

**ORDINANCE #68428**  
**Board Bill No. 99**

An ordinance approving a blighting study and redevelopment plan dated April 21, 2009 for the Chouteau/Jefferson/Papin Redevelopment Area ("Plan") after finding that said Redevelopment Area ("Area") is blighted as defined in Section 99.320 of the Revised Statutes of Missouri, 2000, as amended (the "Statute" being Sections 99.300 to 99.715 inclusive, as amended); containing a description of the boundaries of the Area in the City of St. Louis ("City"), attached hereto and incorporated herein as Attachment "A", finding that redevelopment and rehabilitation of the Area is in the interest of the public health, safety, morals and general welfare of the people of the City; approving the Plan attached hereto and incorporated herein as Attachment "B", pursuant to Section 99.430; finding that there is a feasible financial plan for the development of the Area which affords maximum opportunity for development of the Area by private enterprise; finding that no property in the Area may be acquired by the Land Clearance for Redevelopment Authority ("LCRA") of the City of St. Louis, a public body corporate and politic created under Missouri law, through the exercise of eminent domain; finding that none of the property within the Area is occupied, but if it should become occupied, the Redeveloper shall be responsible for relocating any eligible occupants displaced as a result of implementation of the Plan; finding that financial aid may be necessary to enable the Area to be redeveloped in accordance with the Plan; finding that there shall be available up to ten (10) year real estate tax abatement; and pledging cooperation of this St. Louis Board of Aldermen ("Board") and requesting various officials, departments, boards and agencies of the City to cooperate and to exercise their respective powers in a manner consistent with the Plan.

**WHEREAS**, by reason of the predominance of defective or inadequate street layout, insanitary or unsafe conditions, deterioration of site improvements, improper subdivision or obsolete platting, inadequate or outmoded design and 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 the present condition and use of the Area; and

**WHEREAS**, this Board has considered the "Blighting Study and Redevelopment Plan for the Chouteau/Jefferson/Papin Area" dated April 21, 2009, consisting of a Title Page; a Table of Contents Page, seven numbered pages and Exhibits "A" – "F" attached hereto and incorporated herein as Attachment "B" ("Plan"); and based on the information in the Plan, specifically the Blighting Report in Exhibit "F" to the Plan, considered each parcel of property in the Area and found the preponderance of the Area to be blighted, and

**WHEREAS**, such conditions are beyond remedy and control solely by regulatory process in the exercise of the police power and cannot be dealt with effectively by ordinary private enterprise without the aids provided in the Statute; and

**WHEREAS**, there is a need for the LCRA to undertake the redevelopment of the Area as a land clearance project under the Statute, pursuant to plans by or presented to the LCRA under Section 99.430.1 (4); and

**WHEREAS**, the LCRA has, after considering each individual parcel of property in the Area and finding the Area to be blighted, approved the Plan and recommended approval of the Plan to the Planning Commission of the City of St. Louis ("Planning Commission") and to this Board; and

**WHEREAS**, it is desirable and in the public interest that a public body, the LCRA, undertake and administer the Plan; and

**WHEREAS**, the LCRA and the Planning Commission have made and presented to this Board the studies and statements required to be made and submitted by Section 99.430 and this Board has been fully apprised by the LCRA and the Planning Commission of the facts and is fully aware of the conditions in the Area; and

**WHEREAS**, the Plan has been presented and recommended by LCRA and the Planning Commission to this Board for review and approval; and

**WHEREAS**, a general plan has been prepared and is recognized and used as a guide for the general development of the City and the Planning Commission has advised this Board that the Plan conforms to that general plan; and

**WHEREAS**, under the provisions of the Statute, it is required that this Board take such actions as may be required to approve the Plan; and

**WHEREAS**, this Board has duly considered the reports, recommendations and certifications of the LCRA and the Planning Commission; and

**WHEREAS**, the Plan prescribes land use and street and traffic patterns which may require, among other things, the vacation of public rights-of-way, the establishment of new street and sidewalk patterns or other public actions; and

**WHEREAS**, this Board is cognizant of the conditions which are imposed on the undertaking and carrying out of a redevelopment project, including those relating to prohibitions against discrimination because of race, color, creed, national origin, sex, marital status, age, sexual orientation or physical handicap; and

**WHEREAS**, in accordance with the requirements of Section 99.430 of the Statute, this Board placed a public notice in a newspaper of general circulation in the City that a public hearing would be held by this Board on the Plan, and a hearing was held

at the time and place designated in that notice and all those who were interested in being heard were given a reasonable opportunity to express their views; and

**WHEREAS**, it is necessary that this Board take appropriate official action respecting the approval of the Plan.

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

**SECTION ONE.** There exists within the City of St. Louis ("City") a blighted area, as defined by Section 99.320 of the Revised Statutes of Missouri, 2000, as amended (the "Statute" being Sections 99.300 to 99.715 inclusive, as amended) described in Attachment "A", attached hereto and incorporated herein, known as the Chouteau/Jefferson/Papin Area ("Area"). The existence of deteriorated property and other conditions constitutes an economic or social liability to the City and presents a hazard to the health and well-being of its citizens. These conditions, therefore, qualify the Area as blighted within the meaning of Section 99.320(3) of the Revised Statutes of Missouri, 2000 as amended, and is evidenced by the Blighting Report attached as Exhibit "F" ("Blighting Report") to the Blighting Study and Redevelopment Plan for the Area dated April 21, 2009 which is attached hereto, and labeled Attachment "B" and incorporated herein by reference ("Plan").

**SECTION TWO.** The redevelopment of the Area, as provided by the Statute, is necessary and in the public interest, and is in the interest of the public health, safety, morals and general welfare of the people of the City.

**SECTION THREE.** The Area qualifies as a redevelopment area in need of redevelopment under the provision of the Statute, and the Area is blighted as defined in Section 99.320 of the Statute.

**SECTION FOUR.** The Plan (including the Blighting Report) having been duly reviewed and considered, is hereby approved and incorporated herein by reference, and the President or Clerk of this St. Louis Board of Aldermen ("Board") is hereby directed to file a copy of the Plan with the Minutes of this meeting.

**SECTION FIVE.** The Plan is feasible and conforms to the general plan for the City.

**SECTION SIX.** The financial aid provided and to be provided for financial assistance pertaining to the Area is necessary to enable the redevelopment activities to be undertaken in accordance with the Plan, and the proposed financing plan for the Area is feasible.

**SECTION SEVEN.** The Plan for the Area will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Area by private enterprise, and private developments to be sought pursuant to the requirements of the Statute.

**SECTION EIGHT.** The Plan provides that the Land Clearance for Redevelopment Authority of the City of St. Louis ("LCRA") may acquire no property in the Area by the exercise of eminent domain.

**SECTION NINE.** None of the property within the Area is currently occupied. If it should become occupied, all eligible occupants displaced by the Redeveloper(s) ("Redeveloper(s)" being defined in Section Twelve, below) shall be given relocation assistance by the Redeveloper(s) at its expense, in accordance with all applicable federal, state and local laws, ordinances, regulations and policies.

**SECTION TEN.** The Plan gives due consideration to the provision of adequate public facilities.

**SECTION ELEVEN.** In order to implement and facilitate the effectuation of the Plan hereby approved, it is found and determined that certain official actions must be taken by this Board and accordingly this Board hereby:

- (a) Pledges its cooperation in helping to carry out the Plan;
- (b) Requests the various officials, departments, boards and agencies of the City, which have administrative responsibilities, likewise to cooperate to such end and to execute their respective functions and powers in a manner consistent with the Plan; and
- (c) Stands ready to consider and take appropriate action upon proposals and measures designed to effectuate the Plan.

**SECTION TWELVE.** All parties participating as owners or purchasers of property in the Area for redevelopment ("Redeveloper(s)") shall agree for themselves and their heirs, successors and assigns that they shall not discriminate on the basis of race, color, creed, national origin, sex, marital status, age, sexual orientation or physical handicap in the sale, lease, or rental of any property or improvements erected or to be erected in the Area or any part thereof and those covenants shall run with the land, shall remain in effect without limitation of time, shall be made part of every contract for sale, lease, or rental of property to which Redeveloper(s) is a party, and shall be enforceable by the LCRA, the City and the United States of America.

**SECTION THIRTEEN.** In all contracts with private and public parties for redevelopment of any portion of the Area, Redeveloper(s) shall agree:

- (a) To use the property in accordance with the provisions of the Plan, and be bound by the conditions and procedures

set forth therein and in this Ordinance;

(b) That in undertaking construction under the agreement with the LCRA and the Plan, bona fide Minority Business Enterprises ("MBE's") and Women's Business Enterprises ("WBE's") will be solicited and fairly considered for contracts, subcontracts and purchase orders;

(c) To be bound by the conditions and procedures regarding the utilization of MBE's and WBE's established by the City;

(d) To adhere to the requirements of the Executive Order of the Mayor of the City, dated July 24, 1997, as has been extended.

(e) To comply with applicable requirements of Ordinance No. 60275 of the City (First Source Jobs Policy, as codified at St. Louis City Revised Code Chapter 3.90);

(f) To cooperate with those programs and methods supplied by the City with the purpose of accomplishing, pursuant to this paragraph, minority and women subcontractors and material supplier participation in the construction pursuant to the Plan. The Redeveloper(s) will report semi-annually during the construction period the results of its endeavors under this paragraph, to the Office of the Assistant Director-Certification and Compliance of the City and the President of this Board; and

(g) That the language of this Section Thirteen shall be included in its general construction contract and other construction contracts let directly by Redeveloper(s).

The term MBE shall mean a sole proprietorship, partnership, corporation, profit or non-profit organization owned, operated and controlled by minority group members who have at least fifty-one percent (51%) ownership. The minority group member(s) must have operational and management control, interest in capital and earnings commensurate with their percentage of ownership. The term Minority Group Member(s) shall mean persons legally residing in the United States who are Black, Hispanic, Native American (American Indian, Eskimo, Aleut or Native Hawaiian), Asian Pacific American (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, U.S. Trust Territory of the Pacific Islands, Laos, Cambodia or Taiwan) or Asian Indian American (persons with origins from India, Pakistan or Bangladesh). The term WBE shall mean a sole proprietorship, partnership, corporation, profit or non-profit organization owned, operated and controlled by a woman or women who have at least fifty-one percent (51%) ownership. The woman or women must have operational and managerial control, interest in capital and earnings commensurate with their percentage of ownership.

The term "Redeveloper(s)" as used in this Section shall include successors in interest and assigns.

**SECTION FOURTEEN.** The Redeveloper(s) may seek ten (10) year real estate tax abatement pursuant to Sections 99.700 - 99.715, Revised Statutes of Missouri, 2000, as amended, upon application as provided therein. Such real estate tax abatement shall not include any Special Business District, Neighborhood Improvement District, Commercial Improvement District, or any other similar local taxing district created in accordance with Missouri law, whether now existing or later created.

In lieu of the ten (10) year abatement outlined above, a Redeveloper(s) which is an urban redevelopment corporation formed pursuant to Chapter 353 of the Missouri Statutes shall hereby be entitled to real property ad valorem tax abatement which shall not include any Special Business District, Neighborhood Improvement District, Commercial Improvement District or any other single local taxing district created in accordance with Missouri law, whether now existing or later created, for a total period of up to ten (10) years from the commencement of such tax abatement, in accordance with the following provisions:

If property in the Area is sold by the LCRA to an urban redevelopment corporation formed pursuant to Chapter 353 of the Missouri Statutes, or if any such corporation shall own property within the Area, then for up to the first ten (10) years after the date the redevelopment corporation shall acquire title to property in the Area, taxes on that property shall be based upon the assessment of land, exclusive of any improvements thereon, during the calendar year two years prior to the calendar year during which the corporation shall have acquired title to that property. In addition to such taxes, any such corporation shall for up to the same ten (10) year period make a payment in lieu of taxes to the Collector of Revenue of the City of St. Louis in an amount based upon the assessment on the improvements located on the property during the calendar year two years prior to the calendar year during which such corporation shall have acquired title to that property. If property shall be tax exempt because it is owned by the LCRA and leased to any such corporation, then such corporation for up to the first ten (10) years of the lease shall make payments in lieu of taxes to the Collector of Revenue of the City in an amount based upon the assessment on the property, including land and improvements, during the calendar year two years prior to the calendar year during which such corporation shall lease that property.

All payments in lieu of taxes shall be a lien upon the property and, when paid to the Collector of Revenue of the City shall be distributed as all other property taxes. These partial tax relief and payment in lieu of taxes provisions, during up to said ten (10) year period, shall inure to the benefit of all successors in interest in the property of the redevelopment corporation, so long as such successors shall continue to use the property as provided in this Plan and in any agreement with the LCRA. In no event shall such benefits extend beyond ten (10) years after the redevelopment corporation shall have acquired title to the property.

**SECTION FIFTEEN.** Any proposed modification which will substantially change the Plan must be approved by this

Board in the same manner as the Plan was first approved. Modifications which will substantially change the Plan include, but are not necessarily limited to, modifications on the use of eminent domain, to the length of tax abatement, to the boundaries of the Area, or to other items which alter the nature or intent of the Plan.

The Plan may be otherwise modified (e.g. urban design regulations, development schedule) by the LCRA, provided that such revisions shall be effective only upon the consent of the Planning Commission of the City.

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

**ATTACHMENT "B"**  
**Form: 04/16/09**

BLIGHTING STUDY AND PLAN  
FOR THE  
**CHOUTEAU/JEFFERSON/PAPIN**  
REDEVELOPMENT AREA  
PROJECT # 1413  
LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY  
OF THE CITY OF ST. LOUIS  
April 21, 2009

MAYOR  
FRANCIS G. SLAY

**BLIGHTING STUDY AND PLAN FOR  
CHOUTEAU/JEFFERSON/PAPIN REDEVELOPMENT AREA**

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- "A" LEGAL DESCRIPTION
- "B" PROJECT AREA PLAN
- "C" PROPOSED LAND USE
- "D" ACQUISITION MAP
- "E" EQUAL OPPORTUNITY AND NON-DISCRIMINATION GUIDELINES
- "F" BLIGHTING REPORT

**A. EXISTING CONDITIONS AND FINDINGS OF BLIGHT**

1. DELINEATION OF BOUNDARIES

The Chouteau/Jefferson/Papin. Redevelopment Area ("Area") encompasses approximately 6.152 acres in the Downtown West neighborhood of the City of St. Louis ("City") and includes all the blocks bordered by Chouteau Ave. on the south, Jefferson Ave. on the west, Papin St. on the north and 22nd St. on the east.

The legal description of the Area is attached and labeled Exhibit "A". The boundaries of the Area are delineated on Exhibit "B" ("Project Area Plan").

2. GENERAL CONDITION OF THE AREA

The Area comprises all of City Block 2261.21, and includes 2201-2343 Chouteau Ave. and 2200-2334 Papin St. The Area is in poor condition. The parcel by parcel physical conditions within the Area are shown on Exhibit "B" (Project Area Plan) and enumerated in Exhibit "F" Blighting Report.

Unemployment figures, computed by the Missouri State Employment Service, indicate a 9.6% unemployment rate for the City as of February, 2009. It is estimated that this rate is prevalent for residents of the neighborhoods surrounding the Area.

There are currently jobs within the Area.

3. PRESENT LAND USE OF THE AREA

Existing land uses within the Area include an unoccupied industrial building.

The land use, including the location of public and private uses, streets and other rights-of-way, is shown on Exhibit "B".

4. PRESENT LAND USE AND DENSITY OF SURROUNDING PROPERTIES

The properties surrounding the Area are primarily used for industrial purposes.

Residential density for the surrounding neighborhoods is approximately 2.99 persons per acre.

5. CURRENT ZONING

The Area is currently zoned "J" Industrial District pursuant to the Zoning Code of the City, which is incorporated in this Plan by reference.

6. FINDING OF BLIGHT

None the property within the Area is occupied and it is in the conditions outlined in Exhibit "F". The existence of deteriorated property constitutes an economic or social liability to the City and presents a hazard to the health and well-being of its citizens. The preponderance of properties in the Area has been determined to be blighted within the meaning of Section 99.300 *et seq.* of the Revised Statutes of Missouri (the Land Clearance for Redevelopment Authority Law) as evidenced by the Blighting Report attached hereto, labeled Exhibit "F" and incorporated herein by this reference.

**B. PROPOSED REDEVELOPMENT AND REGULATIONS**

1. REDEVELOPMENT OBJECTIVES

The primary objectives of this Plan are to eliminate blight within the Area and to facilitate the redevelopment of the Area into a minimum of approximately 84,000 square feet of productive commercial uses.

2. PROPOSED LAND USE OF THE AREA

The proposed land uses for the Area are industrial uses permitted in Areas designated "J" Industrial District by the City of St. Louis Zoning Code. Redeveloper(s) authorized by the Land Clearance for Redevelopment Authority of the City of St. Louis ("LCRA") to redevelop property in the Area (hereafter referred to as "Redeveloper(s)") shall not be permitted to use said property for the following:

pawn shops, adult bookstores, X-rated movie houses, massage parlors or health spas, auto and truck dealers (new or used), pinball arcades, pool halls, secondhand or junk shops, tattoo parlors, truck or other equipment rentals requiring outside storage, blood donor facilities, free standing package liquor stores, check cashing centers, any use (except for financial institutions or pharmacies) that utilizes a sales or service window or facility for customers who are in cars, or restaurants that sell products to customers who are in cars or who consume the sold products in cars parked on the restaurant premises, or sell products through a sales window to customers who are in cars or to pedestrians outside the building for immediate consumption by the customer either on or off the premises, automobile service or stations.

Exhibit "C" (Proposed Land Use) shows the proposed uses for the Area. The 2009 Strategic Land Use Plan designated it as a Business/Industrial Development Area (BIDA).

3. PROPOSED ZONING

The zoning for the Area can remain "J" Industrial District. All land coverage and building intensities shall be governed thereby.

4. RELATIONSHIP TO LOCAL OBJECTIVES

The proposed land uses, zoning, public facilities and utility plans are appropriate and consistent with local objectives as defined by the General Plan of the City of St. Louis which includes the amended "Strategic Land Use Plan" (2009). Any specific proposal to the LCRA for redevelopment of the Area or any portion of the Area shall contain, among other things, adequate provisions for traffic, vehicular parking, safety from fire, adequate provisions for light and air, sound design and arrangement and improved employment opportunities.

5. PROPOSED EMPLOYMENT FOR THIS AREA

Approximately 150 to 170 new permanent full time equivalent jobs should be created if the Area is redeveloped in accordance with this Plan. The exact number of jobs created will depend upon the specific nature of the proposed redevelopment.

6. CIRCULATION

The Proposed Land Use Plan (Exhibit "C") indicates the proposed circulation system for the Area. The layouts, levels and grades of all public rights-of-way may remain unchanged.

Rights-of-way changes will be subject to the review and approval of the City Department of Streets, and all vacations of rights-of-way are subject to approval by ordinance.

