIF financing available to the Redevelopment Project, as such amount is set forth in Section 4.1 hereof; and

(iv) Value of Income-Producing Space:

if the Redevelopment Project includes any leased space or space intended for lease (such space being the "Income-Producing Space"), the value of such Income Producing Space, which value shall be calculated by dividing the Stabilized Net Operating Income (as defined below) of such Income Producing Space by a capitalization rate of nine and one-half percent (9.5%). The square footage of Income-Producing Space in the Redevelopment Project shall not exceed the square footage of Income-Producing Space set forth in the TIF Application. In addition to the other materials required to be submitted by subparagraph 4.3 hereof, Developer shall submit a 10-year operating proforma, including income and expense projections, for all Income-Producing Space in the Redevelopment Project, together with copies of all leases, letters of intent, and operating expense documentation, if any, related to such Income-Producing Space.

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

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

"*Property*" means the real property (including without limitation all options held by third parties, fee interests, leasehold interests, tenant-in-common interests and such other like or similar interests) and existing improvements in RPA 1 as set forth in the Redevelopment Plan.

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

"*Redevelopment Area*" means the 374 South Grand Redevelopment Area, consisting of RPA 1 and RPA 2, described in **Exhibit A**, attached hereto and incorporated herein by reference.

"*Redevelopment Plan*" means the plan titled "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008, 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*" means the Redevelopment Project for RPA 1 identified by the Redevelopment Plan, consisting of the rehabilitation and redevelopment of the building in Redevelopment Project Area 1 into residential space and ancillary improvements, as further set forth in the Redevelopment Plan.

"*Redevelopment Project Area 1*" or "*RPA 1*" shall mean that redevelopment project area within the Redevelopment Area designated as Redevelopment Project Area 1, which is legally described on **Exhibit A** attached hereto and incorporated herein by reference.

“*Redevelopment Project Costs*” shall have the meaning ascribed to such term in Section 99.805(14) of the TIF Act.

“*Redevelopment Proposal*” means the document on file with the City and incorporated herein by reference, titled “374 S. Grand TIF Application,” dated July 23, 2008 and submitted by an affiliate of the Developer to the City.

“*Reimbursable Redevelopment Project Costs*” means those Redevelopment Project Costs as described in **Exhibit B**, attached hereto and incorporated herein by reference, for which the Developer is eligible for reimbursement in accordance with this Agreement.

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

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

“*RPA 1 EATs Account*” means the account of the same name within the EATs Account of the Special Allocation Fund, into which all EATs derived from RPA 1 shall be deposited.

“*RPA 1 PILOTs Account*” means the account of the same name within the PILOTs Account of the Special Allocation Fund, into which all PILOTs derived from RPA 1 shall be deposited.

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

“*Special Allocation Fund*” means the 374 South Grand Special Allocation Fund, created by the Approving Ordinance in accordance with the TIF Act, and including the accounts and sub-accounts for the Redevelopment Project into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this Agreement.

“*Stabilized Net Operating Income*” shall be calculated as follows:

- (a) For any portion of the Income Producing Space which has actually been leased, the annualized rental income from such space, less annualized actual and/or reasonable operating expenses as determined by the City (excluding debt service);

PLUS

- (b) For any portion of the Income Producing Space which is available for lease but has not been leased, the result of the following equation:

- (i) the amount of net leaseable square footage multiplied by the average annual rent per square foot of the Income Producing Space which has been actually leased, taking into account the size, location and amenities associated with such space not yet leased as compared to the space leased (provided, that if no such space has been actually leased, the lease rate(s) used shall be the the lease rate(s) specified by the Developer in the TIF;

LESS

- (ii) the amount of net leaseable square footage multiplied by the average annualized actual and/or reasonable operating expenses as determined by the City (excluding debt service) per square foot of the Income Producing Space .

The City shall incorporate a 7% vacancy rate for all Income-Producing Space.

“*TIF Bonds*” means tax increment revenue bonds, if any, authorized and issued by the Authority in accordance with the TIF Act and this Agreement.

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

“*TIF Notes*” means one or more series of tax increment revenue notes issued by the City pursuant to and subject to this

Agreement and the Note Ordinance to evidence the City's limited obligation to repay Reimbursable Redevelopment Project Costs incurred by the Developer on behalf of the City in accordance with the TIF Act and this Agreement.

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

"*TIF Revenues*" means: (1) payments in lieu of taxes (as that term is defined in Section 99.805(10) of the TIF Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property located within RPA 1 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 RPA 1 over the amount of such taxes generated by economic activities within RPA 1 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.

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

"*Verified Total Project Costs*" means the sum total of all reasonable or necessary costs incurred, and any such costs incidental to the Redevelopment Project or the Work, including, but not limited to, all Acquisition Costs, Redevelopment Project Costs and Reimbursable Redevelopment Project Costs, as limited by the provisions of Section 4.3 hereof.

"*Work*" means all work necessary to prepare RPA 1 and to construct or cause the construction and completion of the Redevelopment Project described in the Redevelopment Proposal, Redevelopment Plan and this Agreement, including but not limited to: (1) property acquisition; (2) site preparation and environmental remediation; (3) rehabilitation, renovation or reconstruction of existing structures or construction of new improvements within RPA 1; (4) construction, reconstruction, renovation and/or rehabilitation of related infrastructure and/or public improvements, including without limitation surrounding roads, sidewalks, sewer, water, electrical, parking and other utilities; (5) professional services, including, but not limited to, architecture, engineering, surveying, financing, legal, planning and consulting; (6) and all other work described in the Redevelopment Proposal, Redevelopment Plan and this Agreement, or reasonably necessary to effectuate the intent of this Agreement.

ARTICLE II. ACCEPTANCE OF PROPOSAL

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

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

(i) the City acknowledges payment by the Developer of a Five Thousand Dollar and no/100 (\$5,000.00) TIF Application Fee;

(ii) the City acknowledges that, prior to the execution of this Agreement, the Developer paid the sum of Nine Thousand Nine Hundred Dollars and no/100 (\$9,900.00) (which sum represents 0.3% of the maximum amount of TIF Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement), which monies have been paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

(iii) the Developer shall, within ten (10) days after the date of execution of this Agreement, pay the sum of Nine Thousand Nine Hundred Dollars and no/100 (\$9,900.00) (which sum represents 0.3% of the maximum amount

of TIF Notes allowed to be issued by the City pursuant to **Section 4.1** of this Agreement), which monies shall be paid one half to the Comptroller and one half to the SLDC to reimburse the Comptroller and the SLDC for their administrative costs in reviewing the Redevelopment Plan and the Redevelopment Proposal;

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

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

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

ARTICLE III. CONSTRUCTION OF REDEVELOPMENT PROJECT

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

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

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

3.4 Developer to Construct the Work. The Developer shall commence or cause the commencement of the construction of the Work within one hundred eighty (180) days of the date of this Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Redevelopment Plan. The Developer shall substantially complete or cause the Work to be substantially complete not later than December 31, 2010 absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Developer shall be granted additional time to complete the Work, but under no circumstance shall such time to complete the Work extend beyond December 31, 2011.

The Developer may enter into or cause to be entered into one or more construction contracts to complete the Work. Prior to the commencement of construction of any portion of the Work, the Developer shall obtain or shall require that any of its contractors obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects. The Developer shall require that such insurance be maintained by any of its contractors for the duration of the construction of such portion of the Work. To the extent that laws pertaining to prevailing wage and hour apply to any portion of the Work the Developer agrees to take all actions necessary to apply for the wage and hour determinations and otherwise comply with such laws.

3.5 Governmental Approvals. The City and, at its direction, the SLDC agree to employ reasonable and good faith efforts to cooperate with the Developer and to process and timely consider and respond to all applications for the Governmental Approvals as received, all in accordance with the applicable City ordinances and laws of the State of Missouri.

3.6 Construction Plans; Changes. The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect

to the Work shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work, the Developer may make such reasonable changes, including without limitation modification of the construction schedule, subject to the provisions of **Section 3.4**, including but not limited to, dates of commencement and completion (subject to the time limitations set forth in this Agreement), modification of the areas in which the Work is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Developer, to enhance the economic viability of the Redevelopment Project and as may be in furtherance of the general objectives of the Redevelopment Plan; provided that (a) the Developer shall comply with all laws, regulations and ordinances of the City and (b) prior to any material changes, the Developer shall obtain the advance written consent of the SLDC, which consent shall not be unreasonably withheld or delayed. For purposes of this **Section 3.6**, "material changes" shall mean (i) any change that could reasonably be expected to result in a decrease in the aggregate amount of TIF Revenues generated within the Redevelopment Area to an amount less than 90% of the aggregate amount of TIF Revenues as projected in that certain *Cost-Benefit Analysis for RPA1 of the 374 S. Grand TIF Redevelopment Plan dated as of August 29, 2008* (as revised on October 6, 2008 and as may be further amended), and placed on file with SLDC; or (ii) any change that would reduce the final total square footage of commercial space by more than ten percent (10%) of the estimated commercial square footage set forth in that certain *Cost-Benefit Analysis for the 374 S. Grand TIF Redevelopment Plan dated as of August 29, 2008* (as revised on October 6, 2008 and as may be further amended).

