

AN ORDINANCE AUTHORIZING THE EXECUTION OF A REDEVELOPMENT AGREEMENT AND OTHER RELATED ACTIONS IN CONNECTION WITH THE REDEVELOPMENT OF THE CHESTERFIELD GROVE SUB-AREA.

WHEREAS, on May 3, 1993, the City Council of the City of Chesterfield, Missouri, pursuant to Ordinance No. 777, created and empowered the Tax Increment Financing Commission of the City of Chesterfield (the "TIF Commission") to transact business and exercise its powers as authorized by the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri (1994), as amended (the "Act"); and

WHEREAS, upon recommendation of the TIF Commission, the City Council adopted Ordinance Nos. 953, 954, and 955 on October 17, 1994, (1) approving a redevelopment plan titled "Chesterfield Valley Tax Increment Financing District Redevelopment Plan" (the "Redevelopment Plan") pursuant to the Act, (2) designating the Chesterfield Valley area within the City as the Redevelopment Area (as that term is defined in the Redevelopment Plan), and (3) establishing a Special Allocation Fund pursuant to the Act for the payment of redevelopment project costs and obligations incurred in the payment thereof; and

WHEREAS, pursuant to the Act, the Redevelopment Plan approves the payment from certain Tax Increment Financing revenues of certain redevelopment project costs incurred within the Redevelopment Area, including costs associated with 500-year levee improvements, internal storm water drainage systems, sanitary sewers system improvements, water system extensions, I-64/US 40 improvements, local valley road improvements, and planning, legal, and other professional services required to implement the Redevelopment Plan; and

WHEREAS, on June 9, 1997, Old Smoke House Investment Group, L.L.P. (the "Developer") submitted its Application for Tax Increment Financing Assistance for Chesterfield Grove (the "Proposal") to the City proposing redevelopment of a certain area designated by the Proposal (the "Chesterfield Grove Sub-Area"); and

WHEREAS, on July 21, 1997, the City Council adopted a resolution (1) conditionally designating Developer as developer of the Chesterfield Grove Sub-Area pursuant to the Proposal, and (2) approving a certain Preliminary Funding Agreement between the City and the Developer; and

WHEREAS, pursuant to the Act, the City is authorized to enter into a redevelopment agreement with the Developer setting forth the respective rights and obligations of the City and the Developer with regard to the redevelopment of the Chesterfield Grove Sub-Area (the "Redevelopment Agreement"); and

WHEREAS, pursuant to the Act, the City is authorized to issue TIF Obligations (as that term is defined in the Redevelopment Agreement) as evidence of the City's obligation to pay certain Redevelopment Project Costs (as that term is defined in the Redevelopment

Agreement) incurred in furtherance of the Redevelopment Plan and the redevelopment project contemplated by the Redevelopment Plan, and to pledge certain Tax Increment Financing revenues authorized by the Act to be used for the payment of the TIF Obligations; and

WHEREAS, the City Council hereby determines that (1) acceptance of the Proposal as amended by the Redevelopment Agreement, (2) the redevelopment of the Chesterfield Grove Sub-Area pursuant to the Redevelopment Plan, the Concept Site Plan, and this Agreement, and (3) the fulfillment generally of the Redevelopment Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHESTERFIELD, MISSOURI, AS FOLLOWS:

Section 1. The City Council hereby ratifies and confirms its approval of the Redevelopment Plan. The City Council further finds and determines that it is necessary and desirable to enter into an agreement with the Developer in order to implement the redevelopment of the Chesterfield Grove Sub-Area and to enable the Developer to carry out its proposal for development of the Chesterfield Grove Sub-Area.

Section 2. The City Administrator is hereby authorized and directed to execute, on behalf of the City, the Redevelopment Agreement between the City and the Developer, and the City Clerk is hereby authorized and directed to attest to the Redevelopment Agreement and to affix the seal of the City thereto. The Redevelopment Agreement shall be in substantially the form attached hereto as Exhibit A which Redevelopment Agreement is hereby approved by the City Council, with such changes therein as shall be approved by the officers of the City executing the same.