7. BUILDING AND SITE REGULATIONS

The Area shall be subject to all applicable federal, state and local laws, ordinances, regulations and codes, including but not limited to, the City Building Code, Zoning District Regulations, and stipulations of the Planning and Urban Design Agency ("PDA") of the City. The population densities, land coverage, and building intensities of redevelopment shall be governed by the Zoning Code. No changes in the building codes or

ordinances are required.

Each Redeveloper(s) shall redevelop the Area in accordance with this Plan and the redevelopment agreement ("Agreement") (if any), and shall maintain all structures, equipment, paved areas, and landscaped areas controlled by the Redeveloper in good and safe order both inside and outside, structurally and otherwise, including necessary and proper painting. Failure to meet this requirement may result in suspension of tax abatement.

8. URBAN DESIGN

a. **Urban Design Objectives**

The property shall be developed so it is an attractive commercial asset to the surrounding neighborhood.

b. **Urban Design Regulations**

1. **Rehabilitation** shall respect the original exterior and the exterior in terms of design and materials. Window and door shapes and detailing shall be compatible with the original design.

2. **New construction** shall be compatible in design with the surrounding neighborhood, if any, in terms of scale, material, set back, profile and site layout.

c. **Landscaping**

The property shall be well-landscaped. Perimeter street trees of a minimum caliper of 2-1/2 inches and generally 30-35 feet on center, as determined by the Parks Department of the City depending upon tree type, utilities, curb cuts, etc., shall be provided along all public or private streets - preferably in tree lawns along the curb. Existing, healthy trees and shrubs shall be retained, if feasible.

d. **Fencing**

New fencing may be ornamental metal, chain link or a good quality, privacy fence provided it is not wood stockade style. In no case shall the fencing have razor or brushed wire on top if it is visible from any street. In residential or commercial zoning districts and fencing across from residential uses in any zoning district new fencing in front yards or along streets shall be limited to ornamental metal or good quality privacy fencing provided it is not wood stockade style.

9. PARKING REGULATIONS

Parking shall be provided in accordance with the applicable zoning and building code requirements of the City, including PDA standards. This will provide adequate vehicular parking for the Area.

10. SIGN REGULATIONS

All new signs shall be limited as set out in the City Code, PDA stipulations, this Plan and contracts between the LCRA and the Redeveloper. A uniform signage plan must be prepared by the Redeveloper for the entire project. All new signs shall be restricted to those identifying the names and/or business of the person or firm occupying the premises.

Painted wall signs, roof signs, moving signs, animated or flashing signs, or permanent or portable message board signs shall not be permitted in the Area, and no regular or mini billboards (free standing or mounted on structures) shall be erected or maintained in the area, except that construction and leasing signs may be maintained during construction and for a period of one (1) year after completion of improvements on any respective parcel or part thereof.

11. BUILDING, CONDITIONAL USE AND SIGN PERMITS

No building, conditional use, or sign permits shall be issued by the City without the prior written approval of the LCRA.

12. PUBLIC IMPROVEMENTS

No additional schools, parks, recreational and community facilities or other public facilities will be required. Additional water, sewage or other public utilities may be required depending on development. The cost of such utility improvements will be borne by the Redeveloper(s).

If funds are available to the LCRA, it may provide public improvements including, but not limited to, measures for the control of traffic, improvements to street lighting, street trees, and any other improvements which may further the objectives of this Plan.

When redeveloped in accordance with this Plan, the Area will comprise a coordinated, adjusted and harmonious redevelopment that promotes the health, safety, morals, order, convenience, prosperity, general welfare, efficiency and economy of the City.

#### **C. PROPOSED SCHEDULE OF REDEVELOPMENT**

The implementation of this Plan may take place in one or more phases initiated within approximately three (3) year(s) of approval of this Plan by ordinance and completed within approximately seven (7) year(s) of approval of this Plan by ordinance.

The LCRA may alter the above schedule as market, site, building or economic conditions warrant.

#### **D. EXECUTION OF PROJECT**

##### **1. ADMINISTRATION AND FINANCING**

The LCRA is empowered by Missouri law to administer redevelopment of all types pursuant to this Plan and can do so to the extent and in the manner prescribed by the Land Clearance for Redevelopment Authority Law of Missouri.

All costs associated with the redevelopment of the Area will be borne by the Redeveloper(s).

Implementation of this Plan may be financed by funds obtained from private and/or public sources, including, without limitation, revenue bonds, bank loans, and equity funds provided by the Redeveloper(s).

##### **2. PROPERTY ACQUISITION**

The Property Acquisition Map, Exhibit "D" attached, identifies all the property located in the Area. The LCRA may not acquire any property in the Area by the exercise of eminent domain.

##### **3. PROPERTY DISPOSITION**

If the LCRA acquires property in the Area, it may sell or lease the property to a Redeveloper(s) who shall agree to redevelop such property in accordance with this Plan and the agreement between such Redeveloper(s) and the LCRA. Any property acquired by the LCRA and sold to a Redeveloper(s) will be sold at not less than its fair value, taking into account and giving consideration to those factors enumerated in Section 99.450, R.S.Mo. (2000) as amended, for uses in accordance with this Plan.

##### **4. RELOCATION ASSISTANCE**

None of the property within the Area is currently occupied. If it should become occupied, all eligible occupants displaced as a result of the implementation of the Plan shall be given relocation assistance in accordance with all applicable federal, state and local laws, ordinances, regulations and policies.

#### **E. COOPERATION OF THE CITY**

The City and its Board of Aldermen, by enacting an ordinance approving this Plan, pledges its cooperation to enable the project to be carried out in a timely manner and in accordance with this Plan.

#### **F. TAX ABATEMENT**

A Redeveloper(s) may seek ten (10) year real estate tax abatement pursuant to Sections 99.700 - 99.715, Revised Statutes of Missouri 2000, as amended, upon application as provided therein. Such real estate tax abatement shall not include taxes collected for any Special Business District Neighborhood Improvement District, commercial Improvement district, or other similar local taxing districts created in accordance with Missouri law, whether now existing or later created.

In lieu of the ten (10) year abatement outlined above, redeveloper(s) which is an urban redevelopment corporation formed pursuant to Chapter 353 of the Missouri Statutes shall hereby be entitled to real property ad valorem tax abatement, which shall not include taxes collected for any Special Business District Neighborhood Improvement District, commercial Improvement district, or other similar local taxing districts created in accordance with Missouri law, whether now existing or later created, for a total period of up to ten (10) years from the commencement of such tax abatement, in accordance with the following provisions of this Plan.

If property in the Area is sold by the LCRA to an urban redevelopment corporation formed pursuant to Chapter 353 of the

Missouri Statutes, or if any such corporation shall own property within the Area, then for up to the first ten (10) years after the date the redevelopment corporation shall acquire title to the property in the Area, taxes on that property shall be based upon the assessment of land, exclusive of any improvements thereon, during the calendar year two years prior to the calendar year during which the corporation shall have acquired title to that property. In addition to such taxes, any the corporation shall for up to the same ten (10) year period make a payment in lieu of taxes to the Collector of Revenue of the City of St. Louis in an amount based upon the assessment on the improvements located on the property during the calendar year two years prior to the calendar year during which such corporation shall have acquired title to the property. If property shall be tax exempt because it is owned by the LCRA and leased to any such corporation, then such corporation for up to the first ten (10) years of the lease shall make payments in lieu of taxes to the Collector of Revenue of the City in an amount based upon the assessment on the property, including land and improvements, during the calendar year two years prior to the calendar year during which that corporation shall lease that property.

All payments in lieu of taxes shall be a lien upon the property and, when paid to the Collector of Revenue of the City shall be distributed as all other property taxes. These partial tax relief and payment in lieu of taxes provisions, during up to said ten (10) year period, shall inure to the benefit of all successors in interest in the property of the redevelopment corporation, so long as such successors shall continue to use the property as provided in this Plan and in any contract with the LCRA. In no event shall such benefits extend beyond ten (10) years after the redevelopment corporation shall have acquired title

## **G. COMPLIANCE WITH AFFIRMATIVE ACTION AND NONDISCRIMINATION LAWS AND REGULATIONS**

### **1. LAND USE**

A Redeveloper(s) shall not discriminate on the basis of race, color, creed, national origin, marital status, sex, age, sexual orientation or physical handicap in the lease, sale or occupancy of the Area.

### **2. CONSTRUCTION AND OPERATIONS**

A Redeveloper(s) shall not discriminate on the basis of race, color, creed, national origin, marital status, sex, age, sexual orientation or physical handicap in the construction and operation of any project in the Area and shall take such affirmative action as may be appropriate to afford opportunities to everyone in all activities of the project, including enforcement, contracting, operating and purchasing.

### **3. LAWS AND REGULATIONS**

A Redeveloper(s) shall comply with all applicable federal, state and local laws, ordinances, executive orders and regulations regarding nondiscrimination and affirmative action, including the City Guidelines for Maximum Utilization of Minority Enterprises dated January 1, 1981, as may be amended, and the "Equal Opportunity and Nondiscrimination Guidelines" in Exhibit "E", attached.

### **4. ENFORCEMENT**

All of the provisions of this Section G shall be incorporated in an Agreement between the LCRA and a Redeveloper(s), which Agreement shall be recorded in the office of the Recorder of Deeds. The provisions of G (1) and G (3) shall be covenants running with the land, without limitation as to time, and the provisions of G (2) shall be for the duration of this Plan and any extension thereof.

All of the provisions of Section G shall be enforceable against the Redeveloper(s), its heirs, successors or assigns, by the LCRA, the City, any state having jurisdiction or the United States of America.

## **H. MODIFICATIONS OF THIS PLAN**

Except as contemplated herein, any proposed modification which will substantially change this Plan shall be approved by the St. Louis Board of Aldermen in the same manner as this Plan was first approved. Modifications which will substantially change this Plan include, but are not necessarily limited to, modifications on the use of eminent domain, to the length of tax abatement, to the boundaries of the Area, or other items which alter the nature or intent of this Plan.

This Plan may be otherwise modified (e.g. urban design regulations, redevelopment schedule) by the LCRA, provided that such revisions shall be effective only upon the consent of the PDA.

## **I. DURATION OF REGULATION AND CONTROLS**

The regulation and controls set forth in this Plan shall be in full force and effect for twenty-five years commencing with the effective date of approval of this Plan by ordinance, and for additional ten (10) year periods unless before the commencement of any such ten (10) year period the St. Louis Board of Aldermen shall terminate this Plan as of the end of the term then in effect, except as provided in Section G (4) of this Plan.



Subject Property is:  X secured  unsecured

The subject property  has  X  has not a predominance of defective or inadequate streets

If answer is yes, explain: \_\_\_\_\_

The subject property  has  X  has not insanitary or unsafe conditions

If answer is yes, explain: \_\_\_\_\_

The subject property  X  has \_\_\_\_\_ has not deterioration of site conditions

If answer is yes, explain: The vacant building is need of renovation. The surface parking also needs repairs.

The subject property  has  X  has not improper subdivision or absolute platting

If answer is yes, explain: \_\_\_\_\_

The subject property  X  has \_\_\_\_\_ has not conditions which endanger life or property by fire or other cause.

If answer is yes, explain: The vacant building could be a fire risk if left vacant or if vandalized.

The subject property  does  X  does not retard the provision of housing accommodations

If answer is yes, explain: The building is an industrial structure.

The subject property  X  does \_\_\_\_\_ does not constitute an economic liability

If answer is yes, explain: The property is not in use, and cannot be leased in it current condition.

The subject property  does  X  does not constitute a social liability

If answer is yes, explain: \_\_\_\_\_

The subject property  is  X  is not a menace to the public health, safety, morals or welfare in its present condition and use.

If answer is yes, explain: \_\_\_\_\_

The subject property  X  is \_\_\_\_\_ is not detrimental because of dilapidation, deterioration, age or obsolescence.

If answer is yes, explain: The property is unsightly in its current condition. Even though it is an industrial building, there is still room for improvements.

The subject property  is  X  is not detrimental because of lack of air sanitation or open space.

If answer is yes, explain: \_\_\_\_\_

The subject property  is  X  is not detrimental because of high density of population.

If answer is yes, explain: \_\_\_\_\_

The subject property  is  X  is not detrimental because of overcrowding of buildings, overcrowding of land.

If answer is yes, explain: \_\_\_\_\_

The subject property  X  has \_\_\_\_\_ has not conditions which endanger life or property by fire and other causes.

If answer is yes, explain: Vacant buildings often attract vandalism

The subject property  has  X  has not a combination of factors that are conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and .

If answer is yes, explain: \_\_\_\_\_

Approved: July 27, 2009

ORDINANCE NO. 68428 – EXHIBITS B, C & D



**ORDINANCE #68429**  
**Board Bill No. 104**

An Ordinance amending Ordinance Numbers 65857 and 66431 and 67059 pertaining to the Grand Center Redevelopment Area approving a Tax Increment Financing Redevelopment Agreement for the Grand Center Redevelopment Area; approving a third Amendment to the Redevelopment Agreement contained in Exhibit A to such Ordinances; prescribing other matters and making findings with respect thereto; 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**, pursuant to Ordinance No. 65703 approved November 15, 2002, the Board of Aldermen did approve a Redevelopment Plan dated August 2, 2002, as amended (the "Redevelopment Plan") for the Grand Center Redevelopment Area (the "Redevelopment Area") which provides for development of: (a) District Theaters, Museums and Arena Redevelopment Projects; (b) District Parking Redevelopment Projects; (c) District Green Space and Public Improvement Redevelopment Projects; (d) District Education and Housing Redevelopment Projects; (e) District Historic Rehabilitation Redevelopment Projects; and (f) District Retail and Mixed Use Redevelopment Projects (the entire proposal for redevelopment as described in the Redevelopment Plan being hereinafter referred to as a series of "Redevelopment Projects"); and

**WHEREAS**, the City's Board of Aldermen did duly consider and adopt Ordinance No. 65857 on February 25, 2003 authorizing execution of a redevelopment agreement by and between the City and Grand Center, Inc. ("Developer"), and the City did, pursuant to said ordinance, enter into a Redevelopment Agreement dated April 24, 2003 with the Developer (the "Redevelopment Agreement") in order to implement the Redevelopment Plan and the Redevelopment Projects therein; and

**WHEREAS**, as implementation of the Redevelopment Plan and the Redevelopment Agreement progressed, it became evident that certain changes were required, and the Developer requested certain amendments to the Redevelopment Agreement and the City's Board of Alderman did duly consider and adopt Ordinance No. 66431 in July, 2004 authorizing execution of an Amendment to the Redevelopment Agreement (the "First Amendment") and did duly consider and adopt Ordinance No. 67059 in March, 2006 authorizing execution of a second Amendment to the Redevelopment Agreement (the "Second Amendment") by and between the City and the Developer; and

**WHEREAS**, as implementation of the Redevelopment Plan and the Redevelopment Agreement (as amended by the First Amendment and the Second Amendment) has continued to progress, and certain Redevelopment Projects have been completed with fewer or no TIF Allocation amounts and certain other Redevelopment Projects cannot be completed without TIF Allocation amounts, certain additional changes are required, and the Developer has requested certain additional amendments to the Redevelopment Agreement; and

**WHEREAS**, the Board of Aldermen hereby determines that the terms of the Third Amendment to the Redevelopment Agreement attached as Exhibit A hereto (the "Third Amendment") are acceptable and that the execution, delivery and performance by the City and the Developer of their respective obligations under the Redevelopment Agreement, as amended 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 Act and the Redevelopment Plan; and

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

**SECTION ONE.** The Redevelopment Agreement contained in Exhibit A to Ordinance 66857, the First Amendment contained in Exhibit A to Ordinance 66431, and the Second Amendment contained in Exhibit A or Ordinance 67059 are hereby ratified and approved. The Third Amendment, attached hereto as Exhibit A, is hereby approved and the Redevelopment Agreement, the First Amendment and Second Amendment and all exhibits attached thereto and all Redevelopment Projects set forth therein are hereby deemed amended in accordance with the Third Amendment.

**SECTION TWO.** The Mayor and Comptroller of the City and all other officers, agents, representatives and employees of the City are hereby authorized to take any and all actions as may be deemed necessary, desirable, convenient or proper to carry out and comply with the intent of this Ordinance with regard to the implementation of the Redevelopment Plan and the Second Amendment and to execute and deliver for and on behalf of the City all certificates, instruments or other documents as may be necessary, desirable, convenient or proper to carry out the matters herein authorized.

**SECTION THREE.** The Mayor and the Comptroller or their designated representatives are hereby further authorized and directed to make any changes to the documents and instruments approved and authorized by this Ordinance as may be consistent with the intent of this Ordinance and necessary, desirable, convenient or proper in order to carry out the matters herein authorized.

**SECTION FOUR.** 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 FIVE.** 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.

**EXHIBIT A**

The existing Exhibit D-1 and Exhibit D-2 to the Redevelopment Agreement and First Amendment and Second Amendment approved in Exhibit A to Ordinance 65857, Ordinance 66431 and Ordinance 67059 shall be deleted and a new Exhibit D-1 and Exhibit D-2 shall be inserted as follows:

**EXHIBIT D-1 (to Redevelopment Agreement)  
PHASE I REDEVELOPMENT PROJECTS  
Allocable Amount of TIF Obligations**

Series A Notes

1.	SLU Arena	\$ 8,000,000 (not to exceed when added to related Series B Notes and the amount the on deposit in the SLU EATs account and any amount that is to be covered upon refinancing due to a change in interest rates)
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Series B Notes

1.	SLU Arena	\$ 1,855,000
2.	Woolworth's	\$ 1,850,000
3.	District Expenses and Reimbursements	\$ 750,000
4.	P.W. Shoe Lofts (residential/retail)	\$ 650,000
5.	Sweetie Pie's Restaurant & Banquet Center	\$ 600,000
6.	Metropolitan Building	\$ 2,500,000
7.	634 N. Grand	\$ 3,200,000
8.	Medinah	\$ 3,000,000
9.	Humboldt	\$ 1,175,000
10.	Other Retail, Mixed Use or Residential Projects (as Approved by the Board of Estimate and Apportionment)	\$ 1,560,000

**GRAND TOTAL SERIES B NOTES: \$17,140,000**

Series C Notes

1.	District Improvements	\$ 2,700,000
2.	Olive West Housing (land assembly)	\$ 2,500,000
3.	Olive West Housing (development)	\$ 2,000,000
4.	Phase I Retail Mixed Use (Grand and Lindell)	\$ 2,500,000
5.	Garage I (\$2,150 per space for 1,000 spaces)	\$ 2,150,000

**GRAND TOTAL SERIES C \$11,850,000**

Series D Notes

1.	Contemporary Art Museum	\$ 2,000,000
2.	Urban Garden	\$ 380,000

3.	Charmaine Chapman Community Center	\$ 500,000
4.	Village Academy	\$ 250,000
5.	Sun Theatre	\$1,750,000
6.	African American Museum	\$4,000,000
<b>GRAND TOTAL SERIES D NOTES:</b>		<b>\$8,880,000</b>

Approved: July 27, 2009

### ORDINANCE #68430

#### Board Bill No. 109

An Ordinance Amending Ordinance No. 68101 Adopted By The Board Of Aldermen On July 28, 2008; Authorizing The Execution Of An Amendment To Redevelopment Agreement By And Between The City And Laurel TIF, Inc.; Prescribing The Form And Details Of Said Amendment; Making Certain Findings With Respect Thereto; Authorizing Other Related Actions; And Containing A Severability Clause.