3.7 Certificate of Commencement of Construction. The Developer shall furnish to the SLDC, with a copy to the Comptroller, a Certificate of Commencement of Construction, which certificate shall be submitted for the Redevelopment Project in accordance with the schedule set forth in **Section 3.4** of this Agreement and in the form of **Exhibit C** attached hereto and incorporated herein by reference. The Certificate of Commencement of Construction shall be deemed accepted by the SLDC upon receipt of the same.

3.8 Certificate of Substantial Completion. Promptly after substantial completion of the Work, the Developer shall furnish to the City and the SLDC a Certificate of Substantial Completion. The Mayor or his designee and the SLDC shall, within thirty (30) days following delivery of the Certificate of Substantial Completion, carry out such inspections as it deems necessary to verify to its reasonable satisfaction the accuracy of the certifications contained in the Certificate of Substantial Completion. The Certificate of Substantial Completion shall be deemed accepted by the City and the SLDC unless, within thirty (30) days following delivery of the Certificate of Substantial Completion, the Mayor or his designee or SLDC furnishes the Developer with specific written objections to the status of the Work, describing such objections and the measures required to correct such objections in reasonable detail. In the case where the Mayor or his designee or SLDC, within thirty (30) days following delivery of the Certificate of Substantial Completion provides the Developer with specific written objections to the status of the Work, the Developer shall have such amount of time as is reasonably necessary to address such objections and when addressed shall re-submit the Certificate of Substantial Completion to the Mayor or his designee or the SLDC in accordance with this Section and the thirty (30) day period shall begin anew. Upon acceptance of the Certificate of Substantial Completion by the Mayor or his designee and the SLDC for the Redevelopment Project, or upon the lapse of thirty (30) days after delivery thereof to the Mayor or his designee and the SLDC without any written objections thereto, the Developer may record the Certificate of Substantial Completion with the City's Recorder of Deeds, and the same shall constitute evidence of the satisfaction of the Developer's agreements and covenants to perform all the Work. The Certificate of Substantial Completion shall be in substantially the form attached as **Exhibit E**, attached hereto and incorporated by referenced herein.

ARTICLE IV. REIMBURSEMENT OF DEVELOPER COSTS

4.1 City's Obligation to Reimburse Developer. Subject to the terms of the Note Ordinance and this Agreement, the City agrees to reimburse Developer for the verified Reimbursable Redevelopment Project Costs in a total amount not to exceed Three Million Three Hundred Thousand Dollars (\$3,300,000) plus Issuance Costs to be allocated to the Redevelopment Project.

Subject to the terms of the Note Ordinance and this Agreement, the City agrees to issue TIF Notes to Developer to evidence the City's obligation to reimburse Developer for verified Reimbursable Redevelopment Project Costs in an amount not to exceed **Three Million Three Hundred Thousand Dollars (\$3,300,000)**, plus Issuance Costs and interest as provided in **Section 5.2** of this Agreement, subject to the limitations of **Article IV** of this Agreement.

4.2 Reimbursements Limited to Reimbursable Redevelopment Project Costs; Developer's Right to Substitute. Nothing in this Agreement shall obligate the City to issue TIF Notes or to reimburse the Developer for any cost that is not incurred pursuant to Section 99.820.1 of the TIF Act or that does not qualify as a "redevelopment project cost" under Section 99.805(14) of the TIF Act. The Developer shall provide to the City (a) itemized invoices, receipts or other information evidencing such costs; and (b) a Certificate of Reimbursable Redevelopment Project Costs constituting certification by the Developer that such cost is eligible for reimbursement under the TIF Act. Within thirty (30) days of the City's receipt from the Developer of a Certificate of

Reimbursable Redevelopment Project Costs, the City shall review and act upon such Certificate of Reimbursable Redevelopment Project Costs. The parties agree that each of the categories of costs set forth in **Exhibit B**, attached hereto and incorporated herein by this reference, shall constitute Reimbursable Redevelopment Project Costs which are eligible for reimbursement in accordance with the TIF Act and this Agreement. The Developer shall be entitled to reimbursement for Redevelopment Project Costs from any of the categories set forth in **Exhibit B** up to the maximum aggregate amount established in **Section 4.1** of this Agreement; provided, that the Developer shall be obligated to advance to the City the full amounts identified in **Section 2.2, clauses (i)-(v)**, of this Agreement. If the City determines that any cost identified as a Reimbursable Redevelopment Project Cost is not a "redevelopment project cost" under Section 99.805(14) of the TIF Act, the City shall so notify the Developer in writing within the thirty (30) day period referenced in this **Section 4.2**, identifying the ineligible cost and the basis for determining the cost to be ineligible, whereupon the Developer shall have the right to identify and substitute other Redevelopment Project Costs as Reimbursable Redevelopment Project Costs with a supplemental application for payment and the thirty (30) day period shall begin anew. If the City fails to approve or disapprove any Certificate of Reimbursable Redevelopment Project Costs within thirty (30) days after receipt thereof, the Certificate of Reimbursable Redevelopment Project Costs shall be deemed approved.

4.3 Cost Savings and Excess Profits. Within one hundred eighty (180) days after the submission of the Certificate of Substantial Completion by Developer in accordance with **Section 3.8** of this Agreement, Developer also shall furnish to the City for the City's review and approval, (a) a statement of Verified Total Project Costs, with evidence of billings and payments for each expenditure, including itemized invoices, receipts, and pay applications or other evidence of payment as appropriate for the type of cost; and (b) a statement of each and every Post Completion Funding Source for the Redevelopment Project.

If the Redevelopment Project includes a for-sale condominium component, the statements required by this Section 4.3 shall not be submitted until a minimum of 80% of the condominium units included in the Redevelopment Project have been sold, and such statements shall be submitted within sixty (60) days following such sale of 80% of such condominium units.

Developer shall not include developer fees, project management, construction management or consultant fees for any service typically performed by the Developer in the Verified Total Project Costs. With respect to any other costs for any services provided by the Developer or any entity related to Developer, the amount of such costs shall not exceed the amount set forth in the Redevelopment Plan for such services, or, if the cost for such service is not explicitly set forth in the Redevelopment Plan as an individual line item, an amount determined by the City as acceptable. Moreover, if any of the owners, officers, principals or members of the construction contractor for the Redevelopment Project are the same as any owner, officer, principal or member of Developer or general partner in the owner of the development, amounts allowed for aggregate contractor fees shall not exceed eighteen percent (18%) of construction costs as provided for in the Missouri Housing Development Commission's 2005 Qualified Allocation Plan for the Low Income Housing Tax Credit Program, and Developer shall include documentation, including detailed invoices and receipts for payment, for each and every item of costs traceable to third parties with no relationship to Developer, in addition to summary pay applications submitted to Developer by the construction contractor. The City shall determine whether particular costs are general requirements and includable in the contractor's fee allowance or are construction costs to which the aggregate contractor's fee allowance shall be applied, using the Cost Certification Guide promulgated by the Missouri Housing Development Commission as a guide for such determinations. The City shall complete its review of the statements and other documentation provided by the Developer pursuant to this Section and shall notify Developer if such documentation is acceptable and complete within forty-five (45) days of receipt by the City. Should the City notify Developer that the documentation submitted by the Developer is not acceptable or is not complete, the City shall specify which items of documentation are missing or unacceptable and the manner in which Developer may remedy such deficiencies, and Developer may make supplemental submissions to address such deficiencies, provided, however, that such supplemental submissions shall not include any materials with respect to costs incurred or other events that have taken place subsequent to the date the original submission was made. If requested by the City, Developer shall also submit an affidavit as to the accuracy of the statements as to the costs, the relationship of any payee to the Developer, the accuracy of the statements as to the amounts and types of tax credits received or other funding sources received, and the veracity of any other aspect of the statements of verified total project costs or Post-Completion Funding Sources. The City shall review any supplemental materials provided by the Developer within forty-five (45) days of receipt and shall notify Developer if such documentation is acceptable and complete within forty-five (45) days of receipt by the City. Developer shall respond to any notification by the City pursuant to this section within sixty (60) days of receipt of such notification. Once the City has issued any such notification, the City shall not be required to make the calculations specified in the following paragraph until the City has received all documentation deemed necessary by the City in order to make such calculations, provided, however, that if Developer fails to respond to any notification within such sixty (60) day period, the City shall have the right to finalize the calculations specified in the following paragraph based on the information and documentation then available to the City and the Developer shall accept the results of such finalized calculations for purposes of the discharge of TIF notes as specified in the following paragraph. Either the City or the Developer may waive or extend the time periods for notification and response set forth herein.

To the extent that, in the City's determination, the sum of Post Completion Funding Sources as identified by the City exceeds the sum of: (x) Verified Total Project Costs, plus (y) four percent (4%) of the Acquisition Costs, plus (z) fifteen percent

(15%) of all Verified Total Project Costs other than Acquisition Costs, then Developer hereby agrees that the maximum amount of Reimbursable Redevelopment Project Costs for which the Developer shall be reimbursed by the City as provided for in Section 4.1 of this Agreement and the maximum amount of any TIF Notes which shall be issued by the City in accordance with Section 5.2 of this Agreement shall be reduced by an amount in the aggregate equal to seventy-five percent (75%) of the total amount of such excess, as calculated by the City in accordance herewith. Developer agrees that the City may discharge any TIF Notes already issued at the time of such calculation in an amount in the aggregate equal to seventy-five percent (75%) of the total excess.