**WHEREAS**, pursuant to Ordinance No. 68100, the City designated a portion of the City a Redevelopment Area and approved The Laurel/555 Washington TIF Redevelopment Plan (the "Redevelopment Plan") and the Redevelopment Project, all as described therein; and

**WHEREAS**, pursuant to Ordinance No. 68100, the City adopted tax increment allocation financing within the Redevelopment Area, and established the Special Allocation Fund for the Redevelopment Project, all as provided for and in accordance with the TIF Act and described therein; and

**WHEREAS**, pursuant to Ordinance No. 68101, the City authorized the execution of a TIF Redevelopment Agreement (the "Redevelopment Agreement") between the City and Laurel TIF, Inc. (the "Initial Developer") in furtherance of the Redevelopment Plan, with such Redevelopment Agreement to be in the form attached thereto; and

**WHEREAS**, to assist in securing financing for the Redevelopment Project, Initial Developer desires to amend Ordinance No. 68101 and the Redevelopment Agreement to permit the City to enter into a redevelopment agreement with Laurel TIF Apartments, Inc. ("Apartments Developer") pertaining to the redevelopment of a portion of the Redevelopment Area to be developed into apartments uses ("Apartments Component"), and a redevelopment agreement with Laurel TIF Hotel, Inc. ("Hotel Developer") pertaining to the redevelopment of a portion of the Redevelopment Area to be developed into retail and hotel uses ("Hotel Component"), in order that the Apartments Developer and the Hotel Developer may complete the respective components of the Redevelopment Project.

**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 to authorize the City to execute a redevelopment agreement with Apartments Developer pertaining to the Apartments Component, and a redevelopment agreement with Hotel Developer pertaining to the Hotel Component, in order that the Apartments Developer and the Hotel Developer may complete the respective components of the Redevelopment Project, which will provide for the promotion of the general welfare through redevelopment of the Redevelopment Area in accordance with the Redevelopment Plan; and

**WHEREAS**, Initial Developer desires to implement the Redevelopment Project through, and desires assign its rights and interests in and to the Redevelopment Agreement to, Apartments Developer for the Apartments Component and Hotel Developer for the Hotel Component; and

**WHEREAS**, pursuant to the provision of the TIF Act, the City is authorized to enter into a redevelopment agreement with the Apartments Developer setting forth the respective rights and obligations of the City and Apartments Developer with regard to the redevelopment of the Apartments Component of the Redevelopment Area (the "Apartments Agreement"); and

**WHEREAS**, pursuant to the provision of the TIF Act, the City is authorized to enter into a redevelopment agreement with the Hotel Developer setting forth the respective rights and obligations of the City and Hotel Developer with regard to the redevelopment of the Hotel Component of the Redevelopment Area (the "Hotel Agreement"); and

**WHEREAS**, the Board of Aldermen hereby determines that the terms of the terms of the Apartments Agreement attached as **Exhibit A** hereto and incorporated herein by reference and the Hotel Agreement attached as **Exhibit B** hereto and incorporated herein by reference are acceptable and that the execution, delivery and performance by the City and Apartments Developer and Hotel Developer of their respective obligation under the Apartments Agreement and Hotel Agreement, respectively is necessary and desirable and 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.

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

**SECTION ONE.** The Board of Aldermen hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute and enter into, on behalf of the City, (i) the Apartments Agreement attached hereto as **Exhibit A** with the Apartments Developer to enable the completion of the Apartments Component of the Redevelopment Area, and (ii) the Hotel Agreement attached hereto as **Exhibit B** with the Hotel Developer to enable the completion of the Hotel Component of the Redevelopment Area, and the City Register is hereby authorized and directed to attest to the Apartments Agreement and the Hotel Agreement and to affix the seal of the City thereto. Each 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 TWO.** 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 THREE.** 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 FOUR.** 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.

**EXHIBIT A**  
Apartments Agreement

**EXHIBIT B**  
Hotel Agreement

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT  
Between the  
CITY OF ST. LOUIS, MISSOURI  
And  
LAUREL TIF APARTMENTS, INC.**

Dated as of

\_\_\_\_\_, 2009

**THE LAUREL / 555 WASHINGTON REDEVELOPMENT PROJECT  
(APARTMENTS COMPONENT)**

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**AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**THIS AMENDED AND RESTATED REDEVELOPMENT AGREEMENT** (this "*Agreement*") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the **CITY OF ST. LOUIS, MISSOURI** (the "*City*"), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and **LAUREL TIF APARTMENTS, INC.** (the "*Apartments Developer*" or "*Developer*"), a corporation duly incorporated and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in Article I of this Agreement.)

**RECITALS**

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

B. The City published a notice on April 2, 2008 and April 9, 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. Dillards Building, LLC, an affiliate of Laurel TIF, Inc. ("Initial Developer"), submitted its development proposal dated March 24, 2008 (as may be amended from time to time, the "Redevelopment Proposal") to the TIF Commission for redevelopment of the Redevelopment Area.

D. On May 16, 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 "The Laurel / 555 Washington TIF Redevelopment Plan" dated March 28, 2008, (as amended from time to time, the "Redevelopment Plan"), the Redevelopment Project described in the Redevelopment Plan (the "Redevelopment Project") and the Redevelopment Area, and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act: (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a "redevelopment area" as provided in the Act, (c) approving the Redevelopment Project, and (d) creating the The Laurel / 555 Washington Special Allocation Fund.

E. On July 28, 2008, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. 68100 [Board Bill No. 163] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

F. On July 28, 2008, the Mayor signed Ordinance No. 68101 [Board Bill No. 164] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating the Initial Developer as developer of the Redevelopment Area, and authorizing the City to enter into a Agreement with Initial Developer.

G. On July 28, 2008, the Mayor signed Ordinance No. 68102 [Board Bill No. 165] 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. On June \_\_\_\_\_, 2009, the Mayor signed Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_\_\_] amending Ordinance No. 68101 and permitting the completion of the Apartments Component of the Redevelopment Project by Apartments Developer, and designating Apartments Developer as developer of the Apartments Component of the Redevelopment Area, and authorizing the City to enter into an Agreement with Apartments Developer.

I. Initial Developer desires to assign its rights and interest in and to the Apartments Component of the Redevelopment Project to Apartments Developer hereunder to assist in securing financing for the Redevelopment Project.

J. 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.

K. Pursuant to provisions of the TIF Act and Ordinance Nos. 68100, 68101 (as amended by Ordinance No. \_\_\_\_\_) and 68102 [Board Bill Nos. 163, 164 (as amended by Board Bill No. \_\_\_\_\_), and 165], 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 Apartments Phase 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.

“*Apartments Component*” means that certain portion of the Redevelopment Area to be developed into apartments uses.

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

“*Apartments Phase*” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into apartments all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“*Apartments Phase Property*” means a portion of 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) within the Redevelopment Area, as identified as the “Apartments Phase Property” and described in **Exhibit A**, attached hereto and incorporated herein by reference.

“*Apartments Phase 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 Apartments Phase Property 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) 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 Hotel Phase Property 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, but subject to a cap equal to the base PILOTS paid by the Apartments Phase Property.

“*Apartments Phase TIF Notes*” means any tax increment revenue notes issued by the City subject to this Agreement between the City and the Apartments Developer and the Note Ordinance, to evidence the City’s limited obligation to reimburse the Apartments Developer for certain costs incurred by the Apartments Developer on behalf of the City in accordance with the TIF Act.

“*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. 68100 [Board Bill No. 163] designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, 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. 68101 [Board Bill No. 164] (as amended by Ordinance \_\_\_\_\_) affirming approval and adoption of the Redevelopment Plan, Redevelopment Project, and designation of the Redevelopment Area, designating Developer as the developer of the Apartments Component of the Redevelopment Area, and authorizing the City to enter into a Redevelopment Agreement for the Apartments Component with Developer.

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

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

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

“*Bond Proceeds*” means the gross cash proceeds from the sale of 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 Apartments Phase.

“*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 Apartments Phase in accordance with the Redevelopment Plan and this Agreement.

“*CID*” or “*Community Improvement District*” means the Laurel Community Improvement District, a community improvement district and political subdivision of the State of Missouri formed or to be formed by the City pursuant to Sections 67.1401 to 67.1571 RSMo. (2000) (the “CID Act”), which includes a portion of the Redevelopment Area.

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

“*CID Revenues*” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the CID Sales Tax which are not captured as EATs but are instead pledged by the CID to the City for deposit in the CID Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of TIF Notes.

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

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

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

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

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

“*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.

“*Hotel Component*” means that certain portion of the Redevelopment Area to be developed into hotel and retail uses.

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

“*Hotel Phase*” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into a mix of retail and hotel uses, all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“*Hotel Phase 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) within the Redevelopment Area, such property being identified as the “Hotel Phase Property” and described in **Exhibit A**, attached hereto and incorporated herein by reference.

“*Hotel Phase 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 Hotel Phase Property 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, less that portion of the Hotel Phase Property PILOTS attributable to the Apartments Phase Revenues, (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 Hotel Phase Property and the Apartments Phase Property over the amount of such taxes generated by economic activities within the Hotel Phase Property and the Apartments Phase Property 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, (3) CID Revenues generated within the Hotel Phase Property and the Apartments Phase Property, (4) TDD Revenues generated within the Hotel Phase Property and the Apartments Phase Property, and (5) the Hotel Revenues (defined below). Notwithstanding the foregoing, Hotel Phase 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.

“*Hotel Phase TIF Notes*” means any tax increment revenue notes issued by the City subject to an agreement between the City and the Hotel Developer and the Note Ordinance, to evidence the City’s limited obligation to reimburse the Hotel Developer for certain costs incurred by the Hotel Developer on behalf of the City in accordance with the TIF Act.

“*Hotel Revenues*” means all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels within the Redevelopment Area, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

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

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

“*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 Apartments Phase TIF Notes plus all costs reasonably incurred by the City in furtherance of the issuance of TIF Obligations for the Apartments Phase, 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. 68102 [Board Bill No. 165] 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 Initial Developer, 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 Apartments Phase of 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 Apartments Phase of the Redevelopment Project who will be entitled to receive any non-transferable tax credits approved for the Apartments Phase of the Redevelopment Project, per the ownership documentation for the Apartments Phase of 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 Apartments Phase of 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase of the Redevelopment Project, as such amount is set forth in Section 4.1 hereof; and

(iv) Value of Income-Producing Space:

if the Apartments Phase of 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 Apartments Phase of 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 Apartments Phase of 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 Apartments Phase of the Redevelopment Project and has secured such loan with a mortgage or security interest in the Apartments Phase Property.

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

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

“*Redevelopment Plan*” means the plan titled “The Laurel / 555 Washington TIF Redevelopment Plan” dated March 28, 2008, as may be amended from time to time, approved by the City pursuant to the Approving Ordinance; as such plan may from time to time be amended in accordance with the TIF Act.

“*Redevelopment Project*” means the Redevelopment Project identified by the Redevelopment Plan, consisting of the rehabilitation and redevelopment of the building in the Redevelopment Area commonly known as 601 Washington Avenue into a mix of commercial space and residential space, together with ancillary improvements, as further set forth in the Redevelopment Plan, all of which is comprised of the Apartments Phase and the Hotel Phase.

“*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 “The Laurel / 555 Washington TIF Application,” dated March 24, 2008 and submitted by an affiliate of the Developer to the City.

“*Reimbursable Redevelopment Project Costs*” means those Redevelopment Project Costs with respect to the Apartments Phase 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.

“*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 Laurel / 555 Washington 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.

“*TDD*” or “*Transportation Development District*” means the Laurel Transportation Development District, a transportation development district and political subdivision of the State of Missouri formed or to be formed pursuant to Sections 238.200 to 238.275 RSMo. (2000) (the “TDD Act”), which includes a portion of the Redevelopment Area.

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

of St. Louis with respect to the TDD.

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

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

“*TIF 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 the Apartments Phase TIF Notes and the Hotel Phase TIF Notes collectively.

“*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 all the Apartments Phase Revenues and the Hotel Phase Revenues.

“*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 Apartments Phase 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, with respect to the Apartments Phase, all work necessary to prepare the Apartments Phase Property and to construct or cause the construction and completion of the Apartments Phase 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 the Redevelopment Area; (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 with respect to the Apartments Phase, 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 Apartments Phase Property and to complete the Work with respect to the Apartments Phase, all subject to the Developer’s right to abandon the Apartments Phase of 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 Initial Developer and the Apartments Developer, collectively, of a combined sum totaling 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 Initial Developer paid the sum of Eleven Thousand Four Hundred and no/100 Dollars (\$11,400.00) (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 Eleven Thousand Four Hundred and no/100 Dollars (\$11,400.00) (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 and the Hotel Developer shall jointly 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 and any agreement between the City and the Hotel Developer, 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 Apartments Phase TIF Notes; and

(v) the Developer shall, concurrently with the issuance of any Apartments Phase 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 Apartments Phase 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 commonly known as 601 Washington Avenue. 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 Apartments Phase 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 three hundred sixty (360) days of the date of this Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Redevelopment Plan. The Developer shall substantially complete or cause the Work to be substantially complete not later than December 31, 2011 absent an event of Force Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Developer shall be granted additional time to complete the Work, but under no circumstance shall such time to complete the Work extend beyond December 31, 2012.

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

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

**3.6 Construction Plans; Changes.** The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect to the Work shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work, the Developer may make such reasonable changes, including without limitation modification of the construction schedule, subject to the provisions of **Section 3.4**, including but not limited to, dates of commencement and completion (subject to the time limitations set forth in this Agreement), modification of the areas in which the Work is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Developer, to enhance the economic viability of 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 The Laurel/555 Washington TIF Redevelopment Plan dated as of March 28, 2008* (as may be amended), and placed on file with SLDC.

**3.7 Certificate of Commencement of Construction.** The Developer shall furnish to the SLDC, with a copy to the Comptroller, a Certificate of Commencement of Construction, which certificate shall be submitted for the Apartments Phase 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 Apartments Phase, 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 Eight Hundred Thousand Dollars and no/100 (\$3,800,000.00) 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 Eight Hundred Thousand Dollars and no/100 (\$3,800,000.00), 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 Apartments Phase of the Redevelopment Project.

If the Apartments Phase of 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 Apartments Phase of 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 Apartments Phase of 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 Apartments Phase 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 Apartments Phase 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, Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes with respect to the Apartments Component 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 Apartments Phase TIF Notes shall be in the form attached to the Note Ordinance as Exhibit B-1, provided that if the Note Ordinance is repealed or otherwise amended to amend such form of TIF Notes, the Apartments Phase TIF Notes shall not be amended for the purposes of this Agreement without the written consent of Developer.

**5.2.1 Terms.** Each Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes, (i) plus four percent (4%) if the interest on such Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes exceed ten percent (10%) per annum. All Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes.** Within a reasonable period of time not to exceed ninety (90) days of Apartments Developer's satisfaction of the conditions of **Section 5.1** of this Agreement with respect to the Apartments Phase the City shall issue an Apartments Phase 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 an Apartments Phase TIF Note as provided in this **Section 5.2.2**, the Apartments Developer shall be deemed to have advanced funds necessary to purchase such Apartments Phase 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 Apartments 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 Apartments Phase 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 Apartments Phase 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 for the Apartments Phase;
- (ii) Review of projections of Apartments Phase Revenues available for debt service as proposed by an independent qualified consultant. Such projections must show that (A) if all available Apartments Phase 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 Apartments Phase 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 Apartments Phase of 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 Apartments Phase TIF Notes, unless the Developer voluntarily elects to defer or forgive principal of and/or interest on the Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 memorandum 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.**

Apartments Phase TIF Notes may be issued in two series, with one series subordinate to Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes, the Apartments Phase 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 Apartments Phase 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," an "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 into the PILOTs Account and all Economic Activity Taxes into the 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 the Redevelopment Area; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of the Redevelopment Area 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 the Redevelopment Area based upon the most recently ascertained equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area and the Apartments Phase Property; 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 the Redevelopment Area and the Apartments Phase Property 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 Apartments Phase 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 Apartments Phase Property, and any lessee or other user of real property located within the Apartments Phase Property required to pay Apartments Phase 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 Apartments Phase 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 Apartments Phase Property or any interest therein and shall identify the Apartments Phase 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 Apartments Phase of the Redevelopment Project and terminate this Agreement and the Developer's obligations hereunder if the Developer determines, in its sole discretion, that the Apartments Phase of 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 an Apartments Phase 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 Apartments Phase 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 Apartments Phase Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such Apartments Phase 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 Apartments Phase of the Redevelopment Project, the fee title to the Apartments Phase 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 Apartments Phase 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 with respect to the Apartments Phase, 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 Apartments Phase 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 (Laurel TIF Apartments, Inc.) shall remain liable hereunder for the substantial completion of the Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 of 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:

Laurel TIF Apartments, Inc.  
906 Olive, Suite 1212  
St. Louis, Missouri 63101  
Attention: Amos Harris  
Facsimile: (314) 231-1548

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: Rebecca Wright, 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 Apartments Phase of the Redevelopment Project by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Apartments Phase TIF Notes are outstanding and the Developer or a Related Entity owns the Apartments Phase 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 Apartments Phase of the Redevelopment Project will be completed or rebuilt in accordance with the Redevelopment Plan and this Agreement. Should the Developer determine not to restore, reconstruct and repair, all unaccrued liability of the City for any payments of principal of or interest on the Apartments Phase TIF Notes shall immediately terminate and the Developer shall promptly surrender the Apartments Phase 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 an Apartments Phase 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 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase Property during the construction of the Apartments Phase of the Redevelopment Project or any portion thereof. Upon substantial completion of the Apartments Phase 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 Apartments Phase 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 the Redevelopment Area 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 Apartments Phase 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 the Redevelopment Area 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 Apartments Phase of the Redevelopment Project and any of the facilities under its control in the Redevelopment Area. Except as provided in this Section, the Developer shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities within the Redevelopment Area.