4.4 City's Obligations Limited to Special Allocation Fund and Bond Proceeds. Notwithstanding any other term or provision of this Agreement, TIF Notes issued by the City to the Developer for Reimbursable Redevelopment Project Costs are payable only from the Special Allocation Fund and from Bond Proceeds, if any, and from no other source. The City has not pledged its full faith and credit relative to the City's obligation to issue the TIF Obligations or to pay any Reimbursable Redevelopment Project Costs. The TIF Obligations shall be special, limited obligations of the City, and shall not constitute debt to the City within any constitutional or statutory meaning of the word "debt."

ARTICLE V. TIF OBLIGATIONS

5.1 Conditions Precedent to the Issuance of TIF Notes. No TIF Notes shall be issued until such time as the City has (i) accepted a Certificate of Substantial Completion in accordance with the procedures set forth in **Section 3.8** of this Agreement; (ii) approved a Certificate of Reimbursable Redevelopment Project Costs in substantially the form of **Exhibit D**, attached hereto and incorporated herein by reference, in accordance with the procedures set forth in **Section 4.2** of this Agreement; (iii) obtained an opinion of Bond Counsel regarding the taxable nature of the TIF Notes; (iv) received the full payment of all advances required to be paid under **Section 2.2** of this Agreement; and (v) received such other documentation as the City shall reasonably require of Developer in order for the City to obtain an opinion of Bond Counsel as required by this **Section 5.1**.

5.2 Issuance of TIF Notes. The City agrees to issue one or more TIF Notes as provided in this Agreement and the Note Ordinance to reimburse the Developer for Reimbursable Redevelopment Project Costs up to the maximum amount established in **Section 4.1** of this Agreement, subject to the limitations of Article IV of this Agreement. The TIF Notes shall be in the form attached to the Note Ordinance as Exhibit B, provided that if the Note Ordinance is repealed or otherwise amended to amend such form of TIF Note, the TIF Notes shall not be amended for the purposes of this Agreement without the written consent of Developer.

5.2.1 Terms. 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.

5.2.2 Procedures for Issuance of TIF Notes. Within a reasonable period of time not to exceed ninety (90) days of Developer's satisfaction of the conditions of **Section 5.1** of this Agreement the City shall issue a TIF Note to an Original Purchaser evidencing reimbursement of Reimbursable Redevelopment Project Costs. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certificate of Reimbursable Redevelopment Project Costs and the issuance by the City of a TIF Note as provided in this **Section 5.2.2**, the Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund from time to time.

5.2.3 Special Mandatory Redemption of TIF Notes. All TIF Notes are subject to special mandatory redemption by the City, in whole at any time or in part on each March 1 and September 1 (each, a "Payment Date") occurring after the acceptance by the City of the Certificate of Substantial Completion at a redemption price equal to 100% of the principal amount being redeemed, together with the accrued interest thereon to the date fixed for redemption.

5.3 Issuance of TIF Bonds.

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

5.3.2 Upon receipt of a written request by Developer and upon the City's underwriter's recommendation in favor of issuing TIF Bonds and recommendation of the principal amount thereof based on the criteria set forth below, the City shall use its best efforts to cause the Authority to issue TIF Bonds as described in this Section. The aggregate gross cash proceeds from the sale of the TIF Bonds before payment of Issuance Costs, together with any interest accrued thereon ("Bond Proceeds") of such TIF Bonds will be finally determined by the City after receiving the underwriter's recommendation based on the criteria set forth below. The City shall not be obligated to cause the Authority to issue such TIF Bonds unless the underwriter determines that all of the following criteria are satisfied as of the date of issuance of such bonds, unless such criteria are waived by the City's underwriter. Developer shall not have any liability for any costs associated with the issuance of TIF Bonds but shall bear its own costs and expenses, including any attorneys' fees and expenses, that Developer may incur in complying with this Section. Notwithstanding anything in this Section to the contrary, Developer shall be liable for all costs incurred by the City or the Authority in the event the Developer has requested the issuance of bonds and the City's underwriter has determined that such bonds cannot be issued at such time.

5.3.2.1 Criteria for Issuance. The underwriter's recommendation for issuance of TIF Bonds and the principal amount thereof shall be based on the following criteria:

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

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

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

5.4.2 To the payment of outstanding principal of and interest on the TIF Notes to be refunded;

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

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

5.5 **Cooperation in the Issuance of TIF Obligations.** Developer covenants to cooperate and take all reasonable actions necessary to assist the City and its Bond Counsel, the Authority, underwriters and financial advisors in the preparation of

offering statements, private placement memoranda or other disclosure documents and all other documents necessary to market and sell the TIF Obligations, including disclosure of tenants of the Redevelopment Area and the non-financial terms of the leases between Developer and such tenants. Developer will not be required to disclose to the general public or any investor any proprietary or confidential information, including financial information, pertaining to Developer, but upon the execution of a confidentiality agreement acceptable to Developer, Developer will provide such information to the City's financial advisors, underwriters and their counsel to enable such parties to satisfy their due diligence obligations. Developer shall make such compliance obligation a covenant running with the land, enforceable as if any subsequent transferee thereof were originally a party to and bound by this Agreement, provided, that Developer shall satisfy this and any other obligation under this Agreement to make any provision a covenant running with the land by recording this Agreement in the Office of the Recorder of Deeds of the City of St. Louis.

5.6 Subordinate Notes. 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. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.2 and 6.3** of this Agreement.

If the amount of TIF Bonds issued pursuant to this Agreement is insufficient to refund all of the outstanding TIF Notes, the TIF Notes remaining outstanding shall be redeemed by the issuance of Subordinate Notes. Each Subordinate Note shall have the same maturity and have the same outstanding principal amount and the same interest rate as the TIF Note it redeems. All such Subordinate Notes shall be payable as to principal and interest according to the terms set forth in **Sections 5.4 and 6.3** of this Agreement.

5.7 City to Select Underwriter and Financial Advisor; Term and Interest Rate. The City shall have the right to select the designated underwriter (and such financial advisors and consultants as the underwriter and the City deem necessary for the issuance of the TIF Bonds) and underwriter's counsel. The final maturity of the TIF Bonds shall not exceed the maximum term permissible under the TIF Act. The TIF Bonds shall bear interest at such rates, shall be subject to redemption and shall have such terms as the City shall determine in its sole discretion.

ARTICLE VI. SPECIAL ALLOCATION FUND; COLLECTION AND USE OF TIF REVENUES

6.1 Creation of Special Allocation Fund. The City agrees to cause its Comptroller or other financial officer to maintain the Special Allocation Fund, including a "PILOTs Account" (and within it, the RPA 1 PILOTs Account), an "EATs Account" (and within it, the RPA 1 EATs Account), and such further accounts or sub-accounts as are required by this Agreement or as the Comptroller may deem appropriate in connection with the administration of the Special Allocation Fund pursuant to this Agreement. Subject to the requirements of the TIF Act and, with respect to Economic Activity Taxes, subject to annual appropriation by the Board of Aldermen, the City will promptly upon receipt thereof deposit all Payments in Lieu of Taxes derived from RPA 1 into the RPA 1 PILOTs Account and all Economic Activity Taxes derived from RPA 1 into the RPA 1 EATs Account.

6.2 Certification of Base for PILOTS and EATS.

6.2.1 Upon the reasonable written request of the City, Developer shall use its best efforts to provide or cause to be provided to the Comptroller or its authorized representative any documents necessary for the City to calculate the base for PILOTs and EATs including, but not limited to: (i) the address and locator number of all parcels of real property located within RPA 1; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of RPA 1 in the calendar year ending December 31, 2007.

6.2.2 Within ninety (90) days after execution of the Redevelopment Agreement, the City shall provide to the Developer (i) a certificate of the City Assessor's calculation of the total initial equalized assessed valuation of the taxable real property within RPA 1 based upon the most recently ascertained equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within RPA 1; and (ii) a certification of the amount of revenue from taxes, penalties and interest which are imposed by the City and other taxing districts and which are generated by economic activities within RPA 1 for the calendar year ending December 31, 2007, but excluding those personal property taxes, taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, taxes levied pursuant to Section 70.500 of the Revised Statutes of Missouri, taxes levied for the purpose of public transportation, or licenses, fees or special assessments identified as excluded in Section 99.845.3 of the TIF Act.

6.3 Application of Available Revenues.

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

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

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

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

6.4 Cooperation in Determining TIF Revenues. The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the TIF Revenues to be paid into the Special Allocation Fund, including, but not limited to, the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement.

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

6.6 Notice to City of Transfer. The Developer agrees to notify the City in writing of any sale, transfer or other disposition of the Property or any interest therein as permitted by **Section 7.3.2** of this Agreement at least fifteen (15) days prior to such sale, transfer or other disposition. Said notice shall specify the name and address of the person so acquiring any or all of the Property or any interest therein and shall identify the Property to be sold, transferred or otherwise disposed, whether by voluntary transfer or otherwise. Notwithstanding the foregoing, Developer shall not be required to notify the City of the lease or transfer of a residential unit, commercial unit or parking space in the ordinary course of business except as may be required by **Section 4.3**.

ARTICLE VII. GENERAL PROVISIONS

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

7.2 City's Right of Termination. The City may terminate this Agreement if (i) the Developer fails to submit to the MBE/WBE Compliance Officer a copy of Developer's MBE/WBE Subcontractor's List and its MBE/WBE Utilization Statement within three hundred sixty (360) days of the date of this Agreement; provided, however, that termination under this **Section 7.2(i)** may be waived in the sole discretion of the MBE/WBE Compliance Officer; or (ii) the Developer fails to submit its Certificate of Substantial Completion, acceptable to the City, in accordance with **Section 3.8** of this Agreement and the schedule set forth in **Section 3.4** of this Agreement. Upon such termination, the City shall have no obligation to issue a TIF Note or to reimburse the Developer for any amounts advanced under this Agreement or costs otherwise incurred or paid by Developer.

7.3 Successors and Assigns.

7.3.1 Binding Effect. This Agreement shall be binding on and shall inure to the benefit of the parties named herein and their respective heirs, administrators, executors, personal representatives, successors and assigns.

7.3.2 Assignment or Sale. Without limiting the generality of the foregoing, all or any part of the Property or any interest therein may be sold, transferred, encumbered, leased, or otherwise disposed of at any time, and the rights of the Developer named herein or any successors in interest under this Agreement or any part hereof may be assigned at any time before, during or after redevelopment of the Redevelopment Project, whereupon the party disposing of its interest in the Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such Property so disposed of or to which such interest pertains shall remain subject to the terms and conditions of this Agreement), provided, however, that until substantial completion of the Redevelopment Project, the fee title to the Property shall not be sold, transferred or otherwise disposed of and the rights, duties and obligations of the Developer under this Agreement shall not be assigned in whole or in part without the prior written approval of the City, which approval shall not be unreasonably withheld or delayed upon a reasonable demonstration by the Developer of the proposed transferee's or assignee's experience and financial capability to undertake and complete such portions of the Work and perform the Developer's obligations under this Agreement, all in accordance with this Agreement. Notwithstanding anything herein to the contrary, the City hereby approves, and no prior consent shall be required in connection with: (a) the right of the Developer to encumber or collaterally assign its interest in the Property or any portion thereof or its rights, duties and obligations under this Agreement to secure loans, advances or extensions of credit to finance or from time to time refinance all or any part of the Redevelopment Project Costs, or the right of the holder of any such encumbrance or transferee of any such collateral assignment (or trustee or agent on its behalf) to transfer such interest by foreclosure or transfer in lieu of foreclosure under such encumbrance or collateral assignment; and (b) the right of Developer to transfer the Property or to assign the Developer's rights, duties and obligations under this Agreement to any Related Entity; (c) the right of the Developer to sell, lease or transfer a residential unit, commercial unit or parking space in the ordinary course of business; provided that in each such event (i) the Developer named herein shall remain liable hereunder for the substantial completion of the Redevelopment Project, subject, however, to Developer's right of termination pursuant to Section 7.1 of this Agreement, and shall be released from such liability hereunder only upon substantial completion of the Redevelopment Project and (ii) the Developer provides to the City fifteen (15) days' advance written notice of the proposed assignment or transfer other than of the sale or lease of a residential unit, commercial unit or parking space in the ordinary course of business which shall require no notice except as may be required by **Section 4.3**.

7.3.3 Assignment or Sale to Exempt Organization. Prior to any sale, transfer or other disposition of all or any portion of the Property or any interest therein to an organization exempt from payment of ad valorem property taxes, such organization shall be required to agree not to apply for an exemption from payment of such property taxes for a period ending on the earlier of the date that all TIF Obligations are paid in full or twenty-three (23) years from the effective date that the Approving Ordinance. The Developer shall make this requirement a covenant running with the land, enforceable for such period as if such purchaser or other transferee or possessor thereof were originally a party to and bound by this Agreement.

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

7.5 Force Majeure. Neither the City nor the Developer nor any successor in interest shall be considered in breach or default of their respective obligations under this Agreement, and times for performance of obligations hereunder shall be extended in the event of any delay caused by force majeure (except as expressly limited in **Section 3.4**), including without limitation damage or destruction by fire or casualty; strike; lockout; civil disorder; war; restrictive government regulations; lack of issuance of any permits and/or legal authorization by the governmental entity necessary for the Developer to proceed with construction of the Work or any portion thereof; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; or other like causes beyond the parties' reasonable control, including without limitation any litigation, court order or judgment resulting from any litigation affecting the validity of the Redevelopment Plan, the Redevelopment Project or the TIF Obligations or this Agreement; provided that (i) such event of force majeure shall not be deemed to exist as to any matter initiated or sustained by the Developer in bad faith, and (ii) the Developer notifies the City in writing within thirty (30) days of the

commencement of such claimed event of force majeure.

7.6 Notices. All notices, demands, consents, approvals, certificates and other communications required by this Agreement to be given by either party hereunder shall be in writing and shall be hand delivered or sent by United States first class mail, postage prepaid, addressed to the appropriate party at its address set forth below, or at such other address as such party shall have last designated by notice to the other. Notices, demands, consents, approvals, certificates and other communications shall be deemed given when delivered or three days after mailing; provided, however, that if any such notice or other communication shall also be sent by telecopy or fax machine, such notice shall be deemed given at the time and on the date of machine transmittal if the sending party receives a written send verification on its machines and forwards a copy thereof with its mailed or courier delivered notice or communication.

- (i) In the case of the Developer, to:

Union Square Enterprises, LLC
706 DeMun
St. Louis, Missouri 63105
Attention: Richard Yackey
Facsimile: (314) 862-1981

With a copy to:

Husch Blackwell Sanders LLP
190 Carondelet Plaza, Suite 600
St. Louis, Missouri 63105
Attention: David Richardson
Facsimile: (314) 480-1505

- (ii) In the case of the City, to:

City of St. Louis
Office of the Mayor
City Hall
1200 Market Street, Room 200
St. Louis, Missouri 63103
Attention: Barbara Geisman, Executive Director for Development
Facsimile: 314-622-3440

And

City of St. Louis
Office of the Comptroller
City Hall
1200 Market Street, Room 212
St. Louis, Missouri 63103
Attention: Ivy Neyland-Pinkston, Deputy Comptroller
Facsimile: 314-588-0550

With a copy to:

City of St. Louis
City Counselor
City Hall
1200 Market Street, Room 314
St. Louis, Missouri 63102
Attention: Peter Mosanyi, Associate City Counselor
Facsimile: 314-622-4956

And

Armstrong Teasdale LLP
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102
Attention: Thomas J. Ray
Facsimile: 314-621-5065

(iii) In the case of the SLDC, to:

SLDC
1015 Locust Street, Suite 1200
St. Louis, Missouri 63101
Attention: Dale Ruthsatz
Facsimile: 314-231-2341

7.7 Conflict of Interest. No member of the Board of Aldermen, the TIF Commission, or any branch of the City's government who has any power of review or approval of any of the Developer's undertakings, or of the City's contracting for goods or services for the Redevelopment Area, shall participate in any decisions relating thereto which affect that member's personal interests or the interests of any corporation or partnership in which that member is directly or indirectly interested. Any person having such interest shall immediately, upon knowledge of such possible conflict, disclose, in writing, to the Board of Aldermen the nature of such interest and seek a determination by the Board of Aldermen with respect to such interest and, in the meantime, shall not participate in any actions or discussions relating to the activities herein proscribed.

7.8 Damage or Destruction of Redevelopment Project. In the event of total destruction or damage to the Redevelopment Project by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any TIF Notes are outstanding and the Developer or a Related Entity owns the Property, the Developer shall determine and advise the City in writing within one year of such destruction or damage whether to restore, reconstruct and repair any such destruction or damage so that the Redevelopment Project will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal or interest on the TIF Notes shall immediately terminate and the Developer shall promptly surrender the TIF Notes to the City for cancellation. In the event of such total destruction or damage during the term of this Agreement and after any TIF Bonds are issued or the issuance of a TIF Note to a purchaser other than the Developer or a Related Entity, the Developer shall, at the City's option after consultation with the Developer, tender to the City that portion of the insurance proceeds, if any, to which the Developer is entitled, after satisfaction of any terms or obligations of any deed of trust, promissory note or financing agreement entered into by the Developer for the financing of all or any part of the Redevelopment Project, from any fire or casualty insurance policy in an amount equal to the outstanding principal amount of the TIF Bonds or TIF Notes, plus accrued interest thereon to be deposited into the Special Allocation Fund.

7.9 Inspection. The City may conduct such periodic inspections of the Work as may be generally provided in the building code of the City. In addition, the Developer shall allow other authorized representatives of the City reasonable access to the Work site from time to time upon advance notice prior to the completion of the Work for inspection thereof. The Developer shall not unreasonably deny the City and its officers, employees, agents and independent contractors the right to inspect, upon request, all architectural, engineering, demolition, construction and other contracts and documents pertaining to the construction of the Work as the City determines is reasonable and necessary to verify the Developer's compliance with the terms of this Agreement.

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

7.11 Entire Agreement; Amendment. The parties agree that this Agreement constitutes the entire agreement between the parties and that no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the authorized agents of the parties.