**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 Apartments Phase TIF Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the Apartments Phase 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 A. Hageman, City Counselor

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

**“DEVELOPER”**

**Laurel TIF Apartments, Inc.**, a Missouri corporation

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

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

On this \_\_\_\_ day of \_\_\_\_\_, 2009, 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 City and State aforesaid, the day and year first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

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

On this \_\_\_\_ day of \_\_\_\_\_, 2009, 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 City and State aforesaid, the day and year first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

STATE OF MISSOURI     )  
  ) SS.  
City OF St Louis     )

On this \_\_\_\_ day of \_\_\_\_\_, 2009, before me appeared Amos Harris, to me personally known, who, being by me duly sworn, did say that he is President of Laurel TIF Apartments, Inc., a Missouri corporation, and that he is authorized to sign the instrument on behalf of said corporation 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 City and State aforesaid, the day and year first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

**EXHIBIT A****Legal Description of the Redevelopment Area, Apartments Phase Property and Hotel Phase Property****Redevelopment Area:**

Entire City Block 125 and the land and first floor of those buildings located in City Block 120 in the City of St. Louis, Missouri as bounded by Washington Avenue to the South, 7th Street to the West, Lucas Street to the North and Broadway Street to the East.

**Apartments Phase Property:**

All apartments within the Redevelopment Area

**Hotel Phase Property:**

All areas within the Redevelopment Area, except the Apartments Phase Property, being used for retail and/or hotel uses

**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 <b>Section 2.2(i) – 2.2.(v)</b> of this Agreement.

<sup>1</sup> Subject to the limitations set forth in **Section 4.2** of this Agreement, provided that such costs shall not exceed the aggregate amount of \$3,800,000.00 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

LAUREL TIF APARTMENTS, INC.

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

1. All property within the Redevelopment Area necessary for the Apartments Phase of 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 Apartments Phase of 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 Apartments Phase of 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 Apartments Phase 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\_\_.

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

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, The Laurel / 555 Washington 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 Laurel TIF Apartments, Inc., a Missouri corporation (the “Developer”). In connection with said Agreement, the undersigned hereby states and certifies that:

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

Laurel TIF Apartments, Inc., a Missouri corporation

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

1. That as of \_\_\_\_\_, \_\_\_\_\_, the construction of the Apartments Phase 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 Apartments Phase of 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 Apartments Phase of 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\_\_.

**LAUREL TIF APARTMENTS, INC.**

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

**ACCEPTED:**

**SLDC**

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

**CITY OF ST. LOUIS, MISSOURI**

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

(Insert Notary Form(s) and Legal Description)

**EXHIBIT F  
Equal Opportunity and Nondiscrimination Guidelines**

In any contract for Work in connection with the Apartments Phase of the Redevelopment Project related to any of the Apartments Phase 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 Apartments Phase Property or any improvements constructed or to be constructed on the Apartments Phase 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 Apartments Phase 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: \_\_\_\_\_

**AMENDED AND RESTATED  
REDEVELOPMENT AGREEMENT  
Between the  
CITY OF ST. LOUIS, MISSOURI  
And  
LAUREL TIF HOTEL, INC.**

**Dated as of**

\_\_\_\_\_, 2009

**THE LAUREL / 555 WASHINGTON REDEVELOPMENT PROJECT  
(HOTEL COMPONENT)**

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**AMENDED AND RESTATED REDEVELOPMENT AGREEMENT**

**THIS AMENDED AND RESTATED REDEVELOPMENT AGREEMENT** (this “*Agreement*”) is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by and between the **CITY OF ST. LOUIS, MISSOURI** (the “*City*”), a city and political subdivision duly organized and existing under its charter and the Constitution and laws of the State of Missouri, and **LAUREL TIF HOTEL, INC.** (the “*Hotel Developer*” or “*Developer*”), a corporation duly incorporated and existing under the laws of the State of Missouri. (All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in Article I of this Agreement.)

**RECITALS**

- A. Pursuant to Ordinance No. 62477, adopted and approved on December 20, 1991, the Board of Aldermen duly formed the Tax Increment Financing Commission of the City of St. Louis, Missouri (the “TIF Commission”), in accordance with the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 through 99.865 of the Revised Statutes of Missouri, (2000) (the “TIF Act”), and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act.
- B. The City published a notice on April 2, 2008 and April 9, 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. Dillard’s Building, LLC, an affiliate of Laurel TIF, Inc. (“Initial Developer”), submitted its development proposal dated March 24, 2008 (as may be amended from time to time, the “Redevelopment Proposal”) to the TIF Commission for redevelopment of the Redevelopment Area.
- D. On May 16, 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 “The Laurel / 555 Washington TIF Redevelopment Plan” dated March 28, 2008, (as amended from time to time, the “Redevelopment Plan”), the Redevelopment Project described in the Redevelopment Plan (the “Redevelopment Project”) and the Redevelopment Area, and recommending that the Board of Aldermen: (1) adopt tax increment financing with respect to the Redevelopment Area by passage of an ordinance complying with the terms of Section 99.845 of the Act; and (2) adopt an ordinance in the form required by the Act: (a) approving the Redevelopment Plan, (b) approving and designating the Redevelopment Area as a “redevelopment area” as provided in the Act, (c) approving the Redevelopment Project, and (d) creating the The Laurel / 555 Washington Special Allocation Fund.

E. On July 28, 2008, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. 68100 [Board Bill No. 163] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund.

F. On July 28, 2008, the Mayor signed Ordinance No. 68101 [Board Bill No. 164] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating the Initial Developer as developer of the Redevelopment Area, and authorizing the City to enter into a Agreement with Initial Developer.

G. On July 28, 2008, the Mayor signed Ordinance No. 68102 [Board Bill No. 165] 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. On June \_\_\_\_\_, 2009, the Mayor signed Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_\_\_] amending Ordinance No. 68101 and permitting the completion of the Hotel Component of the Redevelopment Project by Hotel Developer, and designating Hotel Developer as developer of the Hotel Component of the Redevelopment Area, and authorizing the City to enter into an Agreement with Hotel Developer.

J. Initial Developer desires to assign its rights and interest in and to the Hotel Component of the Redevelopment Project to Hotel Developer hereunder to assist in securing financing for the Redevelopment Project.

K. 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.

L. Pursuant to provisions of the TIF Act and Ordinance Nos. 68100, 68101 (as amended by Ordinance No. \_\_\_\_\_) and 68102 [Board Bill Nos. 163, 164 (as amended by Board Bill No. \_\_\_\_\_), and 165], 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 Hotel Phase 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.

"*Apartments Component*" means that certain portion of the Redevelopment Area to be developed into apartments uses.

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

"*Apartments Phase*" means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into apartments all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

"*Apartments Phase Property*" means a portion of 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) within the Redevelopment Area, as identified as the "Apartments Phase Property" and described in **Exhibit A**, attached hereto and incorporated herein by reference.

"*Apartments Phase 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 Apartments Phase Property 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) 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 Hotel Phase Property 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, but subject to a cap equal to the base PILOTS paid by the Apartments Phase Property.

“*Apartments Phase TIF Notes*” means any tax increment revenue notes issued by the City subject to this Agreement between the City and the Apartments Developer and the Note Ordinance, to evidence the City’s limited obligation to reimburse the Apartments Developer for certain costs incurred by the Apartments Developer on behalf of the City in accordance with the TIF Act.

“*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. 68100 [Board Bill No. 163] designating the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, 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. 68101 [Board Bill No. 164] (as amended by Ordinance \_\_\_\_\_) affirming approval and adoption of the Redevelopment Plan, Redevelopment Project, and designation of the Redevelopment Area, designating Developer as the developer of the Apartments Component of the Redevelopment Area, and authorizing the City to enter into a Redevelopment Agreement for the Apartments Component with Developer.

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

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

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

“*Bond Proceeds*” means the gross cash proceeds from the sale of 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 Hotel Phase.

“*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 Hotel Phase in accordance with the Redevelopment Plan and this Agreement.

“*CID*” or “*Community Improvement District*” means the Laurel Community Improvement District, a community improvement district and political subdivision of the State of Missouri formed or to be formed by the City pursuant to Sections 67.1401 to 67.1571 RSMo. (2000) (the “CID Act”), which includes a portion of the Redevelopment Area.

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

“*CID Revenues*” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the CID Sales Tax which are not captured as EATs but are instead pledged by the CID to the City for deposit in the CID Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of TIF Notes.

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

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

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

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

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

“*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.

“*Hotel Component*” means that certain portion of the Redevelopment Area to be developed into hotel and retail uses.

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

“*Hotel Phase*” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into a mix of retail and hotel uses, all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“*Hotel Phase 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) within the Redevelopment Area, such property being identified as the “Hotel Phase Property” and described in **Exhibit A**, attached hereto and incorporated herein by reference.

“*Hotel Phase 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 Hotel Phase Property 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, less that portion of the Hotel Phase Property PILOTS attributable to the Apartments Phase Revenues, (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 Hotel Phase Property and the Apartments Phase Property over the amount of such taxes generated by economic activities within the Hotel Phase Property and the Apartments Phase Property 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, (3) CID Revenues generated within the Hotel Phase Property and the Apartments Phase Property, (4) TDD Revenues generated within the Hotel Phase Property and the Apartments Phase Property, and (5) the Hotel Revenues (defined below). Notwithstanding the foregoing, Hotel Phase 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.

“*Hotel Phase TIF Notes*” means any tax increment revenue notes issued by the City subject to an agreement between the City and the Hotel Developer and the Note Ordinance, to evidence the City’s limited obligation to reimburse the Hotel Developer for certain costs incurred by the Hotel Developer on behalf of the City in accordance with the TIF Act.

“*Hotel Revenues*” means all revenues received by the City from the following taxes enumerated below imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels within the Redevelopment Area, which taxes do not constitute EATs and which shall be deposited in the Hotel Revenue Fund of the Revenue Fund of the Special Allocation Fund, in each case less the costs of collection thereof and excluding (i) any amount paid under protest until such protest is withdrawn or resolved against the taxpayer or (ii) any such amount received by the City which is the subject of a suit or other claim communicated to the City which suit or claim challenges the collection of such sum:

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

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

“*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 Hotel Phase TIF Notes plus all costs reasonably incurred by the City in furtherance of the issuance of TIF Obligations for the Hotel Phase, 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. 68102 [Board Bill No. 165] 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 Initial Developer, 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 Hotel Phase of 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 Hotel Phase of the Redevelopment Project who will be entitled to receive any non-transferable tax credits approved for the Hotel Phase of the Redevelopment Project, per the ownership documentation for the Hotel Phase of 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 Hotel Phase of 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase of the Redevelopment Project, as such amount is set forth in Section 4.1 hereof; and

(iv) Value of Income-Producing Space:

if the Hotel Phase of 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 Hotel Phase of 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 Hotel Phase of 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 Hotel Phase of the Redevelopment Project and has secured such loan with a mortgage or security interest in the Hotel Phase Property.

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

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

"*Redevelopment Plan*" means the plan titled "The Laurel / 555 Washington TIF Redevelopment Plan" dated March 28, 2008, as may be amended from time to time, approved by the City pursuant to the Approving Ordinance; as such plan may from time to time be amended in accordance with the TIF Act.

"*Redevelopment Project*" means the Redevelopment Project identified by the Redevelopment Plan, consisting of the rehabilitation and redevelopment of the building in the Redevelopment Area commonly known as 601 Washington Avenue into a mix of commercial space and residential space, together with ancillary improvements, as further set forth in the Redevelopment Plan, all of which is comprised of the Apartments Phase and the Hotel Phase.

"*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 "The Laurel / 555 Washington TIF Application," dated March 24, 2008 and submitted by an affiliate of the Developer to the City.

"*Reimbursable Redevelopment Project Costs*" means those Redevelopment Project Costs with respect to the Hotel Phase 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.

"*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 Laurel / 555 Washington 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.

“*TDD*” or “*Transportation Development District*” means the Laurel Transportation Development District, a transportation development district and political subdivision of the State of Missouri formed or to be formed pursuant to Sections 238.200 to 238.275 RSMo. (2000) (the “*TDD Act*”), which includes a portion of the Redevelopment Area.

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

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

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

“*TIF 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 the Apartments Phase TIF Notes and the Hotel Phase TIF Notes collectively.

“*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 all the Apartments Phase Revenues and the Hotel Phase Revenues.

“*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 Hotel Phase 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, with respect to the Hotel Phase, all work necessary to prepare the Hotel Phase Property and to construct or cause the construction and completion of the Hotel Phase 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 the Redevelopment Area; (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 with respect to the Hotel Phase, 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 Hotel Phase Property and to complete the Work with respect to the Hotel Phase, all subject to the Developer's right to abandon the Hotel Phase of 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 Initial Developer and the Apartments Developer, collectively, of a combined sum totaling 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 Initial Developer paid the sum of Eighty-Four Thousand Six Hundred and no/100 (\$84,600.00) (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 Eighty-Four Thousand Six Hundred and no/100 (\$84,600.00) (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 and Apartments Developer shall jointly 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 and any agreement between the City and the Apartments Developer, 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 Hotel Phase TIF Notes; and
- (v) the Developer shall, concurrently with the issuance of any Hotel Phase 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 Hotel Phase 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 commonly known as 601 Washington Avenue. 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 Hotel Phase 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 three hundred sixty (360) days of the date of this Agreement, which Work shall be constructed in a good and workmanlike manner in accordance with the terms of this Agreement and the Redevelopment Plan. The Developer shall substantially complete or cause the Work to be substantially complete not later than December 31, 2011 absent an event of Force

Majeure. In the event of any delay caused by an event of Force Majeure as defined in **Section 7.5** of this Agreement, Developer shall be granted additional time to complete the Work, but under no circumstance shall such time to complete the Work extend beyond December 31, 2012.

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

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

**3.6 Construction Plans; Changes.** The Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri and the Construction Plans and all construction practices and procedures with respect to the Work shall be in conformity with all applicable state and local laws, ordinances and regulations. During the progress of the Work, the Developer may make such reasonable changes, including without limitation modification of the construction schedule, subject to the provisions of **Section 3.4**, including but not limited to, dates of commencement and completion (subject to the time limitations set forth in this Agreement), modification of the areas in which the Work is to be performed, relocation, expansion or deletion of items, revisions to the areas and scope of Work, and any and all such other changes as site conditions or orderly development may dictate or as may be necessary or desirable, in the sole determination of the Developer, to enhance the economic viability of 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 The Laurel / 555 Washington TIF Redevelopment Plan dated as of March 28, 2008* (as may be amended), and placed on file with SLDC.

**3.7 Certificate of Commencement of Construction.** The Developer shall furnish to the SLDC, with a copy to the Comptroller, a Certificate of Commencement of Construction, which certificate shall be submitted for the Hotel Phase 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 Hotel Phase, 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 Twenty Eight Million Two Hundred Thousand Dollars and no/100 (\$28,200,000.00) 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 **Twenty Eight Million Two Hundred Thousand Dollars and no/100 (\$28,200,000.00), 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 Hotel Phase of the Redevelopment Project.

If the Hotel Phase of 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 Hotel Phase of 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 Hotel Phase of 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 Hotel Phase 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 Hotel Phase 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, Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes with respect to the Hotel Component 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 Hotel Phase TIF Notes shall be in the form attached to the Note Ordinance as Exhibit B-1, provided that if the Note Ordinance is repealed or otherwise amended to amend such form of TIF Notes, the Hotel Phase TIF Notes shall not be amended for the purposes of this Agreement without the written consent of Developer.

**5.2.1 Terms.** Each Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes, (i) plus four percent (4%) if the interest on such Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes exceed ten percent (10%) per annum. All Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes.** Within a reasonable period of time not to exceed ninety (90) days of Hotel Developer's satisfaction of the conditions of **Section 5.1** of this Agreement with respect to the Hotel Phase the City shall issue a Hotel Phase 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 an Hotel Phase TIF Note as provided in this **Section 5.2.2**, the Hotel Developer shall be deemed to have advanced funds necessary to purchase such Hotel Phase 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 Hotel 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 Hotel Phase 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 Hotel Phase 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 for the Hotel Phase;
- (ii) Review of projections of Hotel Phase Revenues available for debt service as proposed by an independent qualified consultant. Such projections must show that (A) if all available Hotel Phase 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 Hotel Phase 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 Hotel Phase of 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 Hotel Phase TIF Notes, unless the Developer voluntarily elects to defer or forgive principal of and/or interest on the Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 memorandum 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.**

Hotel Phase TIF Notes may be issued in two series, with one series subordinate to Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes, the Hotel Phase 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 Hotel Phase 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," an "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 into the PILOTs Account and all Economic Activity Taxes into the 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 the Redevelopment Area; and (ii) information related to payment of utility taxes by any businesses, owners or other occupants of the Redevelopment Area 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 the Redevelopment Area based upon the most recently ascertained equalized assessed valuation of each taxable lot, block, tract, or parcel of real property within the Redevelopment Area and the Hotel Phase Property; 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 the Redevelopment Area and the Hotel Phase Property 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 Hotel Phase 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 Hotel Phase Property, and any lessee or other user of real property located within the Hotel Phase Property required to pay Hotel Phase 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 Hotel Phase 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 Hotel Phase Property or any interest therein and shall identify the Hotel Phase 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 Hotel Phase of the Redevelopment Project and terminate this Agreement and the Developer's obligations hereunder if the Developer determines, in its sole discretion, that the Hotel Phase of 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 an Hotel Phase 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 Hotel Phase 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 Hotel Phase Property or assigning its interest under this Agreement shall be thereafter released from further obligation under this Agreement (although any such Hotel Phase 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 Hotel Phase of the Redevelopment Project, the fee title to the Hotel Phase 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 Hotel Phase 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 with respect to the Hotel Phase, 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 Hotel Phase 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 (Laurel TIF Hotel, Inc.) shall remain liable hereunder for the substantial completion of the Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 of 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:

Laurel TIF Hotel, Inc.  
906 Olive, Suite 1212  
St. Louis, Missouri 63101  
Attention: Amos Harris  
Facsimile: (314) 231-1548

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: Rebecca Wright, 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 Hotel Phase of the Redevelopment Project by fire or other casualty, during construction or thereafter during the term of this Agreement so long as any Hotel Phase TIF Notes are outstanding and the Developer or a Related Entity owns the Hotel Phase 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 Hotel Phase of 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 Hotel Phase TIF Notes shall immediately terminate and the Developer shall promptly surrender the Hotel Phase 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 an Hotel Phase 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 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase 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 Hotel Phase Property during the construction of the Hotel Phase of the Redevelopment Project or any portion thereof. Upon substantial completion of the Hotel Phase 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 Hotel Phase 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 the Redevelopment Area 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 Hotel Phase 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 the Redevelopment Area 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 Hotel Phase of the Redevelopment Project and any of the facilities under its control in the Redevelopment Area. Except as provided in this Section, the Developer shall have no obligation to enforce the covenants made by any transferee or lessee, tenant, occupant or user of any of the facilities within the Redevelopment Area.

**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 Hotel Phase TIF Notes, and all of the foregoing have been or will be, upon adoption of ordinances authorizing the issuance of the Hotel Phase 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 A. Hageman, City Counselor

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

“DEVELOPER”

Laurel TIF Hotel, Inc., a Missouri corporation

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

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 2009, 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 City and State aforesaid, the day and year first above written.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

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

On this \_\_\_\_\_ day of \_\_\_\_\_, 2009, 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 City and State aforesaid,



(h)	TIF Costs & Issuance Costs incurred by the Developer pursuant to <b>Section 2.2(i) – 2.2.(v)</b> of this Agreement.
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<sup>1</sup> Subject to the limitations set forth in **Section 4.2** of this Agreement, provided that such costs shall not exceed the aggregate amount of \$28,200,000.00 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

LAUREL TIF HOTEL, INC.

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

1. All property within the Redevelopment Area necessary for the Hotel Phase of 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 Hotel Phase of 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 Hotel Phase of 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 Hotel Phase 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\_\_.

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

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, The Laurel / 555 Washington 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 Laurel TIF Hotel, Inc., a Missouri corporation (the "Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:

1. Each item listed on **Schedule 1** hereto is a Reimbursable Redevelopment Project Cost and was incurred in

connection with the construction of the Hotel Phase 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 \_\_\_\_\_, \_\_\_\_\_.

**Laurel TIF Hotel, Inc.**, a Missouri corporation

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

Approved for payment this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**SLDC**

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

**Schedule 1**

The Developer has incurred the following Reimbursable Redevelopment Project Costs:

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

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

1. That as of \_\_\_\_\_, \_\_\_\_\_, the construction of the Hotel Phase 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 Hotel Phase of 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 Hotel Phase of 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\_\_.

**LAUREL TIF HOTEL, INC.**

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

**ACCEPTED:**

**SLDC**

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

**CITY OF ST. LOUIS, MISSOURI**

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

(Insert Notary Form(s) and Legal Description)

**EXHIBIT F  
Equal Opportunity and Nondiscrimination Guidelines**

In any contract for Work in connection with the Hotel Phase of the Redevelopment Project related to any of the Hotel Phase 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 Hotel Phase Property or any improvements constructed or to be constructed on the Hotel Phase 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 Hotel Phase of 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 Hotel Phase 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: July 27, 2009**

**ORDINANCE #68431**  
**Board Bill No. 110**

An Ordinance Recommended By The Board Of Estimate And Apportionment Repealing Ordinance No. 68102 of the City of St. Louis and in Lieu Thereof Authorizing And Directing The Issuance And Delivery Of Not To Exceed \$32,000,000 Plus Issuance Costs Principal Amount Of Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project) Series 200\_-A/B, Of The City Of St. Louis, Missouri; Prescribing The Form And Details Of Such Notes And The Covenants And Agreements Made By The City To Facilitate And Protect The Payment Thereof; Prescribing Other Matters Relating Thereto, And Containing A Severability Clause.

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

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

**WHEREAS**, staff and consultants of the City and Dillard Building, LLC, an affiliate of Laurel TIF, Inc., a Missouri corporation (the "Initial Developer"), prepared a plan for redevelopment titled "The Laurel / 555 Washington TIF Redevelopment Plan" dated March 28, 2008, as may be amended from time to time (the "Redevelopment Plan"), for an area located in City Blocks 120 and 125 and commonly known as 505 Washington, 555 Washington and 601 Washington in St. Louis (the "Redevelopment Area" or "Area"), which Redevelopment Area is more fully described in the Redevelopment Plan, such legal description being attached hereto and incorporated herein as **Exhibit A**; and

**WHEREAS**, on May 16, 2008, the TIF Commission found that completion of the Redevelopment Project (as hereinafter defined) would provide a substantial and significant public benefit through the elimination of blighting conditions, the strengthening of the employment and economic base of the City, increased property values and tax revenues, stabilization of the Redevelopment Area, 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 July 28, 2008, after due consideration of the TIF Commission's recommendations, the Mayor signed Ordinance No. 68100 [Board Bill No. 163] designating the Redevelopment Area as a "redevelopment area" as provided in the TIF Act, approving the Redevelopment Plan, approving the Redevelopment Project described in the Redevelopment Plan, adopting tax increment allocation financing within the Redevelopment Area and establishing the Special Allocation Fund; and

**WHEREAS**, \_\_\_\_\_, 2009, the Mayor signed Ordinance No. \_\_\_\_\_ [Board Bill No. ], which amended Ordinance No. 68101 [Board Bill No. 164] affirming adoption of the Redevelopment Area, Redevelopment Plan and Redevelopment Project, designating Laurel TIF Apartments, Inc., a Missouri corporation ("Apartments Developer") as developer of the Apartments Component of the Redevelopment Area, and designating Laurel TIF Hotel, Inc., a Missouri corporation ("Hotel Developer") developer of the Hotel Component of the Redevelopment Area (Apartments Developer and Hotel Developer being, collectively, the "Developer"), and authorizing the City to enter into a redevelopment agreement with Apartments Developer with respect to the Apartments Component, and with Hotel Developer with the Hotel Component (collectively, such redevelopment agreement shall be referred to herein as the "Redevelopment Agreement").

**WHEREAS**, On July 28, 2008, the Mayor signed Ordinance No. 68102 [Board Bill No. 165] (the "Original Note Ordinance") 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.

**WHEREAS**, the Redevelopment Agreements provides that the Redevelopment Project shall be carried out in two phases, respectively, the “Apartments Phase” and the “Hotel Phase”, as therein described; and

**WHEREAS**, pursuant to the Redevelopment Plan and Redevelopment Agreements (as such term is hereinafter defined), 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 (The Laurel / 555 Washington Redevelopment Project – Apartments Phase), Series 200\_-A/B, and (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), 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 now desires to alter the terms of the issuance of the TIF Notes to provide for the initial issuance of the TIF Notes to individuals and entities other than the Initial Developer; and

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

**WHEREAS**, the City desires to repeal the Original Note Ordinance and, in lieu thereof, enact this Note Ordinance, as necessary to facilitate the financing of the Redevelopment Project and the purchase of the TIF Notes.

**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. 68100 [Board Bill No. 163] effective July 28, 2008, reaffirming the designation of the Redevelopment Area, approving the Redevelopment Plan, approving the Redevelopment Project, adopting tax increment allocation financing within the Redevelopment Area, and reaffirming the establishment of the Special Allocation Fund.

“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 for any Phase, 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. \_\_\_\_], which amends Ordinance No. 68101 [Board Bill No. 164], and was signed by the Mayor on \_\_\_\_\_, 2009, affirming adoption of the Redevelopment Plan, Redevelopment Area, and Redevelopment Project, authorizing execution of the Redevelopment Agreements with Apartments Developer and Hotel Developer for the construction of the Redevelopment Project pursuant to the Apartments Phase and the Hotel Phase respectively, and making certain findings related thereto.

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

“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 a Redevelopment Agreement issued by the Developer named in such Redevelopment Agreement to the City in accordance with such Redevelopment Agreement and evidencing such Developer’s satisfaction of all obligations and covenants to construct the Phase to which such Redevelopment Agreement applies in accordance with the Redevelopment Plan and such Redevelopment Agreement.

“CID” or “Community Improvement District” means the Laurel Community Improvement District, a community improvement district and political subdivision of the State of Missouri formed or to be formed by the City pursuant to Sections 67.1401 to 67.1571 RSMo. (2000) (the “CID Act”), which includes a portion of the Redevelopment Area.

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

“CID Revenues” shall mean the proceeds, after deduction for costs of collection and/or administration, from the imposition of the CID Sales Tax which are not captured as EATs but are instead pledged by the CID to the City for deposit in the CID Revenue Fund of the Revenue Fund of the Special Allocation Fund for the repayment of TIF Notes.

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

“City” means the City of St. Louis, Missouri, a 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, with respect to the Apartments Phase, the Apartments Developer, and with respect to the Hotel Phase, the Hotel Developer.

“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 EATs Account of the Special Allocation Fund, and containing such funds or accounts as specified herein.

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

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

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

“Issuance Costs” means all costs reasonably incurred by the City in furtherance of the issuance of TIF Notes with respect to either Phase, 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

"Phase" means, individually or collectively, as the case may be, the Apartments Phase or the Hotel Phase of the Redevelopment Project.

"Apartments Phase" means that portion of the Redevelopment Project which is described as Apartments Phase thereof, as set forth in the Redevelopment Plan and the Apartments Component Redevelopment Agreement.

"Apartments Phase Available Revenues" means those Available Revenues comprised of Apartments Phase Revenues.

"*Apartments Component*" means that certain portion of the Redevelopment Area to be developed into apartments uses.

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

"*Apartments Phase*" means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into apartments all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

"Apartments Phase Property" means a portion of the Redevelopment Area, as identified and described on **Exhibit A**, attached hereto and incorporated herein by this reference.

"Apartments Phase Redevelopment Agreement" means that certain agreement by and between the City and the Apartments Developer, as authorized by the Authorizing Ordinance, and as may be amended from time to time.

"Apartments Phase 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 Apartments Phase Property 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) 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 Hotel Phase Property 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, but subject to a cap equal to the base PILOTs paid by the Apartments Phase Property (hereinafter called the "Transferred Hotel PILOTs").

"Apartments Phase Series A Account" means the account by that name created in **Section 4.1** of this Ordinance.

"Apartments Phase Series A Note(s)" means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project – Apartments Phase), Series 200\_\_-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs, in substantially the form set forth in **Exhibit B-1**,

attached hereto and incorporated herein by reference.

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

“Apartments Phase Series B Note” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs, less the aggregate outstanding principal amount of the Series A Notes, in substantially the form set forth in **Exhibit B-1**, attached hereto and incorporated herein by reference.

“Apartments Phase TIF Notes” means any tax increment revenue notes issued by the City subject to the Apartments Phase Redevelopment Agreement between the City and the Apartments Developer and this Note Ordinance, to evidence the City’s limited obligation to reimburse the Apartments Developer for certain costs incurred by the Apartments Developer on behalf of the City in accordance with the TIF Act.

“Hotel Phase” means that portion of the Redevelopment Project which is described as Hotel Phase thereof, as set forth in the Redevelopment Plan and the Hotel Phase Redevelopment Agreement.

“Hotel Phase Available Revenues” means those Available Revenues comprised of Hotel Phase Revenues.

“*Hotel Component*” means that certain portion of the Redevelopment Area to be developed into hotel and retail uses.

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

“*Hotel Phase*” means that portion of the Redevelopment Project consisting of the rehabilitation of the existing building within the Redevelopment Area into a mix of retail and hotel uses, all as further set forth in the Redevelopment Plan, and as approved by the Approving Ordinance.

“Hotel Phase Property” means a portion of Redevelopment Area, as identified and described on **Exhibit A**, attached hereto and incorporated herein by this reference.

“Hotel Phase Redevelopment Agreement” means that certain agreement by and between the City and the Hotel Developer, as authorized by the Authorizing Ordinance, and as may be amended from time to time.

“Hotel Phase 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 Hotel Phase Property 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, less that portion of the Hotel Phase Property PILOTS attributable to the Apartments Phase Revenues (hereinafter called the “Remaining Hotel PILOTS”), (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 Hotel Phase Property and the Apartments Phase Property over the amount of such taxes generated by economic activities within the Hotel Phase Property and the Apartments Phase Property 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, (3) CID Revenues generated within the Hotel Phase Property and the Apartments Phase Property, (4) TDD Revenues generated within the Hotel Phase Property and the Apartments Phase Property, and (5) the Hotel Revenues (defined below). Notwithstanding the foregoing, Hotel Phase 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.

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

“Hotel Phase Series A Note(s)” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-A, issued pursuant to this Ordinance in an aggregate amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs, in substantially the form set forth in **Exhibit B-2**, attached hereto and incorporated herein by reference.

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

“Hotel Phase Series B Note” means the [Taxable][Tax-Exempt] Tax Increment Revenue Note (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-B, issued pursuant to the Note Ordinance in an aggregate amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs, less the aggregate outstanding principal amount of the Hotel Phase Series A Notes, in substantially the form set forth in **Exhibit B-2**, attached hereto and incorporated herein by reference.

“Hotel Phase TIF Notes” means any tax increment revenue notes issued by the City subject to the Hotel Phase Redevelopment Agreement between the City and the Hotel Developer and this Note Ordinance, to evidence the City’s limited obligation to reimburse the Hotel Developer for certain costs incurred by the Hotel Developer on behalf of the City in accordance with the TIF Act.

“PILOTs Account” means the PILOTs Account of the Special Allocation Fund, and containing such further accounts or funds as herein specified.

“Project Fund” means the Project Fund, 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 either Developer to be used for construction of either Phase the Redevelopment Project and has secured such loan with a mortgage or security interest in such Phase of the Redevelopment Project.

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

“Redevelopment Agreements” means collectively or individually, as the case may be, the Apartments Phase Redevelopment Agreement and the Hotel Phase Redevelopment Agreement.

“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 “The Laurel / 555 Washington TIF Redevelopment Plan” dated March 28, 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 “The Laurel / 555 Washington Redevelopment Project” means the redevelopment project as identified by the Redevelopment Plan and Redevelopment Agreements.

“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.

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

“Apartments Phase 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 with respect to the Apartments Phase TIF Notes.

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

“Hotel Phase 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 with respect to the Hotel Phase TIF Notes.

“Special Allocation Fund” means the City of St. Louis, Missouri, The Laurel / 555 Washington Special Allocation Fund created pursuant to the Redevelopment Plan and including the accounts for the Redevelopment Project into which Apartments Phase Revenues and Hotel Phase Revenues are from time to time deposited in accordance with the TIF Act and this Ordinance, including a PILOTs Account and an EATS Account.

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

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

“TDD” or “Transportation Development District” means the Laurel Transportation Development District, a transportation development district and political subdivision of the State of Missouri formed or to be formed pursuant to Sections 238.200 to 238.275 RSMo. (2000) (the “TDD Act”), which includes a portion of the Redevelopment Area.

“TDD Act” means the Missouri Transportation Development District Act, Sections 238.200 to 238.275, Revised Statutes of Missouri (2000), as amended.

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

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

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

“TIF Notes” or “Notes” means, individually or collectively, as the case may be, the Apartments Phase TIF Notes and the Hotel Phase TIF Notes.

**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 Apartments Phase TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Cost, and one or more series of the Hotel Phase TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs. The Apartments Phase TIF Notes shall be in substantially the form of **Exhibit B-1**, and the Hotel Phase TIF Notes shall be in substantially the form of **Exhibit B-2**, attached hereto and incorporated herein by reference.

### **Section 2.2 Description of TIF Notes.**

(a) Title of TIF Notes.

(i) There shall be issued one series of one or more Apartments Phase Series A TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs authorized hereunder and one series of one or more Apartments Phase Series B TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs less the aggregate principal amount of Apartments Phase Series A TIF Notes. The Apartments Phase Series A TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Apartments Phase), Series 200\_-A”. The Apartments Phase Series B TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Apartments Phase), 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.

(ii) There shall be issued one series of one or more Hotel Phase Series A TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs authorized hereunder and one series of one or more Hotel Phase Series B TIF Notes in an aggregate principal amount not to exceed \$ \_\_\_\_\_ plus Issuance Costs less the aggregate principal amount of Hotel Phase Series A TIF Notes. The Hotel Phase Series A TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_-A”. The Hotel Phase Series B TIF Notes shall be designated “[Taxable]/[Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), 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-1** and **Exhibit B-2**, 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 Apartments Phase Series A TIF Notes shall be equally and ratably secured by Apartments Phase Available Revenues. The Apartments Phase Series B TIF Notes shall be equally and ratably secured by the Apartments Phase Available Revenues on a subordinate basis to the Apartments Phase Series A TIF Notes. The Hotel Phase Series A TIF Notes shall be equally and ratably secured by Hotel Phase Available Revenues. The Hotel Phase Series B TIF Notes shall be equally and ratably secured by the Hotel Phase Available Revenues on a subordinate basis to the Hotel Phase Series A TIF 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 for each Phase may be issued in two series, with one series subordinate to TIF Notes of the other series for that Phase 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 each TIF Note, 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 for each Phase 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 with respect to such Phase; (ii) approval of a Certificate of Reimbursable Redevelopment Project Costs with respect to such Phase; (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 with respect to such Phase; and (v) receipt of such other documentation as the City shall reasonably require of the Developer for such Phase 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 for such Phase.

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 TIF Notes. Upon acceptance by the City of such a Certificate of Reimbursable Redevelopment Project Costs in accordance with a 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 with respect to such Phase.

**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 Apartments Phase Available Revenues (with respect to Apartments Phase TIF Notes) or Hotel Phase Available Revenues (with respect to Hotel Phase TIF Notes) 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 (i) an Apartments Phase PILOTS Account and (ii) an Hotel Phase PILOTS Account;
- (b) an EATS Account, and within it, (i) an Apartments Phase EATs Account, and (ii) an Hotel Phase EATs Account;
- (c) a Revenue Fund and, within it,
  - (i) an PILOTS Fund, and within that:
    - (A) an Apartments Phase PILOTS Fund; and
    - (B) an Hotel Phase PILOTS Fund; and
  - (ii) an EATS Fund, and within that:
    - (A) an Apartments Phase EATs Fund; and
    - (B) an Hotel Phase EATs Fund; and
  - (iii) an CID Revenues Account; and
  - (iv) an TDD Revenues Account; and
  - (v) a Hotel Revenues Account into which all Hotel Revenues shall be deposited.
- (d) a Debt Service Fund, and, within it, an Debt Service Fund, and within it:
  - (i) an Apartments Phase Debt Service Fund, and within it:
    - (A) an Apartments Phase Series A Account; and
    - (B) an Apartments Phase Series B Account; and
  - (ii) an Hotel Phase Debt Service Fund, and within it:
    - (A) an Hotel Phase Series A Account; and
    - (B) an Hotel Phase Series B Account; and
- (e) an Apartments Phase Debt Service Reserve Fund, if established on the Issuance Date; and
- (f) an Hotel Phase Debt Service Reserve Fund, if established on the Issuance Date; and
- (f) a Project Fund.

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

**Section 4.3 Revenue Fund.**

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

(i) Those Apartments Phase Available Revenues attributable to PILOTs into the Apartments Phase PILOTs Fund of the PILOTs Fund of the Revenue Fund; and

(ii) Those Hotel Phase Available Revenues attributable to PILOTs (in an amount equal to the Remaining Hotel PILOTs) into the Hotel Phase PILOTs Fund of the PILOTs Fund of the Revenue Fund; and

(iii) Those Hotel Phase Available Revenues attributable to EATs into the Hotel Phase EATs Fund of the EATs Fund of the Revenue Fund; and

(iv) Those Hotel Phase Available Revenues attributable to CID Revenues into the Hotel Phase CID Revenues Account of the CID Revenues Account; and

(v) Those Hotel Phase Available Revenues attributable to TDD Revenues into the Hotel Phase TDD Revenues Account of the TDD Revenues Account; and

(vi) Those Hotel Revenues into the Hotel Revenue Account of the Revenues Fund.