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

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

7.14 Representatives Not Personally Liable. No elected or appointed official, agent, employee or representative of

the City shall be personally liable to the Developer in the event of any default or breach by any party under this Agreement, or for any amount which may become due to any party or on any obligations under the terms of this Agreement.

7.15 Attorney's Fees. In any dispute arising out of or relating to this Agreement, including any action to enforce this Agreement against a defaulting or breaching party pursuant to **Section 7.4**, the prevailing party shall recover from the non-prevailing party the prevailing party's attorney's fees, in addition to any other damages to which it is entitled.

7.16 Actions Contesting the Validity and Enforceability of the Redevelopment Plan. In the event a third party brings an action against the City or the City's officials, agents, attorneys, employees or representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Plan, the TIF Obligations, or the ordinance approving this Agreement, Developer may, at its option, join the City in defense of such claim or action. The parties expressly agree that, so long as no conflicts of interest exist between them with regard to the handling of such litigation, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding. The Developer shall be responsible for all reasonable and necessary costs and expenses incurred by the City and by the Developer in connection with the defense of such claim or action, provided that if the City does not approve a settlement or compromise to which the Developer would agree, the Developer shall not be responsible for any costs or expenses incurred thereafter in the defense of such claim or action. All cost of any such defense, whether incurred by the City or the Developer, shall be deemed to be Reimbursable Redevelopment Project Costs and reimbursable from any amounts in the Special Allocation Fund, subject to Article IV of this Agreement.

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

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

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

7.17.3 The City and its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, employees, independent contractors or any other persons who may be about the Property or the Work except for matters arising out of the gross negligence or willful misconduct of the City and its governing body members, officers, agents, attorneys, employees and independent contractors.

7.17.4 All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any of its governing body members, officers, agents, attorneys, employees or independent contractors in their individual capacities.

7.17.5 No governing body members, officers, agents, attorneys, employees or independent contractors of the City shall be personally liable to the Developer (i) in the event of a default or breach by any party under this Agreement or (ii) for any amount or any TIF Notes which may become due to any party under the terms of this Agreement.

7.17.6 The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, attorneys, employees and independent contractors shall not be liable for, and agrees to indemnify and hold the City, its governing body members, officers, agents, attorneys, employees and independent contractors, harmless from and against any and all third party suits, interest, claims and cost of reasonable attorneys fees incurred by any of them, resulting from, arising out of, or in any way connected with: (i) the enforcement of this Agreement, the validity of the TIF Obligations or the enforcement or validity of any other agreement or obligation made in connection therewith and their

approvals (excluding opinions of counsel and of the City's financial advisors whenever such claim is based on such party's own negligence); (ii) the negligence or willful misconduct of the Developer or its officers, agents, employees or independent contractors in connection with the design, management, development, redevelopment and construction of the Work, or (iii) the compliance by the Developer with all applicable state, federal and local environmental laws, regulations and ordinances as applicable to the Property, to the extent such condition existed prior to the acquisition thereof by the Developer. The foregoing release and indemnification shall not apply in the case of such liability arising directly out of the negligence or malicious acts or omissions of the City or its governing body members, officers, agents, attorneys, employees and independent contractors in connection with its or their activities conducted pursuant to this Agreement or which arises out of matters undertaken by the City following termination of this Agreement as to the Redevelopment Project or any particular portion thereof.

7.18 Survival. Notwithstanding the expiration or termination or breach of this Agreement by either party, the agreements contained in **Section 2.2, clauses (iii)-(v), Article VI, Sections 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, 7.17 and Article VIII** of this Agreement shall, except as otherwise expressly set forth herein, survive such early expiration or early termination of this Agreement by either party.

7.19 Maintenance of the Property. The Developer shall remain in compliance with all provisions of the City's ordinances relating to maintenance and appearance of the Property during the construction of the Redevelopment Project or any portion thereof. Upon substantial completion of the Redevelopment Project and so long as any TIF Obligations are outstanding, the Developer or its successor(s) in interest, as owner or owners of the affected portion(s) of the Property, shall, during the remainder of the term of this Agreement (but subject to any delay caused by an event of force majeure as provided in **Section 7.5** of this Agreement), maintain or cause to be maintained the buildings and improvements within RPA 1 which it owns in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations. If there are separately-owned or ground leased parcels of real estate on the Property during the term of this Agreement, each owner or lessee as a successor in interest to the Developer shall maintain or cause to be maintained the buildings and improvements on its parcel in a good state of repair and attractiveness and in conformity with applicable state and local laws, ordinances and regulations.

7.20 Non-Discrimination. The Developer agrees that, during the term of this Agreement and as an independent covenant running with the land, there shall be no discrimination upon the basis of race, creed, color, national origin, sex, age, marital status or physical handicap in the sale, lease, rental, occupancy or use of any of the facilities under its control within RPA 1 or any portion thereof and said covenant may be enforced by the City or the United States of America or any of their respective agencies. The Developer further agrees that a provision containing the covenants of this paragraph shall be included in all agreements pertaining to the lease or conveyance or transfer (by any means) of all or a portion of the Redevelopment Project and any of the facilities under its control in RPA 1. Except as provided in this Section, the Developer shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities within RPA 1.

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

7.22 MBE/WBE Compliance

The Developer shall comply with the Mayor's Executive Order #28, as amended as of the date of this Agreement, during the design and construction of the Redevelopment Project and with respect to ongoing services provided by third parties to the Developer in connection with the Redevelopment Project.

**ARTICLE VIII.
REPRESENTATIONS OF THE PARTIES**

8.1 Representations of the City. The City hereby represents and warrants that it has full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, including without limitation the right, power and authority to issue and sell the TIF Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the TIF Notes, duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

8.2 Representations of the Developer. The Developer hereby represents and warrants it has full power to execute and deliver and perform the terms and obligations of this Agreement and all of the foregoing has been duly and validly authorized

by all necessary corporate proceedings. This Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

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

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

“CITY”

CITY OF ST. LOUIS, MISSOURI

By: _____
Francis G. Slay, Mayor

By: _____
Darlene Green, Comptroller

(SEAL)

Attest:

Parrie May, City Register

Approved as to Form:

Patricia Hageman, City Counselor

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

“DEVELOPER”

Union Square Enterprises, LLC, a Missouri limited liability company

By: _____
Name: _____
Title: _____

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

On this ____ day of _____, 2008, before me appeared Francis G. Slay, to me personally known, who, being by me duly sworn, did say that he is the Mayor of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

STATE OF MISSOURI)

CITY OF ST. LOUIS) SS.
)

On this ____ day of _____, 2008, before me appeared Darlene Green, to me personally known, who, being by me duly sworn, did say that she is the Comptroller of the CITY OF ST. LOUIS, MISSOURI, a political subdivision of the State of Missouri, and that the seal affixed to the foregoing instrument is the seal of said City, and said instrument was signed and sealed in behalf of said City by authority of its Board of Aldermen, and said individual acknowledged said instrument to be the free act and deed of said City.

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

Notary Public

My Commission Expires:

STATE OF _____)
) SS.
_____ OF _____)

On this _____ day of _____, 2008, before me appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of Union Square Enterprises, LLC, a Missouri limited liability company, and that he is authorized to sign the instrument on behalf of said limited liability company by authority of its board of directors, and acknowledged to me that he executed the within instrument as said company's free act and deed.

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

Notary Public

My Commission Expires:

EXHIBIT A
Legal Description of the Redevelopment Area

RPA 1:

PARCEL 1:

A tract of land in Block 2206-A of the City of St. Louis, Missouri hereinafter known as the North Building Section of Parcel No. 1 and more particularly described as follows: its Northwest corner being located at a point measured from the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence along the said East line of Grand Boulevard North 15 degrees 16 minutes 43 seconds East a distance of 277.153 feet to a point in the South line of Parcel No. 2, said point having coordinates 99704.268 North and 199929.582 East; thence South 76 degrees 28 minutes 25 seconds East along the said South line of Parcel No. 2 a distance of 158.170 feet to the aforesaid Northwest corner, said Northwest corner having coordinates 9967.273 North and 200083.365 East and being bounded by a line commencing at the said Northwest corner; thence South 76 degrees 28 minutes 25 seconds East along the South line of Parcel No. 2 for a distance of 344.080 feet to a point on the West line of Parcel No. 3, said point having coordinates 99586.795 North and 200417.901 East, thence South 13 degrees 31 minutes 35 seconds West along the said West line of Parcel No. 3, a distance of 164.666 feet to a point, the said point being coincident with the Southwest corner of Parcel No. 3 and having coordinates 99426.697 North and 200379.387 East, thence North 76 degrees 28 minutes 25 seconds West a distance of 344.080 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to the point of beginning.

PARCEL 2:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as the South Building Section of Parcel No.