(b) Apartments Phase Available Revenues in the Revenue Fund (and Hotel Phase Available Revenues, if no Hotel Phase TIF Notes are outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account, fourth from the TDD Revenues Account, and fifth from the Hotel Revenues Account for the purposes and in the amounts as follows:

*First*, to payment of arbitrage rebate, if any, owed with respect to the Apartments Phase 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 Apartments Phase TIF 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 Apartments Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

*Third*, to Apartments Phase 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 Apartments Phase Series A TIF Notes on each Payment Date;

*Fourth*, to the Apartments Phase 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 Apartments Phase Series A TIF Notes on each Payment Date;

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

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

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

*Eighth*, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase 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 Apartments Phase Series B Note on each Payment Date;

*Ninth*, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase 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 Apartments Phase Series B Note on each Payment Date;

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

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

*Twelfth*, if no Apartments Phase TIF Notes are outstanding, all Apartments Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Hotel Phase, and shall be used to pay principal and interest on Hotel Phase TIF Notes in the same manner as Hotel Phase Available Revenues as set forth herein.

*Thirteenth*, all other remaining money in the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account, the Apartments Phase TDD Revenues Account, and the Hotel Revenues Account of the Revenue Fund of the Special Allocation Fund shall annually be declared as surplus and distributed in the manner provided in the TIF Act, as applicable.

(c) Hotel Phase Available Revenues in the Revenue Fund (and Apartments Phase Available Revenues if no Apartments Phase TIF Notes are then outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account, fourth from the TDD Revenues Account, and fifth from the Hotel Revenues Account for the purposes and in the amounts as follows:

*First*, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase 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 Hotel Phase TIF 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 Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

*Third*, to Hotel Phase 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 Hotel Phase Series A TIF Notes on each Payment Date;

*Fourth*, to the Hotel Phase 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 Hotel Phase Series A TIF Notes on each Payment Date;

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

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

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

*Eighth*, if no Hotel Phase Series A TIF Notes are outstanding, to the Hotel Phase 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 Hotel Phase Series B Note on each Payment Date;

*Ninth*, if no Hotel Phase Series A TIF Notes are outstanding, to the Hotel Phase 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 Hotel Phase Series B Note on each Payment Date;

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

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

*Twelfth*, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth herein.

*Thirteenth*, all other remaining money in the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account, and the Hotel Revenues Account of the Revenue Fund 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 Apartments Phase Series A TIF Notes.

(d) 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 Apartments Phase 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 Apartments Phase Debt Service Fund shall be insufficient to pay the principal of and interest on the Apartments Phase Series A TIF Notes as the same become due, and funds on deposit in the Hotel Phase 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 Hotel Phase Debt Service Fund shall be insufficient to pay the principal of and interest on the Hotel Phase Series A TIF Notes as the same become due. The Finance Officer may disburse and expend moneys from the Apartments Phase Debt Service Reserve Fund and Hotel Phase Debt Service Reserve Fund whether or not the amount therein equals the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Requirement, as applicable. Moneys on deposit in the Apartments Phase Debt Service Reserve Fund and Hotel Phase Debt Service Reserve Fund may be used to pay Apartments Phase Series A TIF Notes or Hotel Phase Series A TIF Notes, respectively, called for redemption or to purchase such 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 Apartments Phase Debt Service Reserve Fund or Apartments Phase Debt Service Reserve Fund shall be used to pay and retire the Apartments Phase Series A TIF Notes or Hotel Phase Series A TIF Notes, respectively, last becoming due, unless such Notes and all interest thereon are otherwise paid.

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

So long as the sum on deposit in the Apartments Phase Debt Service Reserve Fund or Hotel Phase Debt Service Reserve Fund shall aggregate an amount equal to the Apartments Phase Debt Service Reserve Fund Requirement or Hotel Phase Debt Service Reserve Fund Requirement, respectively, on each Payment Date, no further deposits to said fund shall be required. Investments and moneys in the Apartments Phase Debt Service Reserve Fund or Hotel Phase 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 Apartments Phase Debt Service Reserve Fund and Hotel Phase 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 Developers 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 Developers have not (i) executed the Redevelopment Agreements pertaining to their respective Phases of the Redevelopment Project and (ii) paid all fees due to the City in accordance with the terms of the Redevelopment Agreements, 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 Agreements, 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 the Redevelopment Area, Apartments Phase Property and Hotel Phase Property**

##### **Redevelopment Area:**

Entire City Block 125 and the land and first floor of those buildings located in City Block 120 in the City of St. Louis, Missouri as bounded by Washington Avenue to the South, 7th Street to the West, Lucas Street to the North and Broadway Street to the East.

##### **Apartments Phase Property:**

All apartments within the Redevelopment Area

##### **Hotel Phase Property:**

All areas within the Redevelopment Area, except the Apartments Phase Property, being used for retail and/or hotel uses

**EXHIBIT B-1  
Form of Apartments Phase Note**

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

**UNITED STATES OF AMERICA  
STATE OF MISSOURI**

**Registered**

**Registered**

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

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

**CITY OF ST. LOUIS, MISSOURI**

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE  
(THE LAUREL / 555 WASHINGTON REDEVELOPMENT PROJECT – APARTMENTS PHASE)  
SERIES 200\_\_-A/B**

Rate of Interest:  
[\_\_\_%]

Maturity Date:  
\_\_\_\_\_

Dated Date:  
\_\_\_\_\_

CUSIP Number:  
None

REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF Apartments, Inc. (the "Apartments Developer"), dated as of \_\_\_\_\_, 2009, as amended (the "Apartments Phase Redevelopment Agreement"), until all principal and interest accruing pursuant to this Apartments Phase TIF Note is paid in full except as otherwise provided herein. The Apartments Phase TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. \_\_\_\_\_ signed by the Mayor on \_\_\_\_\_, 2009 (the "Note Ordinance") or the Apartments Phase Redevelopment Agreement.

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

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

This Apartments Phase TIF Note is one of an authorized series of fully registered TIF Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project

– Apartments Phase, Series 200\_\_-A/B,” issued in an aggregate principal amount of not to exceed \$ \_\_\_\_\_ plus Issuance Costs (the “Apartments Phase TIF Notes”). The Apartments Phase TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with that certain Apartments Phase of the Redevelopment Project under the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the “Act”), and pursuant to the Note Ordinance. The Note Ordinance also contemplates that the City may issue certain notes designated “City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-A/B,” issued in an aggregate principal amount of not to exceed \$ \_\_\_\_\_ plus Issuance Costs (the “Hotel Phase TIF Notes”; the Apartments Phase TIF Notes and Hotel Phase TIF Notes being collectively, the “TIF Notes” or “Notes”) pursuant to the Note Ordinance to pay a portion of Redevelopment Project Costs in connection with the Redevelopment Project and Redevelopment Plan.

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

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

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

The monies on deposit in the CID Revenues Account of the Revenue Fund of the Special Allocation Fund are all revenues actually collected, pursuant to this Agreement and the CID Act, from the imposition of the CID Sales Tax. CID Revenues shall not include (a) 1% of the gross revenues generated by the CID Sales Tax, which the State of Missouri Department of Revenue (or other collection agency) may retain for the cost of collecting the CID Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (d) any amounts retained by the CID to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the CID Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the TDD Revenues Account of the Revenue Fund of the Special Allocation Fund are “TDD Revenues” means all revenues actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the TDD Sales Tax. TDD Revenues shall not include (a) any portion of the gross revenues generated by the TDD Sales Tax, which any collection agency may retain for the cost of collecting the TDD Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the TDD which is the subject of a suit or other claim communicated to the TDD which suit or claim challenges the collection of such sum, (d) any amounts retained by the TDD to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the TDD Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

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

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

The Apartments Phase Series A TIF Notes shall be equally and ratably secured by Apartments Phase Available Revenues, and, if no Hotel Phase TIF Notes are outstanding, by Hotel Phase Available Revenues. The Apartments Phase Series B TIF Notes shall be equally and ratably secured by the Apartments Phase Available Revenues, and, if no Hotel Phase TIF Notes are outstanding, by Hotel Phase Available Revenues, on a subordinate basis to the Apartments Phase Series A TIF Notes. The Apartments Phase 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 Apartments Phase TIF Notes either as to principal or interest. The Apartments Phase 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 APARTMENTS PHASE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE APARTMENTS PHASE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).**

Apartments Phase Available Revenues in the Revenue Fund (and any Hotel Phase Available Revenues in the Revenue Fund, if no Hotel Phase TIF Notes are then outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account and fourth from the TDD Revenues Account for the purposes and in the amounts as follows:

*First*, to payment of arbitrage rebate, if any, owed with respect to the Apartments Phase 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 Apartments Phase TIF 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 Apartments Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

*Third*, to Apartments Phase 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 Apartments Phase Series A TIF Notes on each Payment Date;

*Fourth*, to the Apartments Phase 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 Apartments Phase Series A TIF Notes on each Payment Date

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

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

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

*Eighth*, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase 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 Apartments Phase Series B Note on each Payment Date;

*Ninth*, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase 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 Apartments Phase Series B Note on each Payment Date;

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

*Eleventh*, if no Apartments Phase Series A TIF Notes are outstanding, to the Apartments Phase Series B Account of the Debt Service Fund, an amount sufficient to pay the principal of any Apartments Phase Series B Note that is subject to redemption

pursuant to this Note Ordinance on each Payment Date; and

*Twelfth*, if no Apartments Phase TIF Notes are outstanding, all Apartments Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Hotel Phase, and shall be used to pay principal and interest on Hotel Phase TIF Notes in the same manner as Hotel Phase Available Revenues as set forth in the note Ordinance.

*Thirteenth*, all other remaining money in the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account and the Apartments Phase TDD Revenues Account of the Revenue Fund 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 Apartments Phase 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 Hotel Phase Debt Service Fund, the Apartments Phase PILOTs Fund, the Apartments Phase EATs Fund, the Apartments Phase CID Revenues Account and the Apartments Phase TDD Revenues Account 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 APARTMENTS PHASE 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 Apartments Phase 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 Apartments Phase TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

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

Apartments Phase 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 Apartments Phase TIF Notes are to be redeemed and paid prior to maturity, such Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which Apartments Phase TIF Notes may be issued in any denomination, subject to the limitation on the aggregate Principal Amount.

This Apartments Phase TIF Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Apartments Phase 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 APARTMENTS PHASE 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 Apartments Phase TIF Note for a new Apartments Phase TIF Note of the same maturity and in the same principal amount as the outstanding principal amount of the Apartments Phase TIF Note that was presented for transfer or exchange. Any Apartments Phase 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 Apartments Phase TIF Note shall not be valid or binding on the City or be entitled to any security or benefit under the Note Ordinance 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 Apartments Phase 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 Apartments Phase 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 Apartments Phase TIF Note to be dated as of the effective date of registration as shown on Schedule A attached hereto.

**CITY OF ST. LOUIS, MISSOURI**

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

By: \_\_\_\_\_  
Finance Officer

Attest:

(Seal)

\_\_\_\_\_  
City Register

Approved as to Form:  
\_\_\_\_\_

**ASSIGNMENT**

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

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

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

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

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

Signature Guaranteed By:  
\_\_\_\_\_

(Name of Eligible Guarantor Institution)

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

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

**SCHEDULE A**

**CERTIFICATE OF AUTHENTICATION**

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

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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 B-2  
Form of Hotel Phase Note**

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

**UNITED STATES OF AMERICA  
STATE OF MISSOURI**

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

**Registered**  
Not to Exceed \$ \_\_\_\_\_  
plus Issuance Costs  
(See **Schedule A** attached)

**CITY OF ST. LOUIS, MISSOURI**

**[TAXABLE][TAX-EXEMPT] TAX INCREMENT REVENUE NOTE  
(The Laurel / 555 Washington Redevelopment Project – Hotel Phase)  
SERIES 200\_-A/B**

Rate of Interest: [___%]	Maturity Date: _____	Dated Date: _____	CUSIP Number: None
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REGISTERED OWNER:

PRINCIPAL AMOUNT: See SCHEDULE A attached hereto.

The CITY OF ST. LOUIS, MISSOURI, a body corporate and a political subdivision duly organized and validly existing under its charter and the Constitution and laws of the State of Missouri (the "City"), for value received, hereby promises to pay to the Registered Owner shown above, or registered assigns, the Principal Amount shown from time to time on Schedule A attached hereto on the Maturity Date shown above unless called for redemption prior to the Maturity Date, and to pay interest thereon from the effective date of registration shown from time to time on Schedule A attached hereto or from the most recent Payment Date to which interest has been paid or duly provided for, at the Rate of Interest shown above computed on the basis of a 360-day year of twelve 30-day months. Interest and principal shall be payable each March 1 and September 1 (each, a "Payment Date"), commencing on the first March 1 or September 1 following the City's acceptance or deemed acceptance of the Certificate of Substantial Completion in accordance with the Redevelopment Agreement between the City and Laurel TIF Hotel, Inc. (the "Hotel Developer"), dated as of \_\_\_\_\_, 2009, as amended (the "Hotel Phase Redevelopment Agreement"), until all principal and interest accruing pursuant to this Hotel Phase TIF Note is paid in full except as otherwise provided herein. The Hotel Phase TIF Notes shall bear interest from their registration date or from the most recent Payment Date to which interest has been paid or duly provided for.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in Ordinance No. \_\_\_\_\_ signed by the Mayor on \_\_\_\_\_, 2009 (the "Note Ordinance") or the Hotel Phase Redevelopment Agreement.

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

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

This Hotel Phase TIF Note is one of an authorized series of fully registered TIF Notes of the City designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-A/B," issued in an aggregate principal amount of not to exceed \$\_\_\_\_\_ plus Issuance Costs (the "Hotel Phase TIF Notes"). The Hotel Phase TIF Notes are being issued for the purpose of paying a portion of the Redevelopment Project Costs in connection with that certain Hotel Phase of the Redevelopment Project under the Redevelopment Plan, under the authority of and in full compliance with the Constitution and laws of the State of Missouri, including particularly the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to the Note Ordinance. The Note Ordinance also contemplates that the City may issue certain notes designated "City of St. Louis, Missouri, [Taxable][Tax-Exempt] Tax Increment Revenue Notes (The Laurel / 555 Washington Redevelopment Project – Hotel Phase), Series 200\_\_-A/B," issued in an aggregate principal amount of not to exceed \$\_\_\_\_\_ plus Issuance Costs (the "Apartments Phase TIF Notes"; the Apartments Phase TIF Notes and Hotel Phase TIF Notes being collectively, the "TIF Notes" or "Notes") pursuant to the Note Ordinance to pay a portion of Redevelopment Project Costs in connection with the Redevelopment Project and Redevelopment Plan.

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

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

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

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

The monies on deposit in the CID Revenues Account of the Revenue Fund of the Special Allocation Fund are all revenues actually collected, pursuant to this Agreement and the CID Act, from the imposition of the CID Sales Tax. CID Revenues shall not include (a) 1% of the gross revenues generated by the CID Sales Tax, which the State of Missouri Department of Revenue (or other collection agency) may retain for the cost of collecting the CID Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the CID which is the subject of a suit or other claim communicated to the CID which suit or claim challenges the collection of such sum, (d) any amounts retained by the CID to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the CID Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

The monies on deposit in the TDD Revenues Account of the Revenue Fund of the Special Allocation Fund are "TDD Revenues" means all revenues actually collected, pursuant to this Agreement and the TDD Act, from the imposition of the TDD Sales Tax. TDD Revenues shall not include (a) any portion of the gross revenues generated by the TDD Sales Tax, which any collection agency may retain for the cost of collecting the TDD Sales Tax, (b) any amount paid under protest until the protest is withdrawn or resolved against the taxpayer, (c) any sum received by the TDD which is the subject of a suit or other claim communicated to the TDD which suit or claim challenges the collection of such sum, (d) any amounts retained by the TDD to pay reasonable operating or administrative expenses, and (e) that certain fifty percent of incremental revenues generated by the TDD Sales Tax within the Redevelopment Area which is captured through the adoption of tax increment financing within the Redevelopment Area and which are deemed statutory economic activity taxes as contemplated by the TIF Act.

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

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

The Hotel Phase Series A TIF Notes shall be equally and ratably secured by Hotel Phase Available Revenues, and, if no Apartments Phase TIF Notes are outstanding, by Apartments Phase Available Revenues. The Hotel Phase Series B TIF Notes shall be equally and ratably secured by the Hotel Phase Available Revenues, and, if no Apartments Phase TIF Notes are outstanding, by Apartments Phase Available Revenues, on a subordinate basis to the Hotel Phase Series A TIF Notes. The Hotel Phase 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 Hotel Phase TIF Notes either as to principal or interest. The Hotel Phase 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 HOTEL PHASE TIF NOTES SHALL TERMINATE ON THE FIRST TO OCCUR OF THE FULL PAYMENT AND DISCHARGE OF THE HOTEL PHASE TIF NOTES OR THE MATURITY DATE (WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HAS BEEN PAID IN FULL).**

Hotel Phase Available Revenues in the Revenue Fund (and any Apartments Phase Available Revenues in the Revenue Fund, if no Apartments Phase TIF Notes are then outstanding) shall be applied, first from the EATs Fund, second from the PILOTs Fund, third from the CID Revenues Account, fourth from the TDD Revenues Account, and fifth from the Hotel Revenues Account for the purposes and in the amounts as follows:

*First*, to payment of arbitrage rebate, if any, owed with respect to the Hotel Phase 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 Hotel Phase TIF 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 Hotel Phase Redevelopment Agreement that have not otherwise been reimbursed to the City through the issuance of TIF Notes;

*Third*, to Hotel Phase 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 Hotel Phase Series A TIF Notes on each Payment Date;

*Fourth*, to the Hotel Phase 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 Hotel Phase Series A TIF Notes on each Payment Date

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

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

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

*Eighth*, if no Hotel Phase Series A TIF Notes are outstanding, to the Hotel Phase 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 Hotel Phase Series B Note on each Payment Date;

*Ninth*, if no Hotel Phase Series A TIF Notes are outstanding, to the Hotel Phase 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 Hotel Phase Series B Note on each Payment Date;

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

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

*Twelfth*, if no Hotel Phase TIF Notes are outstanding, all Hotel Phase Available Revenues shall be transferred to the corresponding account within the Revenue Fund for Apartments Phase, and shall be used to pay principal and interest on Apartments Phase TIF Notes in the same manner as Apartments Phase Available Revenues as set forth in the Note Ordinance.

*Thirteenth*, all other remaining money in the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account of the Revenue Fund 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 Hotel Phase 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 Hotel Phase Debt Service Fund, the Hotel Phase PILOTs Fund, the Hotel Phase EATs Fund, the Hotel Phase CID Revenues Account and the Hotel Phase TDD Revenues Account 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 HOTEL PHASE 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 Hotel Phase 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 Hotel Phase TIF Note to be redeemed, plus accrued interest thereon to the date fixed for redemption.

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

Hotel Phase 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 Hotel Phase TIF Notes are to be redeemed and paid prior to maturity, such Hotel Phase 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 Hotel Phase 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 Hotel Phase TIF Notes issued upon acceptance by the City of the final Certificate of Reimbursable Redevelopment Project Costs, which Hotel Phase TIF Notes may be issued in any denomination, subject to the limitation on the aggregate Principal Amount.

This Hotel Phase TIF Note may be transferred or exchanged as provided in the Note Ordinance only upon the Register, upon surrender of this Hotel Phase 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 APARTMENTS PHASE 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 Hotel Phase TIF Note for a new Hotel Phase TIF Note of the same maturity and in the same principal amount as the outstanding principal amount of the Hotel Phase TIF Note that was presented for transfer or exchange. Any Hotel Phase 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 Hotel Phase TIF Note shall not be valid or binding on the City or be entitled to any security or benefit under the Note Ordinance 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 Hotel Phase 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 Apartments Phase 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 Apartments Phase TIF Note to be dated as of the effective date of registration as shown on Schedule A attached hereto.

CITY OF ST. LOUIS, MISSOURI

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

By: \_\_\_\_\_  
Finance Officer

Attest:

(Seal)

\_\_\_\_\_  
City Register

Approved as to Form:

\_\_\_\_\_

ASSIGNMENT

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

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

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

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

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

Signature Guaranteed By:

\_\_\_\_\_  
(Name of Eligible Guarantor Institution)

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

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

SCHEDULE A  
CERTIFICATE OF AUTHENTICATION

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

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

\_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_

- (1) Date of approval of each Certificate of Reimbursable Redevelopment Project Costs, as provided in Section 5.2 of the Redevelopment Agreement (which constitutes Date of Authentication with respect to such portion of the Note) or Payment Date.
- (2) Limited to denominations of \$100,000 or any \$1,000 increment in excess thereof, except with respect to an advance pursuant to the final Certificate of Reimbursable Redevelopment Project Costs, which may be in any denomination, subject to the limitation on the aggregate principal amount provided for in the Note Ordinance.

**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 \$\_\_\_\_\_ (plus Issuance Costs) City of St. Louis, Missouri, Tax Increment Revenue Notes, (The Laurel / 555 Washington Redevelopment Project – Apartments/Hotel Phase), 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 \$\_\_\_\_\_ (plus Issuance Costs) aggregate principal amount of Tax Increment Revenue Notes, (The Laurel / 555 Washington Redevelopment Project – Apartments/Hotel Phase), Series 2008-A/B (the “TIF Notes”), issued by the City of St. Louis, Missouri (the “City”). The TIF Notes are secured in the manner set forth in Ordinance No. \_\_\_\_\_ [Board Bill No. \_\_\_\_\_] of the City adopted on \_\_\_\_\_, 200\_\_ (the “Note Ordinance”). The undersigned hereby represents to each of you and agrees with each of you, as follows:

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

8. The undersigned has satisfied itself that the TIF Notes may be legally purchased by the undersigned.

Sincerely,

\_\_\_\_\_  
as Purchaser

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

Approved: July 27, 2009

**ORDINANCE #68432**  
**Board Bill No. 118**

**AN ORDINANCE AUTHORIZING THE EXECUTION OF A COOPERATION AGREEMENT BETWEEN THE CITY OF ST. LOUIS AND THE WELLPOINT COMPANIES, INC.; PRESCRIBING THE FORM AND DETAILS OF SAID AGREEMENT; MAKING CERTAIN FINDINGS WITH RESPECT THERETO; AUTHORIZING OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT PROJECT; AND CONTAINING A SEVERABILITY CLAUSE.**

**WHEREAS**, the City of St. Louis (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**, The WellPoint Companies, Inc. (the "Developer") proposes to redevelop a commercial building (the "Redevelopment Project") at 1831 Chestnut in the City of St. Louis, Missouri (the "Project Area"); and

**WHEREAS**, the Project Area and the improvements thereon are substandard and obsolete, and if left in their current condition will have an adverse impact on the tax base of the City; and

**WHEREAS**, the Developer will expend between approximately two million seven hundred thousand dollars (\$2,700,000) and four million five hundred thousand dollars (\$4,500,000) on improvements to the Project Area and on expenses associated with the relocation of approximately three hundred (300) employees from outside of the City to the Project Area; and

**WHEREAS**, the Redevelopment Project would not be undertaken without the assistance provided by a cooperation agreement (the "Cooperation Agreement") to defray the cost of the Redevelopment Project and of the relocation of approximately three hundred (300) employees; and

**WHEREAS**, it is necessary and desirable and in the best interest of the City to enter into the Cooperation Agreement with the Developer, whereby the Developer will complete the Redevelopment Project, thereby providing for the promotion of the general welfare through physical, economic, and social development of the City in numerous ways, including, but not limited to, amelioration of existing underdeveloped and obsolete conditions in the Project Area, improvement of property values in the Project Area and areas surrounding the Project Area, creation of sustainable jobs in a targeted industry, and provision of additional tax revenue to the City; and

**WHEREAS**, the Board of Alderman hereby determines that the terms of the Cooperation Agreement attached as **Exhibit A** hereto and incorporated herein by reference are acceptable and the execution, delivery, and performance by the City and the Developer of their respective obligations under the Cooperation Agreement are in the best interests of the City and the health, safety, morals, and welfare of its residents.

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

**SECTION ONE.** The Board of Alderman finds and determines that, in order to promote the general welfare, as described above, it is necessary and desirable to enter into the Cooperation Agreement with the Developer, which, subject to annual appropriation, pledges certain tax revenues for the implementation of the Redevelopment Project.

**SECTION TWO.** The Board of Alderman hereby approves, and the Mayor and Comptroller of the City are hereby authorized and directed to execute, on behalf of the City, the Cooperation 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 Cooperation Agreement and to affix the seal of the City thereto. The Cooperation Agreement shall be in substantially the form attached, with such changes therein as shall be approved by said Mayor and Comptroller as may be consistent with the intent of this Ordinance and necessary and appropriate in order to carry out the matters herein authorized.

**SECTION THREE.** 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 FOUR.** It is hereby declared to be the intention of the Board of Alderman 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 Alderman 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.

**Exhibit A  
COOPERATION AGREEMENT**

THIS COOPERATION AGREEMENT (this "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2009, 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 The WellPoint Companies, Inc., an Indiana corporation, whose address is 120 Monument Circle, Indianapolis, Indiana 46204, Attn.: Tax Department (the "Developer").

**RECITALS**

- A. The Developer proposes to develop a commercial project as described on Exhibit A (the "Development Project") at 1831 Chestnut in the City of St. Louis, Missouri (the "Project Area").
- B. The Project Area and the improvements thereon are substandard and obsolete, and if left in their current condition will have an adverse impact of the tax base of the City.
- C. The Developer will expend between approximately two million seven hundred thousand dollars (\$2,700,000) and four million five hundred thousand dollars (\$4,500,000) on improvements to the Project Area and on expenses associated with the relocation of approximately three hundred (300) employees from outside of the City of St. Louis to the Project Area.
- D. The completion of the Development Project will improve the property values within the Downtown St. Louis area, allow the creation of sustainable jobs in a targeted industry, and provide additional tax revenue to the City of St. Louis.
- E. The Development Project would not be financially feasible without the assistance provided by this Cooperation Agreement to defray the cost of the Development Project and of the relocation of approximately three hundred (300) employees.
- F. On \_\_\_\_\_, 2009, the City adopted Ordinance No. \_\_\_\_\_, which authorized the City to enter into this Cooperation Agreement with the Developer. The City is authorized to enter into this Cooperation Agreement pursuant to the provisions of Section 70.210 to 70.320 of the Revised Statutes of Missouri, as amended, and the Charter of the City of St. Louis.
- G. This Cooperation Agreement promotes and protects the health, safety, morals, and welfare of the public by providing the means to ameliorate existing underdeveloped and obsolete conditions, by locating sustainable jobs within the City, and enhancing the Project Area and the tax base of the City.

**AGREEMENT**

NOW, THEREFORE, in consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

Definitions. For the purposes of this Cooperation Agreement the following terms shall have the following meanings:

(a) "Base Earnings Tax Revenue" means the Earnings Tax Revenue attributable to employees of the Developer or its affiliates employed in the City and derived from amounts paid to such employees during the period October 1, 2008 through and including September 30, 2009, as reported on the quarterly payroll tax report, Form W-10, filed with the Collector's office.

(b) "Base Payroll Tax Revenue" means the Payroll Tax Revenue in the calendar year 2008 attributable to employees of the Developer or its affiliates employed in the City and derived from amounts paid to such employees during the period October 1, 2008 through and including September 30, 2009 on the quarterly payroll tax report, Form P-10, filed with the Collector's office.

(c) "Earnings Tax Revenue" means the revenue from the tax imposed by the City on salaries, wages, commissions, and other compensation, currently codified in Sections 5.22.010 to 5.22.140, R.C. City of St. Louis, and any similar successor tax or taxes, on the quarterly payroll tax report, Form W-10, filed with the Collector's office.

(d) "Payroll Tax Revenue" means the revenue from the tax imposed by the City on every person who, in connection with his business engages, hires, employs, or contracts with one or more individuals as an employee, to perform work or render services in whole or part within the City, currently codified in Sections 5.23.010 to 5.23.140 R.C. City of St. Louis, and any similar successor tax or taxes, on the quarterly payroll tax report, Form P-10, filed with the Collector's

office.

(e) "Incremental Increase" means the combined amount of Earnings Tax Revenue and Payroll Tax Revenue attributable to employees of the Developer or its affiliates employed and physically located in the City, for the applicable calendar year in excess of the combined Base Earnings Tax Revenue and Base Payroll Tax Revenue. For the purpose of computing the Incremental Increase semi-annually, one half of the Base Earnings Tax Revenue and one half of the Base Payroll Tax Revenue shall be allocated to each of the Semi-Annual Calculation Periods, and in the event that the first and/or the last Semi-Annual Calculation Period consists of less than six (6) full calendar months, then the one half of the Base Earnings Tax Revenue and the one half of the Base Payroll Tax Revenue used to compute the Incremental Increase for such Semi-Annual Calculation Period shall be prorated based upon the ratio that the number of calendar days in such Semi-Annual Calculation Period occurring within the Term bears to one hundred eighty (180).

(f) "Project Costs" means the costs and expenses incurred by the Developer in connection with the renovation and rehabilitation of the Project Area and the improvements thereon, including but not limited to the costs of designing, improving, fixturing, equipping and otherwise readying the improvements in the Project Area for use and occupancy by the Developer and its affiliates and their respective employees, and moving and relocation expenses.

(g) "Reimbursement Period Commencement Date" means January 1, 2010.

(h) "Semi-Annual Calculation Period" means each six (6) month period during the Term commencing on January 1 and ending on June 30, and commencing on July 1 and ending on December 31.

(i) "Term" means the period beginning on the date of this Cooperation Agreement and ending on the date that is the earlier of (i) December 31, 2019, and (ii) the date on which Developer has been reimbursed the Project Costs from fifty percent (50%) of the Incremental Increase pursuant to the terms of this Agreement.

2. Certification of Base Earnings Tax Revenue and Base Payroll Tax Revenue. On or before December 31, 2009, the Developer shall deliver to the City written certification stating the respective amounts of the Base Earnings Tax Revenue and the Base Payroll Tax Revenue (with reasonable supporting documentation), in form and content attached as Exhibit B. The parties agree that for purposes of this Agreement, the Base Earnings Tax Revenue shall be deemed to be equal to two (2) times the Base Payroll Tax Revenue.

3. Development. Developer will implement the Development Project substantially in accordance with Exhibit A, and in accordance with applicable provisions of the City's Code of Ordinances and other applicable laws. Upon completion of the Development Project, the Developer shall deliver to the City a written certification stating the amount of the Project Costs expended or incurred by the Developer, in form and content attached as Exhibit C.

4. Creation of Earnings and Payroll Tax Reimbursement Account. There is hereby established an account of the Developer to be held by the City, designated and named the "Earnings and Payroll Tax Reimbursement Account – 1831 Chestnut Development, St. Louis Missouri" (the "Earnings and Payroll Tax Reimbursement Account") into which there shall be deposited an amount equal to fifty percent (50%) of the Incremental Increase, as and when received by the City. The Earnings and Payroll Tax Reimbursement Account shall be under the custody and control of the City, subject however, to the provisions of this Cooperation Agreement and the Authorizing Ordinance.

5. Reimbursement to Developer.

(a) The City agrees, subject to annual appropriation, to reimburse the Developer for the Project Costs, up to the sum of fifty percent (50%) of the Incremental Increase generated during the Term, in accordance with the terms and provisions of this Agreement.

(b) Within thirty (30) days after the end of each Semi Annual Calculation Period during the Term, the Developer shall deliver to the City written certification stating the Earnings Tax Revenue and the Payroll Tax Revenue paid by the Developer and its affiliates during such Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City (with reasonable supporting documentation), and the Incremental Increase with respect to such Semi-Annual Calculation Period, in form and content attached as Exhibit D (each a "Periodic Calculation Certificate"). The parties agree that for purposes of this Agreement, the Earnings Tax Revenue paid by the Developer and its affiliates during each Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City shall be deemed to be equal to two (2) times the Payroll Tax Revenue paid by the Developer and its affiliates during such respective Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City.

(c) Within sixty (60) days after the last day of each Semi Annual Calculation Period during the Term, the City shall cause the full amount then on deposit in the Earnings and Payroll Tax Reimbursement Account to be disbursed to the Developer until the Developer has been reimbursed in the aggregate an amount equal to the Project Costs. In the event that the amount of any disbursement is less than the amount stated to be due in the Periodic Calculation Certificate for the applicable Semi-Annual Calculation Period, the City shall provide with such disbursement an explanation of the discrepancy.

6. Annual Appropriation.

(a) The City's obligation to appropriate the Incremental Increase for deposit into the Earnings and Payroll Tax Reimbursement Account and to appropriate the funds on deposit from time to time in the Earnings and Payroll Tax Reimbursement Account shall not be construed to be a debt of the City within the meaning of Article VI, Section 26(a) of the Missouri Constitution or any other applicable constitutional or statutory limitations, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or moneys of the City. With regard to the obligation to pay the Incremental Increase, the parties believe that this is a current expense of the City in each applicable fiscal year.

(b) During the term of this Cooperation Agreement, the City covenants and agrees that with respect to each fiscal year of the City, the Budget Director or other designated representative at any time charged with the responsibility of formulating budget proposals will be directed to include in the budget proposal submitted to the City a request for an appropriation equal to fifty percent (50%) of the Incremental Increase received in such fiscal year for deposit into the Earnings and Payroll Tax Reimbursement Account.

(c) The City is obligated only to make the payments set forth in this Agreement as may lawfully be made from funds budgeted and appropriated or otherwise legally available to make the required payments during each respective fiscal year.

(d) The obligations of the City to make the payments hereunder constitute a current expense of the City, are from year to year and do not constitute a mandatory payment obligation of the City in any fiscal year beyond the then current fiscal year of the City in which such appropriation has been made. The City's obligation hereunder shall not in any way be construed to be a debt of the City in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the City, nor shall anything contained herein constitute a pledge of the general credit, tax revenues, funds or money of the City.

(e) The City reasonably believes that legally available funds in an amount sufficient to fully repay the obligations undertaken herein can be obtained. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds for any subsequent fiscal year is solely within the discretion of the then current governing body of the City.

7. Non-Appropriation. In the event that the City adopts a budget for a fiscal year, which budget does not include an appropriation equal to fifty percent (50%) of the Incremental Increase to be received in such fiscal year for deposit into the Earning and Payroll Tax Reimbursement Account, the same shall constitute an "Event of Non-appropriation." Should an Event of Non-appropriation occur, the City shall immediately notify in writing the following entities of the Event of Non-appropriation: (i) each nationally recognized municipal securities repository, and (ii) each nationally recognized rating agency which then maintains a rating on any of the City's bonds, notes or other securities. In the event that the City fails to give notice in accordance with the provisions of this section within thirty (30) days following the occurrence of an Event of Non-appropriation, then Developer shall have the right, in addition to all other remedies available at law or in equity, to give such notice on the City's behalf.

8. Notice. Any notice, demand or other communication required by this Agreement to be given to either party hereto to the other shall be in writing and shall be sufficiently given or delivered if sent by United States first class certified mail, return receipt requested, postage prepaid, or via a nationally recognized overnight delivery service that provides a receipt for delivery, addressed as follows:

If to Developer: The WellPoint Companies, Inc.  
1831 Chestnut  
St. Louis, MO 63103  
Attn: Tax Department

with a copy to: WellPoint, Inc.  
120 Monument Circle  
Indianapolis, IN 46204  
Attn.: Tax Department

and with a copy to: Polsinelli Shughart PC  
100 South Fourth Street, Suite 1100  
St. Louis, MO 63102  
Attn.: William J. Kuehling

If to the City: City of St. Louis, Missouri  
Office of the Mayor  
1200 Market Street  
Room 200 City Hall  
St. Louis, MO 63103

with a copy to: City of St. Louis  
Office of the Comptroller

1200 Market Street  
Room 212 City Hall  
St. Louis, MO 63103

Either party shall have the right to change its respective address for notices by a written notice to that effect.

9. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

10. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties and there are no other agreements or representations other than those contained in this Agreement. This Agreement may not be amended, modified or waived orally, but only by a writing signed by the party against whom enforcement of such amendment, modification or waiver is sought.

11. Invalid Provisions. If any one or more of the provisions of this Agreement, or the applicability of any such provision to a specific situation, shall be held invalid or unenforceable by final non-appealable order of a court of competent jurisdiction, such provision shall be judicially modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of this Agreement and all other applications of any such provision shall not be affected thereby; provided, however, that if, in the Developer's sole judgment, the invalidity or unenforceability of such provision, or the terms of such provision as modified in accordance with this section, materially diminish the likelihood that the Developer will be repaid the Project Costs from fifty percent (50%) of the Incremental Increase, the Developer shall have the right to terminate this Agreement and be relieved of any further obligations hereunder.

12. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties, and their respective successors and assigns. The Developer shall have the right to assign its rights hereunder, in whole or in part, to a bank or other lender providing financing for all or any portion of the costs of the construction of the Development Project, and the City shall execute and deliver such documents and instruments as are requested by such lender in connection therewith.

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

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed by their respective officers or officials.

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 A. Hageman, City Counselor

THE WELLPOINT COMPANIES, INC.

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

Name: \_\_\_\_\_

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

**EXHIBIT A  
TO COOPERATION AGREEMENT**

**(Description of Work to be Performed on 1831 Chestnut)**

The Developer will renovate space it owns at 1831 Chestnut Street to accommodate three hundred (300) new employees.

Work will include, but not necessarily be limited to, (1) various physical site improvements; (2) installation of voice/data infrastructure; (3) the purchase of furniture, fixtures and equipment; and (4) other relocation related expenses.