1 and more particularly described as follows: Its Southwest corner being at the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East, and being bounded by a line commencing at the said Southwest corner; thence South 75 degrees 10 minutes 20 seconds East along the North line of said property owned by the State Highway Commission of Missouri a distance of 255.765 feet to a point having coordinates 99371.457 North and 200103.797 East; thence South 77 degrees 23 minutes 57 seconds East along the said North line of property owned by the State Highway Commission of Missouri a distance of 362.388 feet to a point, the said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East along the West line and the prolongation thereof of the said parcel of ground for Total Energy Plant No. 1 for a distance of 200.00 feet to a point, the said point being coincident with the Northwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East along the North line of said parcel of ground for Total Energy Plant No. 2 for a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence North 10 degrees 33 minutes 18 seconds East along said West line of a 55 foot wide easement, a distance of 77.083 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 2 and having coordinates 99545.791 North and 200588.351 East; thence North 76 degrees 28 minutes 25 seconds West a distance of 119.813 feet to a point in the East line of Parcel No. 3; said point having coordinates 99573.814 North and 200471.861 East; thence South 13 degrees 31 minutes 35 seconds West along said East line of Parcel No. 3 a distance of 164.666 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 3 and having coordinates 99413.716 North and 200433.347 East; thence North 76 degrees 28 minutes 25 seconds West along the South line of said Parcel No. 3 and the extension thereof a distance of 399.580 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to a point on the South line of Parcel No. 2, said point having coordinates 99667.273 North and 200083.365 East; thence North 76 degrees 28 minutes 25 seconds West along said South line of Parcel No. 2 a distance of 158.170 feet to a point in the East line of Grand Boulevard, 90 feet wide, said point having coordinates 99704.268 North and 199929.582 East; thence South 15 degrees 16 minutes 43 seconds West along said East line of Grand Boulevard a distance of 277.153 feet to the point of beginning.

PARCEL 4:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as a parcel of ground for Total Energy Plant No. 1 being more particularly described as follows:

Its Southwest corner being located at a point in the North line of property owned by the State Highway Commission of Missouri 618.150 feet East of the East line of Grand Boulevard, 90 feet wide, measured along the North line of said property owned by the State Highway Commission of Missouri from the point of intersection of the North line of said property of the State Highway Commission of Missouri and the East line of Grand Boulevard, said point of intersection having coordinates 99436.911 North and 199856.549 East and being bounded by a line commencing at the said Southwest corner having coordinates 99292.399 North and 200457.451 East, thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to a point, said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99400.962 North and 200483.566 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 76.590 feet along the South line of the parcel of ground for Total Energy Plant No. 2 to a point in the West line of a 55 foot wide easement, said point having coordinates 99383.049 North and 200558.027 East; thence South 10 degrees 33 minutes 18 seconds West along the said West line of the 55 foot wide easement a distance of 98.880 feet to a point in the North line of property owned by the State Highway Commission of Missouri, said point having coordinates 99285.842 North and 200529.913 East; thence North 87 degrees 28 minutes 21 seconds West along the said North line of property owned by the State Highway Commission of Missouri a distance of 66.260 feet to a point having coordinates 99288.765 North and 200473.715 East; thence continuing along the said North line of property owned by the State Highway Commission of Missouri North 77 degrees 23 minutes 57 seconds West a distance of 16.660 feet to the point of beginning.

PARCEL 5:

A tract of land in Block 2206-A of the City of St. Louis, Missouri herein known as a parcel of ground for Total Energy Plant No. 2, being more particularly described as follows:

Its Southwest corner being located at a point measure from the intersection of the East line of Grand Boulevard, 90 feet wide, and the North line of property owned by the State Highway Commission of Missouri, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence Eastwardly along the North line of said property owned by the State Highway Commission of Missouri, 618.150 feet to a point having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to the said Southwest corner, said Southwest corner having coordinates 99400.962 North and 200483.566 East and being bounded by a line commencing at said Southwest corner; thence North 13 degrees 31 minutes 35 seconds East a distance of 88.340 feet to a point having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence South 10 degrees 33 minutes 18 seconds West along the said

West line of the 55 foot wide easement a distance of 88.460 feet, the said point coincident with the Northeast corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99383.049 North and 200558.027 East; thence North 76 degrees 28 minutes 25 seconds West along the North line of said Parcel of ground for the Total Energy Plant No. 1 a distance of 76.590 feet to the point of beginning.

RPA 2:

That parcel bounded by Forest Parkway to the North, Interstate 64 to the south and east, and City of St. Louis Tax Assessor’s Office tax identification parcel numbers 22062200270, 22062200300, and 22062200600 to the west, otherwise known as City of St. Louis Assessor’s Office tax identification parcel number 22062200254, located in City Block 2206.22.

**EXHIBIT B
TIF Reimbursable Redevelopment Project Costs**

CATEGORY	
(a)	Acquisition Costs (as defined in Section 1.1 of this Agreement).
(b)	Demolition Costs (includes, but is not limited to, demolition of existing buildings and structures or parts thereof).
(c)	Site Preparation and Public Improvements Costs (includes, but is not limited to, street and sidewalk improvements, parking facilities, utility work and resetting of curbs and landscaping and lighting in the right of way areas).
(d)	Rehabilitation, renovation, or reconstruction of any existing structures or construction of new improvements.
(e)	Financing Costs (includes, but is not limited to, loan fees, disbursing fees, lender’s legal fees, loan appraisals, flood certificates, tax credit investor fees and any and all other costs incurred by the Developer in connection with obtaining financing for and a tax credit investor in the Redevelopment Project).
(f)	Environmental Testing, Remediation and/or Abatement Costs (includes, but is not limited to, the testing for and removal and disposal of toxic or hazardous substances or materials).
(g)	Professional Service Costs (includes, but is not limited to, architectural, engineering, legal, marketing, financial, planning, sales commissions or special services).
(h)	TIF Costs & Issuance Costs incurred by the Developer pursuant to Section 2.2(i) – 2.2.(v) of this Agreement.

¹ Subject to the limitations set forth in **Section 4.2** of this Agreement, provided that such costs shall not exceed the aggregate amount of \$3,300,000 plus Issuance Costs as provided in the Agreement.

EXHIBIT C

Form of Certificate of Commencement of Construction

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

City of St. Louis
St. Louis Development Corp
1015 Locust St., Ste. 1200
St. Louis, MO 63103
Attention: Dale Ruthsatz

DELIVERED BY
UNION SQUARE ENTERPRISES, LLC

The undersigned, Union Square Enterprises, LLC (the “Developer”), pursuant to that certain Redevelopment Agreement dated as of _____, 2008, between the City of St. Louis, Missouri (the “City”) and Developer (the “Agreement”) hereby certifies to the City as follows:

1. All property within RPA 1 necessary for the Redevelopment Project (as legally described on Appendix A attached

hereto and by this reference incorporated herein and made a part hereof), has been acquired by Developer or a Related Entity in accordance with the Agreement.

2. Developer has entered into an agreement with a contractor or contractors to construct the Redevelopment Project.

3. Developer has submitted to the MBE/WBE Compliance Officer a copy of Developer’s MBE/WBE Subcontractor’s List and MBE/WBE Utilization Statement, which are attached hereto as Appendix B.

4. Developer has obtained all necessary financing to complete the Redevelopment Project.

5. This Certificate of Commencement of Construction is being issued by Developer to the City in accordance with the Agreement to evidence Developer’s satisfaction of all obligations and covenants with respect to commencement of construction of the Redevelopment Project.

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Agreement.

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

UNION SQUARE ENTERPRISES, LLC, a Missouri limited liability company

By: _____
Name: _____
Title: _____

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

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

Re: City of St. Louis, Missouri, 374 South Grand Redevelopment Project

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Redevelopment Agreement dated as of _____, 2008 (the “Agreement”), between the City and Union Square Enterprises, LLC, a Missouri limited liability company (the “Developer”). In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost and was incurred in connection with the construction of the Redevelopment Project.

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

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

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

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

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

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

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

Yes: _____ No: _____

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

Dated this ____ day of _____, _____.

Union Square Enterprises, LLC, a Missouri limited liability company

By: _____
Name: _____
Title: _____

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

SLDC

By: _____
Name: _____
Title: _____

Schedule 1

The Developer has incurred the following Reimbursable Redevelopment Project Costs:

Payee: Amount: Description of Reimbursable Redevelopment Project Costs:

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

The undersigned, Union Square Enterprises, LLC, a Missouri limited liability company (the "Developer"), pursuant to that certain Redevelopment Agreement dated as of _____, 2008, between the City of St. Louis, Missouri (the "City"), and the Developer (the "Agreement"), hereby certifies to the City as follows:

1. That as of _____, _____, the construction of the Redevelopment Project (as that term is defined in the Agreement) has been substantially completed in accordance with the Agreement.

2. That the Work has been substantially completed or funded pursuant to Exhibit B to the Agreement.

3. The Work has been performed in a workmanlike manner and substantially in accordance with the Construction Plans (as those terms are defined in the Agreement).

4. This Certificate of Substantial Completion is accompanied by the project architect's or owner representative's certificate of substantial completion on AIA Form G-704 (or the substantial equivalent thereof), a copy of which is attached hereto as **Appendix A** and incorporated herein by reference, certifying that the Redevelopment Project has been substantially completed in accordance with the Agreement.

5. Mechanics lien waivers for applicable portions of the Work in excess of Five Thousand Dollars (\$5,000) have

been obtained.

6. This Certificate of Substantial Completion is being issued by the Developer to the SLDC and the City in accordance with the Agreement to evidence the Developer’s satisfaction of all material obligations and covenants with respect to the Redevelopment Project.

7. The acceptance (below) or the failure of the SLDC and the Mayor or his designee to object in writing to this Certificate within thirty (30) days of the date of delivery of this Certificate to the SLDC and the City (which written objection, if any, must be delivered to the Developer prior to the end of such thirty (30) days) shall evidence the satisfaction of the Developer’s agreements and covenants to perform the Work.

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

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

Union Square Enterprises, LLC

By: _____
Name: _____
Title: _____

ACCEPTED:

SLDC

By: _____
Name: _____
Title: _____

CITY OF ST. LOUIS, MISSOURI

By: _____
Name: _____
Title: _____

(Insert Notary Form(s) and Legal Description)

**EXHIBIT F
Equal Opportunity and Nondiscrimination Guidelines**

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

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

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

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

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

**EXHIBIT G
MBE/WBE Subcontractors List**

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

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

**EXHIBIT H
MBE/WBE Utilization Statement**

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

Project and Bid Identification:

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

Obligation: The undersigned certifies that (s)he has read, understands and agrees to be bound by the bid specifications, including the accompanying exhibits and other items and conditions of the request for proposals regarding minority and women business enterprise utilization. The undersigned further certifies that (s)he is legally authorized by the respondent to make the statements and representations in the M/WBE Forms and Exhibits and that said statements and representations are true and correct to the best of his/her knowledge and belief. The undersigned will enter into formal agreements with the minority/women business enterprises listed in the Subcontractor List, which are deemed by the City to be legitimate and responsible. The undersigned understands that if any of the statements and representations are made by the respondent knowing them to be false, or if there is a failure of the successful respondent to implement any of the stated agreements, intentions, objectives, goals and commitments set forth herein without prior

approval of the City, then in any such events, the contractor's act or failure to act, as the case may be, shall constitute a material breach of the contract, entitling the City to terminate the contract for default. The right to so terminate shall be in addition to, and not in lieu of, any other rights and remedies the City may have for other defaults under the contract. Additionally, the contractor may be subject to the penalties cited in Section Twelve of the Mayor's Executive Order #28, as amended.

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

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

Name of Prime Contractor(s): _____

Prime Contractor Authorized Signature

Title: _____

Date: _____

Approved: December 1, 2008

ORDINANCE #68193
Board Bill No. 271

An ordinance recommended by the Board of Estimate and Apportionment authorizing and directing the issuance and delivery of not to exceed \$3,300,000 plus issuance costs principal amount of tax increment revenue notes (374 South Grand Redevelopment Project Area 1) 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 Union Square Enterprises, LLC, a Missouri limited liability company (the "Developer"), prepared a plan for redevelopment titled "374 South Grand TIF Redevelopment Plan" dated August 29, 2008, as revised October 6, 2008, as may be amended from time to time (the "Redevelopment Plan"), for an area located in City Block 2206 and containing three parcels located at 374 South Grand Boulevard, 314 South Grand Boulevard and 3501 Market Street commonly known as 374 South Grand in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, such legal description attached hereto and incorporated herein as **Exhibit A** and which contains two separate and distinct Redevelopment Project Areas (respectively, "Redevelopment Project Area 1" and "Redevelopment Project Area 2" or "RPA 1" and "RPA 2", collectively the "Redevelopment Project Areas"); and

WHEREAS, on October 15, 2008, the TIF Commission found that completion of the Redevelopment Project (as hereinafter defined) for RPA 1 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, preservation of historic structures, 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, designating two Redevelopment Project Areas within the Redevelopment Area, approving the Redevelopment Plan, and approving the redevelopment projects described in the Redevelopment Plan (collectively, the "Redevelopment Projects"), adopting tax increment allocation financing within the Redevelopment Area, and establishing the

374 South Grand Special Allocation Fund; and (2) Ordinance No. _____ [Board Bill No. ____] authorizing the City to enter into a redevelopment agreement with Developer as to RPA 1; 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 (374 South Grand Redevelopment Project Area 1), 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 defined) 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 for RPA 1.

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, designating two Redevelopment Project Areas within the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Projects, 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, Redevelopment Project Areas and Redevelopment Project for RPA 1, authorizing execution of a Redevelopment Agreement for the construction of the Redevelopment Project for RPA 1 and making certain findings related thereto.

"*Available Revenues*" means all monies on deposit from time to time (including investment earnings thereon) in (a) the RPA 1 PILOTs Account; and (b) subject to annual appropriation, the RPA 1 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 Union Square Enterprises, LLC, a Missouri limited liability company, 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 for RPA 1 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 “374 South Grand TIF Redevelopment Plan” dated August 29, 2008, as revised October 6, 2008, as may be amended from time to time, 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 “*374 South Grand Redevelopment Project Area 1*” or “*RPA 1*” means the first of two redevelopment projects 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.

“*RPA 1 EATs Account*” means that certain sub-account of the EATs Account of the Special Allocation Fund.

“*RPA 1 EATs Fund*” means that certain sub-account of the EATs Account of the Revenue Fund, as described in **Section 4.1** of this Ordinance.

“*RPA 1 PILOTs Account*” means that certain sub-account of the PILOTs Account of the Special Allocation Fund.

“*RPA 1 PILOTs Fund*” means that certain sub-account of the Revenue Fund, as described in **Section 4.1** of this Ordinance.

“*Series A Account*” means the account otherwise known as the RPA 1 Series A Account created in **Section 4.1** of this Ordinance.

“*Series A Note(s)*” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (374 South Grand Redevelopment Project Area 1), Series 200__-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$3,300,000 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 otherwise known as the RPA 1 Series B Account created in **Section 4.1** of this

Ordinance.

“*Series B Note*” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (374 South Grand Redevelopment Project Area 1), Series 200__-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$3,300,000 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, 374 South Grand Special Allocation Fund created by Ordinance No. _____ [Board Bill No. ____] effective on _____, 2008 and including the accounts and sub-accounts for the 374 South Grand Redevelopment Project Area 1 into which TIF Revenues are from time to time deposited in accordance with the TIF Act and this Ordinance, including a PILOTs Account and an EATs Account which accounts shall include the RPA 1 PILOTs Account and RPA 1 EATs Account (as such terms are defined in the Redevelopment Agreement).

“*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 \$3,300,000 plus Issuance Costs Tax Increment Revenue Notes (374 South Grand Redevelopment Project Area 1), 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 RPA1 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 for RPA 1, and (2) subject to annual appropriation by the Board of Aldermen, fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the TIF Act) and which are generated by economic activities within the RPA 1 over the amount of such taxes generated by economic activities within the RPA 1 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 \$3,300,000 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 \$3,300,000 plus Issuance Costs authorized hereunder and one series of one or more Series B TIF Notes in an aggregate principal amount not to exceed \$3,300,000 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 (374 South Grand Redevelopment Project Area 1), Series 200_-A”. The Series B TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (374 South Grand Redevelopment Project Area 1), 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, and within it, the RPA 1 PILOTs Account;
- (b) an EATs Account, and within it, the RPA 1 EATs Account;
- (c) a Revenue Fund and, within it, (i) an RPA 1 PILOTs Fund; and (ii) an RPA 1 EATs Fund, into which all Available Revenues shall be deposited;

- (d) a Debt Service Fund, and, within it, (i) an RPA 1 Series A Account; and (ii) an RPA 1 Series B Account; and
- (e) a Debt Service Reserve Fund, if established on the Issuance Date; and
- (f) a Project Fund, and within it an RPA 1 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 RPA 1 PILOTs into the RPA 1 PILOTs Fund of the Revenue Fund; and
- (ii) Those Available Revenues attributable to RPA 1 EATs into the RPA 1 EATs Fund of the Revenue Fund.

(b) Available Revenues in the Revenue Fund shall be applied, first from the RPA 1 EATs Fund and second from the RPA 1 PILOTs Fund 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 the RPA 1 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 RPA 1 Series A TIF Notes on each Payment Date;

Fourth, to the RPA 1 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 RPA 1 Series A TIF Notes on each Payment Date;

Fifth, to the Series RPA 1 A Account of the Debt Service Fund, an amount sufficient to pay the interest on the RPA 1 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 RPA 1 Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any RPA 1 Series A TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date;

Eighth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 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 RPA 1 Series B Note on each Payment Date;

Ninth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 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 RPA 1 Series B Note on each Payment Date;

Tenth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the RPA 1 Series B Notes on the next succeeding Payment Date;

Eleventh, if no RPA 1 Series A Notes are outstanding, to the RPA 1 Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any RPA 1 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 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.

Section 7.6 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 7.7 Governing Law. This Ordinance shall be governed exclusively by and constructed in accordance with the applicable internal laws of the State of Missouri.