**EXHIBIT B**  
**TO COOPERATION AGREEMENT**  
**CERTIFICATION OF BASE EARNINGS TAX REVENUE**  
**AND BASE PAYROLL TAX REVENUE**

TO: City of St. Louis, Missouri  
Attention: \_\_\_\_\_

Re: 1831 Chestnut Project Area

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Cooperation Agreement dated \_\_\_\_\_, 2009 (the "Contract") between the City and the Developer. In connection with the Contract, the undersigned hereby states and certifies that:*

1. The Base Payroll Tax Revenue is \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
2. The Base Earnings Tax Revenue is deemed to be \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
3. Supporting documentation of the Base Payroll Tax Revenue is attached.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**THE WELLPOINT COMPANIES, INC.**

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

Name: \_\_\_\_\_

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

**EXHIBIT C**  
**TO COOPERATION AGREEMENT**  
**CERTIFICATION OF PROJECT COSTS**

TO: City of St. Louis, Missouri  
Attention: \_\_\_\_\_

Re: 1831 Chestnut Project Area

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Cooperation Agreement dated \_\_\_\_\_, 2009 (the "Contract") between the City and the Developer. In connection with the Contract, the undersigned hereby states and certifies that:*

1. The Developer has substantially completed the Development Project.
2. In connection with the implementation of the Development Project, the Developer incurred Project Costs in the aggregate amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
3. These Project Costs have been paid by the Developer and are reimbursable under the Contract.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**THE WELLPOINT COMPANIES, INC.**

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

Name: \_\_\_\_\_

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

EXHIBIT D  
TO COOPERATION AGREEMENT

CERTIFICATION OF INCREMENTAL INCREASE

TO: City of St. Louis, Missouri  
Attention: \_\_\_\_\_

Re: 1831 Chestnut Project Area

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Cooperation Agreement dated \_\_\_\_\_, 2009 (the "Contract") between the City and the Developer. In connection with the Contract, the undersigned hereby states and certifies that:*

1. This Certificate is provided with respect to the Semi-Annual Calculation Period commencing on \_\_\_\_\_ 1, 20\_\_ and ending on \_\_\_\_\_, 20\_\_.
2. The Payroll Tax Revenue paid by the Developer and its affiliates during such Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City was \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
3. The Earnings Tax Revenue paid by the Developer and its affiliates during such Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City is deemed to be \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
4. The Incremental Increase with respect to such Semi-Annual Calculation Period was \_\_\_\_\_ Dollars (\$\_\_\_\_\_).
5. Supporting documentation of the Payroll Tax Revenue paid by the Developer and its affiliates during such Semi-Annual Calculation Period attributable to employees of the Developer or its affiliates employed and physically located in the City is attached.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**THE WELLPOINT COMPANIES, INC.**

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

Name: \_\_\_\_\_

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

**Approved: July 27, 2009**

**ORDINANCE #68433  
Board Bill No. 121**

An Ordinance authorizing and directing the Mayor and the Comptroller of the City of St. Louis to enter into and execute a lease option and lease, which is hereto attached and substantially in the same form as Lease Option (Exhibit A) and Lease Agreement (Exhibit B), of City-owned property located at 8400 Alabama and 8402 Alabama for a period of the lesser of ninety-nine (99) years or upon the expiration of Pinnacle's, or its assigns, lease with St. Louis County Port Authority; and containing a severability clause.

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

**SECTION ONE.** The Mayor and the Comptroller of the City of St. Louis are hereby authorized and directed to enter into and execute on behalf of the City the "Lease Option" and "Lease Agreement," attached and substantially in the same form and incorporated by reference as Exhibit A and Exhibit B, between the City and Pinnacle Entertainment, Inc., a Delaware Corporation ("Lessee"), for a period of the lesser of ninety-nine (99) years or upon the expiration of Pinnacle's, or its assigns, lease with St. Louis County Port Authority.

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

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

OPTION TO LEASE

THIS OPTION TO LEASE (the "Option") is entered into by and between PINNACLE ENTERTAINMENT, INC., a Delaware corporation and its affiliates or subsidiaries ("Pinnacle") and 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 (the "City") on \_\_\_\_\_ date.

1. **Option to Lease.** The City hereby grants to Pinnacle an option to lease the unimproved properties known as 8400 and/or 8402 Alabama, City of St. Louis, Missouri more specifically described on Exhibit A attached hereto and incorporated herein by this reference (the "Leased Premises"). This Option is granted in consideration of Ten Dollars (\$10.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

2. **Term of Option.** Pinnacle shall have the right to exercise this Option by giving written notice of such election to the City prior to the expiration of two years from the date that this Option is passed by Ordinance which is the date upon which this Option shall expire. Pinnacle shall exercise this Option by delivering to the City (prior to expiration of the Option Term) a copy of the Lease Agreement (attached hereto as Exhibit B) signed on behalf of Pinnacle. Provided Pinnacle exercises this Option and delivers a signed copy of the Lease Agreement to the City within the Option Term as set forth above, the City shall in turn sign the Lease Agreement within fourteen (14) days thereafter, and deliver a fully executed copy of the Lease Agreement to Pinnacle.

3. **The Lease Agreement.** Upon full execution of the Lease Agreement, such Lease Agreement shall become operative in accordance with its terms. The Leased Premises will be delivered to Pinnacle by the City upon such date when the Lease Agreement is fully signed by both parties and is operative.

4. **Expiration of Option to Lease.** In the event Pinnacle does not exercise this Option within the Option Term set forth above, this Option shall expire and shall have no further force and effect.

5. **Miscellaneous.** The captions of the section of this Option are inserted for convenience only and shall not be used in the interpretation or construction of any provisions of this Option. If any provision of this Option is held invalid or unenforceable, the holdings shall affect only the provisions in question and that provision in other circumstances, and all other provisions of this Option, shall remain in full force and effect. The rule that the terms of an agreement are strictly construed against the drafting party shall have no application to the construction or interpretation of this Option. The interpretation and enforceability of this Option shall be governed by the laws of the State of Missouri. All exhibits and other attachments to this Option are hereby incorporated herein by this reference as though fully set forth herein. Upon execution of the Option to Lease, the Register or designee shall cause a copy of the Option to Lease, with Exhibit A, to be filed in the office of the Recorder of Deeds of the City.

INTENDING TO BE FULLY BOUND, the parties have executed this Option the day and year first above written.

PINNACLE ENTERTAINMENT, INC., a Delaware Corporation

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

STATE OF NEVADA )  
 ) ss  
COUNTY OF CLARK )

On this \_\_\_ day of \_\_\_\_\_, 2009, before me a Notary Public in and for said state, personally appeared \_\_\_\_\_ who acknowledged himself to be the \_\_\_\_\_ of Pinnacle Entertainment, Inc., a Delaware corporation, and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

CITY OF ST. LOUIS, MISSOURI

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Comptroller

Attest:

\_\_\_\_\_  
Register

Approved as to Form:

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

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

On this \_\_\_ day of \_\_\_\_\_, 2009, before me a Notary Public in and for said state, personally appeared Francis Slay who acknowledged himself to be the Mayor of the City of St. Louis and Darlene Green, who acknowledged herself to be the Comptroller of the City of St. Louis and that they, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires:  
\_\_\_\_\_

**EXHIBIT "A"**  
Depiction of the Leased Premises

**EXHIBIT "B"**  
Attach copy of Lease Agreement

**LEASE AGREEMENT**

THIS LEASE AGREEMENT (the "Lease") is made and entered into as of this \_\_\_ day of \_\_\_\_\_, 2009 (the "Effective Date"), by and between 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 ("Lessor"), and Pinnacle Entertainment, Inc., a Delaware Corporation ("Lessee").

**Recitals of Fact**

- A. Lessor is the owner of certain property located in the City of St. Louis, Missouri, known as 8400 and 8402 Alabama more fully described in Exhibit A attached hereto and incorporated herein by reference (the "Premises"); and
- B. Lessor desires to lease to Lessee and Lessee desires to lease from Lessor the Premises for the purpose of constructing and maintaining a sign by Lessee in exchange for the maintenance, as described herein, of the Premises and parcels listed on Exhibit B attached hereto.

**Agreement**

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee agree as follows:

- 1. Effectiveness of Lease. This Lease shall be deemed effective and binding on the parties as of the Effective Date. Subject to the terms and conditions of this Lease, Lessor hereby demises and leases to Lessee, and Lessee hereby leases and takes from Lessor, the Premises, for the Term (as hereinafter defined).
- 2. Lessor's Representations and Warranties. Lessor represents and warrants to Lessee that Lessor is the owner of the Premises as described in Exhibit A and the parcels listed on Exhibit B. Subject to any and all covenants, restrictions, easements, and other matters of record, if any, Lessor has the full right and authority to make this lease and covenants that no part of the parcels described above will be used for signage purposes by anyone other than Lessee.
- 3. Lessee's Property. All leasehold improvements, structures, material and equipment (trade fixtures) placed upon the Premises by Lessee, except for landscaping improvements that are placed upon the Premises and are not immediately around the sign, shall remain Lessee's property and shall be removed by Lessee at Lessee's expense within sixty (60) days after the termination

of the Lease unless public safety necessitates removal within a shorter time period. If Lessee fails to remove the leasehold improvements, structures, materials and equipment as required under this section of the lease within sixty (60) days, Lessor may remove them and Lessee shall be responsible for costs and reasonable attorney fees for such removal.

4. Lessee's Right to Install Utility Lines. Lessor agrees to permit Lessee, at the sole cost and expense of the Lessee, to install utility lines on the Premises to service the signage. Lessee shall assume responsibility for ensuring that any and all utility lines necessary for the signage are maintained in a safe, good working order and secure manner.

5. Term of Lease. The term of this Lease (the "Term") shall commence on the Effective Date herein and shall expire on the earlier of ninety-nine (99) years from the Effective Date or upon the expiration of Pinnacle's, or its successors or assigns, lease with St. Louis County Port Authority for the River City Casino Site.

6. Rent. In consideration of this Lease, Lessee agrees to the following:

a. Lessee shall plant a minimum of fifteen thousand dollars (\$15,000.00) of landscaping improvements on the parcels of land described in Exhibit A and this amount shall include the landscaping improvements that are customary and generally required in connection with the signage.

b. Lessee shall mow the grass and maintain the landscaping improvements on the Premises and the parcels described in Exhibit B a minimum of twice a month from March through October of each year.

c. Lessee shall maintain the Premises and the parcels described in Exhibit B in a safe, clean manner and shall keep the property free from litter and debris. The Premises and parcels described in Exhibit B shall be maintained pursuant to all Ordinances, Code provisions and regulations of the City of St. Louis.

d. If Lessor sells any of the parcels described in Exhibit B, then the parties shall amend the Lease pursuant to the provisions contained in this Lease, to eliminate the obligation to maintain the parcels sold from the requirements of 6(b) and 6(c) of this Lease.

7. Termination of the Lease.

a. Default. In the event that either party is in default under the terms of this Lease, the non-defaulting party shall deliver written notice in accordance with the notice provisions of this Lease to the non-defaulting party. Said party may cure such failure within fourteen (14) days of receipt of such notice. It shall be a default of the Lease, if Lessee is unable to (i) secure or maintain any required permit or license from any appropriate governmental authority; or (ii) federal, state or local statute, ordinance regulation or other governmental action that precludes or materially limits the use of Premises for the proposed use or if either party fails to fulfill any other obligations under the terms of the lease. The defaulting party shall be responsible for any and all expenses, including reasonable attorney fees, associated with enforcing this provision.

b. Removal of Property. Upon termination of the Lease, the parties hereto shall have no further obligations under the Lease, except, that Lessee shall remove all of Lessee's trade fixtures, movable equipment, furnishings and other personal property from the Premises at Lessee's expense, and, upon the request of Lessor, Lessee shall demolish and remove all improvements placed on the Premises by Lessee. Lessee may also remove the landscaping improvements immediately adjacent to the sign for purposes of removing its fixtures and restore that portion of the Premises to its original condition; however, Lessee shall not remove any other landscaping improvements made to the parcels in Exhibit A or Exhibit B.

8. Signage. Pinnacle may only construct one sign for River City Casino and its related businesses on the Premises and such signage shall be subject to the reasonable review and approval of the City of St. Louis and its related agencies. All cost of construction, maintenance and upkeep of the signage shall be the responsibility of Lessee. Lessee shall be responsible for obtaining any necessary permits and/or licenses or clearances from all governmental bodies for signage and for the cost of customary landscaping generally required in connection with the type and scope of the signage. Any signage placed on the Premises must be able to be removed.

9. Notices. All notices, demands, request or other communications ("notices") required or permitted by this Lease shall be in writing and shall be deemed to be received when actually received by any person at the intended address if personally served or if sent by courier or facsimile, whether actually received or not, twenty-four (24) hours after the date and time of delivery to a nationally recognized courier, addressed as follows:

To Lessor: Deputy Mayor for Development  
200 City Hall  
St. Louis, Missouri 63103  
Facsimile: (314) 622-4061

Copies to: City Counselor  
314 City Hall  
St. Louis, Missouri 63103

Facsimile: (314) 622-4956

Comptroller  
212 City Hall  
St. Louis, Missouri 63103  
Facsimile: (314) 622-4026

If to Lessee: 3800 Howard Hughes Parkway  
Suite 1800  
Las Vegas, Nevada 89109  
Attention: John A. Godfrey, General Counsel  
Facsimile: (702) 784-7778

Copies to: Jerry Riffel  
Lathrop & Gage, L.C.  
2345 Grand Blvd., Suite 2800  
Kansas City, MO 64108  
Facsimile: (816) 292-2001

Either party may, in substitution of the foregoing, designate a different address and addresses within the continental United States for purposes of this section by written notice delivered to the other party in the manner prescribed, at least ten (10) days in advance of the date upon which such change of address is to be effective.

10. Successors and Assigns. This Lease shall be binding upon the parties hereto, their employees, contractors, tenants, licensees, agents, invitees, successors and assigns of the parties hereto. Lessor shall not assign its interest under this Lease or any part thereof except to a party who purchases the underlying fee title to the Premises and Lessee shall not assign its interest under this Lease or any part thereof except to a party who purchases title to the subject sign structure and maintains it in accordance with paragraph eight provided, however, this sentence shall not preclude a collateral assignment of Lessor's interest under this Lease to an established financial institution as, and part of, a bona fide loan transaction nor shall it preclude an assignment by Lessor or Lessee to any entity controlled by, or under control of Lessor or Lessee, respectively.

11. Sublease. Lessee shall not sublease this lease to any entity not controlled by, or under control of Lessee.

12. Indemnification. Lessee shall defend, indemnify and hold Lessor harmless from all damages to persons or property by reason of negligent or willful acts of its agents, employees or others by Lessee and on the Premises and parcels described in Exhibit B.

13. Insurance. Lessee agrees that from and after the date of delivery of the Premises from Lessor to Lessee and continuing through the Term, the Lessee shall carry and maintain, at its sole cost and expense, commercial general liability insurance ("CGL Insurance") covering the Premises and Lessee's use thereof against claims for bodily injury or death and property damage upon, in or about the Premises. Such insurance shall have limits of not less than Two Million Dollars (\$2,000,000.00) per occurrence. The insurance coverage required under this Section shall, in addition, extend to any liability of Lessee arising out of the indemnities provided for under this Lease. All policies of CGL Insurance provided for in this Section shall be issued by insurance companies reasonably acceptable to the Lessor and qualified to do business in Missouri. All policies of CGL described in this Section shall name Lessor as an additional insured. Lessee also agrees to carry workers compensation insurance if its employees are used to maintain the Premises and the parcels on Exhibit B. Lessee shall provide Lessor with certificate(s) of such CGL Insurance and, if applicable, Workers' Compensation Insurance, upon execution of this Lease and thereafter within fifteen (15) days prior to the expiration of any policy. Any certificate of insurance required hereunder shall specifically state that coverage as it pertains to Lessor shall be primary for Lessee's negligence regardless of any other coverage which may be available to Lessor for Lessee's negligence or willful misconduct.

14. Amendment to the Lease. The Lessor and Lessee may amend the terms of this lease by mutual written agreement. All Amendments to the Lease shall be signed by all parties and filed with the Register's Office and the Recorder of Deed's Office.

15. Severability. If any provision of this Agreement or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this Agreement and the application of such provision to other parties or circumstances will not be affected thereby, the provisions of this Agreement being severable in any such instance.

16. Miscellaneous. This Lease shall be governed by the laws of the State of Missouri. The captions of the paragraphs of this Lease are inserted for convenience only and shall be used in the interpretation hereof. If any provisions hereof are found unenforceable, the remaining provisions of this Agreement shall remain in full force and effect and shall be enforceable to the extent unaffected.

SIGNATURE PAGES FOLLOW

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year first above written.

ST. LOUIS CITY, MISSOURI

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Comptroller

Attest:

\_\_\_\_\_  
Register

Approved as to Form:

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

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

On this \_\_\_ day of \_\_\_\_\_, 2009, before me a Notary Public in and for said state, personally appeared Francis Slay who acknowledged himself to be the Mayor of the City of St. Louis and Darlene Green, who acknowledged herself to be the Comptroller of the City of St. Louis and that they, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said City.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_  
IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date and year first above written.

PINNACLE ENTERTAINMENT, INC.

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

Attest:

\_\_\_\_\_  
Printed Name: John A. Godfrey  
Title: Executive Vice President, Secretary  
and General Counsel

STATE OF NEVADA     )  
                                  ) ss  
COUNTY OF CLARK    )

On this \_\_\_ day of \_\_\_\_\_, 2009, before me a Notary Public in and for said state, personally appeared Daniel R. Lee who acknowledged himself to be the Chairman and CEO of Pinnacle Entertainment, Inc., a Delaware corporation, and that he, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

\_\_\_\_\_  
Daniel R. Lee  
Chairman and CEO of Pinnacle Entertainment, Inc.

\_\_\_\_\_  
Notary Public

My commission expires:

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EXHIBIT A

8400 Alabama Avenue	32210002450	Vacant Residential Lot
8402 Alabama Avenue	32210002300	Vacant Residential Lot

EXHIBIT B

610-612 Marceau Street	32210000300	Vacant Residential Lot
608 Marceau Street	32210000400	Vacant Residential Lot
602 Marceau Street	32210000500	Vacant Residential Lot
534 Marceau Street	32210000600	Vacant Residential Lot
528 Marceau Street	32210000700	Vacant Residential Lot
516 Marceau Street	32210000800	Vacant Residential Lot
510 Marceau Street	32210000900	Vacant Residential Lot
8415 Virginia	32219991310	Vacant Residential Lot
8417 Virginia	32210001320	Vacant Residential Lot
8419 Virginia	32210001400	Vacant Residential Lot
8423 Virginia	32210001500	Vacant Residential Lot
8427 Virginia	32210001600	Vacant Residential Lot
8431 Virginia	32210001700	Vacant Residential Lot
8501 Virginia	32210001800	Vacant Residential Lot
8505 Virginia	32210001900	Vacant Residential Lot
8509 Virginia	32210002000	Vacant Residential Lot

**Approved: July 27, 2009**