Section 7.8 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 7.9 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 374 South Grand Redevelopment Area

RPA 1:

PARCEL 1:

A tract of land in Block 2206-A of the City of St. Louis, Missouri hereinafter known as the North Building Section of Parcel No. 1 and more particularly described as follows: its Northwest corner being located at a point measured from the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence along the said East line of Grand Boulevard North 15 degrees 16 minutes 43 seconds East a distance of 277.153 feet to a point in the South line of Parcel No. 2, said point having coordinates 99704.268 North and 199929.582 East; thence South 76 degrees 28 minutes 25 seconds East along the said South line of Parcel No. 2 a distance of 158.170 feet to the aforesaid Northwest corner, said Northwest corner having coordinates 9967.273 North and 200083.365 East and being bounded by a line commencing at the said Northwest corner; thence South 76 degrees 28 minutes 25 seconds East along the South line of Parcel No. 2 for a distance of 344.080 feet to a point on the West line of Parcel No. 3, said point having coordinates 99586.795 North and 200417.901 East, thence South 13 degrees 31 minutes 35 seconds West along the said West line of Parcel No. 3, a distance of 164.666 feet to a point, the said point being coincident with the Southwest corner of Parcel No. 3 and having coordinates 99426.697 North and 200379.387 East, thence North 76 degrees 28 minutes 25 seconds West a distance of 344.080 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to the point of beginning.

PARCEL 2:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as the South Building Section of Parcel No. 1 and more particularly described as follows: Its Southwest corner being at the point of intersection of the North line of property owned by the State Highway Commission of Missouri and the East line of Grand Boulevard, 90 feet wide, said point of intersection having coordinates 99436.911 North and 199856.549 East, and being bounded by a line commencing at the said Southwest corner; thence South 75 degrees 10 minutes 20 seconds East along the North line of said property owned by the State Highway Commission of Missouri a distance of 255.765 feet to a point having coordinates 99371.457 North and 200103.797 East; thence South 77 degrees 23 minutes 57 seconds East along the said North line of property owned by the State Highway Commission of Missouri a distance of 362.388 feet to a point, the said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East along the West line and the prolongation thereof of the said parcel of ground for Total Energy Plant No. 1 for a distance of 200.00 feet to a point, the said point being coincident with the Northwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East along the North line of said parcel of ground for Total Energy Plant No. 2 for a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence North 10 degrees 33 minutes 18 seconds East along said West line of a 55 foot wide easement, a distance of 77.083 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 2 and having coordinates 99545.791 North and 200588.351 East; thence North 76 degrees 28 minutes 25 seconds West a distance of 119.813 feet to a point in the East line of Parcel No. 3; said point having coordinates 99573.814 North and 200471.861 East; thence South 13 degrees 31 minutes 35 seconds West along said East line of Parcel No. 3 a distance of 164.666 feet to a point, the said point being coincident with the Southeast corner of Parcel No. 3 and having coordinates 99413.716 North and 200433.347 East; thence North 76 degrees 28 minutes 25 seconds West along the South line of said Parcel No. 3 and the extension thereof a distance of 399.580 feet to a point having coordinates 99507.175 North and 200044.851 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 164.666 feet to a point on the South line of Parcel No. 2, said point having coordinates 99667.273 North and 200083.365 East; thence North 76 degrees 28 minutes 25 seconds West along said South line of Parcel No. 2 a distance of 158.170 feet to a point in the East line of Grand Boulevard, 90 feet wide, said point having coordinates 99704.268 North and

199929.582 East; thence South 15 degrees 16 minutes 43 seconds West along said East line of Grand Boulevard a distance of 277.153 feet to the point of beginning.

PARCEL 4:

A tract of land in Block 2206-A of the City of St. Louis, Missouri, hereinafter known as a parcel of ground for Total Energy Plant No. 1 being more particularly described as follows:

Its Southwest corner being located at a point in the North line of property owned by the State Highway Commission of Missouri 618.150 feet East of the East line of Grand Boulevard, 90 feet wide, measured along the North line of said property owned by the State Highway Commission of Missouri from the point of intersection of the North line of said property of the State Highway Commission of Missouri and the East line of Grand Boulevard, said point of intersection having coordinates 99436.911 North and 199856.549 East and being bounded by a line commencing at the said Southwest corner having coordinates 99292.399 North and 200457.451 East, thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to a point, said point being coincident with the Southwest corner of the parcel of ground for Total Energy Plant No. 2 and having coordinates 99400.962 North and 200483.566 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 76.590 feet along the South line of the parcel of ground for Total Energy Plant No. 2 to a point in the West line of a 55 foot wide easement, said point having coordinates 99383.049 North and 200558.027 East; thence South 10 degrees 33 minutes 18 seconds West along the said West line of the 55 foot wide easement a distance of 98.880 feet to a point in the North line of property owned by the State Highway Commission of Missouri, said point having coordinates 99285.842 North and 200529.913 East; thence North 87 degrees 28 minutes 21 seconds West along the said North line of property owned by the State Highway Commission of Missouri a distance of 66.260 feet to a point having coordinates 99288.765 North and 200473.715 East; thence continuing along the said North line of property owned by the State Highway Commission of Missouri North 77 degrees 23 minutes 57 seconds West a distance of 16.660 feet to the point of beginning.

PARCEL 5:

A tract of land in Block 2206-A of the City of St. Louis, Missouri herein known as a parcel of ground for Total Energy Plant No. 2, being more particularly described as follows:

Its Southwest corner being located at a point measure from the intersection of the East line of Grand Boulevard, 90 feet wide, and the North line of property owned by the State Highway Commission of Missouri, said point of intersection having coordinates 99436.911 North and 199856.549 East; thence Eastwardly along the North line of said property owned by the State Highway Commission of Missouri, 618.150 feet to a point having coordinates 99292.399 North and 200457.451 East; thence North 13 degrees 31 minutes 35 seconds East a distance of 111.660 feet to the said Southwest corner, said Southwest corner having coordinates 99400.962 North and 200483.566 East and being bounded by a line commencing at said Southwest corner; thence North 13 degrees 31 minutes 35 seconds East a distance of 88.340 feet to a point having coordinates 99486.852 North and 200504.228 East; thence South 76 degrees 28 minutes 25 seconds East a distance of 72.000 feet to a point in the West line of a 55 foot wide easement, said point having coordinates 99470.012 North and 200574.231 East; thence South 10 degrees 33 minutes 18 seconds West along the said West line of the 55 foot wide easement a distance of 88.460 feet, the said point coincident with the Northeast corner of the parcel of ground for Total Energy Plant No. 1 and having coordinates 99383.049 North and 200558.027 East; thence North 76 degrees 28 minutes 25 seconds West along the North line of said Parcel of ground for the Total Energy Plant No. 1 a distance of 76.590 feet to the point of beginning.

RPA 2:

That parcel bounded by Forest Parkway to the North, Interstate 64 to the south and east, and City of St. Louis Tax Assessor's Office tax identification parcel numbers 22062200270, 22062200300, and 22062200600 to the west, otherwise known as City of St. Louis Assessor's Office tax identification parcel number 22062200254, located in City Block 2206.22.

**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.

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 RPA 1 PILOTs Account; and (b) subject to annual appropriation, the RPA 1 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 RPA 1 PILOTs Account of the Special Allocation Fund are those payments in lieu of taxes ("PILOTs"), as defined in Sections 99.805(10) and 99.845 of the Act) attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in RPA 1 (as described in Exhibit A to the Note Ordinance) and any applicable penalty and interest over and above the initial equalized assessed value (as provided for by Section 99.855 of the Act) of such unit of property in RPA 1, as allocated and paid to the City's Treasurer by the City's Collector of Revenue who shall deposit such PILOTs into the Special Allocation Fund while tax increment financing remains in effect.

The monies on deposit in the RPA 1 EATs Account of the Special Allocation Fund are those amounts subject to annual appropriation by the Board of Aldermen, equal to fifty percent (50%) of the total additional revenues from taxes, penalties and interest which are imposed by the City or other taxing districts (as that term is defined in Section 99.805(16) of the Act) and which are generated by economic activities within RPA 1 over the amount of such taxes generated by economic activities within RPA 1 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 RPA 1 Series A TIF Notes shall be equally and ratably secured by Available Revenues. The RPA 1 Series B TIF Notes shall be equally and ratably secured by the Available Revenues on a subordinate basis to the RPA 1 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 RPA 1 EATs Fund of the Revenue Fund and then from the RPA 1 PILOTs Fund 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 RPA 1 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 RPA 1 Series A TIF Notes on each Payment Date;

Fourth, to the RPA 1 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 RPA 1 Series A TIF Notes on each Payment Date;

Fifth, to the RPA 1 Series A Account of the Debt Service Fund, an amount sufficient to pay the interest on the RPA 1 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 RPA 1 Series A Account of the Debt Service Fund, an amount sufficient to pay the principal of any RPA 1 Series A TIF Notes that are subject to redemption pursuant to the Note Ordinance on each Payment Date;

Eighth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 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 RPA 1 Series B Note on each Payment Date;

Ninth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 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 RPA 1 Series B Note on each Payment Date;

Tenth, if no RPA 1 Series A Notes are outstanding, to the RPA 1 Series B Account of the Debt Service Fund, an amount sufficient to pay the interest on the RPA 1 Series B Notes on the next succeeding Payment Date;

Eleventh, if no RPA 1 Series A Notes are outstanding, to the RPA 1 Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any RPA 1 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)

(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 \$3,300,000 (plus Issuance Costs) City of St. Louis, Missouri, Tax Increment Revenue Notes, (374 South Grand Redevelopment Project Area 1), 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 \$3,300,000 (plus Issuance Costs) aggregate principal amount of Tax Increment Revenue Notes, (374 South Grand Redevelopment Project Area 1), 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: December 1, 2008