Section 3. The officers, agents and employees of the City are hereby authorized and directed to execute all documents and take such necessary steps as they deem necessary and advisable in order to carry out and perform the purpose of this Ordinance.

Section 4. This Ordinance shall take effect and be in full force from and after its passage of the City Council and approval by the Mayor; provided that the Developer delivers to the City at least two fully executed copies of the Redevelopment Agreement authorized herein on or before October 1, 1997.

PASSED AND APPROVED THIS 15TH DAY OF SEPTEMBER, 1997.

(SEAL)

Attest:

Marsha R. De May
City Clerk

Dwight L. Howard
Mayor

REDEVELOPMENT AGREEMENT

between

THE CITY OF CHESTERFIELD, MISSOURI

and

**OLD SMOKE HOUSE INVESTMENT GROUP, L.L.P.
as Developer**

dated

September __, 1997

TABLE OF CONTENTS

Page

ARTICLE I. DEFINITIONS

1.1 Definitions. -2-

ARTICLE II. DEVELOPER DESIGNATION

2.1 Developer Designation. -5-
2.2 Developer to Advance Costs. -5-

**ARTICLE III. CONSTRUCTION OF
THE CHESTERFIELD GROVE PROJECT; CITY APPROVALS**

3.1 Construction of the Chesterfield Grove Project. -6-
3.2 Construction Contracts. -6-
3.3 Competitive Bids. -6-
3.4 Concept Site Plan. -6-
3.5 Construction Plans. -6-
 3.5.1 Submittal of Construction Plans. -6-
 3.5.2 Conformity With Concept Site Plan and Applicable Law. -7-
 3.5.3 City Review and Approval. -7-
 3.5.4 Changes. -7-
3.6 Zoning Approvals. -8-
3.7 Certification of Substantial Completion. -8-

ARTICLE IV. REIMBURSEMENT OF DEVELOPER COSTS

4.1 City's Obligation to Reimburse Developer. -8-
4.2 Reimbursements for Reimbursable Project Costs Limited to Verified Costs. . . . -8-
4.3 Reimbursements Limited to Reimbursable Project Costs. -8-
4.4 City's Obligations Limited to Chesterfield Grove Account and Bond Proceeds. . . -9-
4.5 Developer's Assignment of TGA Refund. -9-

ARTICLE V. TIF OBLIGATIONS

5.1 Issuance of TIF Notes. -9-
 5.1.1 Tax-Exempt TIF Note. -9-
 5.1.2 Taxable TIF Note. -10-
 5.1.3 Parity of TIF Notes. -10-
 5.1.4 Procedures Applicable to Issuance of TIF Notes -10-
 5.1.5 Holdback from Issuance of TIF Notes -10-
5.2 TIF Bonds. -10-
5.3 Cooperation in the Issuance of TIF Obligations. -10-
5.4 City to Select Underwriter and Financial Advisor; Term and Interest Rate. . . . -11-

**ARTICLE VI. CHESTERFIELD GROVE ACCOUNT;
COLLECTION AND USE OF TIF REVENUES**

6.1	Creation of Chesterfield Grove Account.	-11-
6.2	Application of TIF Revenues.	-11-
6.3	Cooperation in Determining TIF Revenues.	-11-
6.4	Obligation to Report TIF Revenues.	-12-
6.5	Obligation to Report Maximum Sales Tax Revenue as Originating From the Chesterfield Grove Sub-Area.	-12-
6.6	Notice to City of Transfer.	-12-

ARTICLE VII. GENERAL PROVISIONS

7.1	Developer's Right of Termination.	-12-
7.2	City's Right of Termination.	-12-
7.3	Assignment.	-13-
7.4	Remedies.	-13-
7.5	Force Majeure.	-13-
7.6	Notices.	-14-
7.7	Conflict of Interest.	-14-
7.8	Insurance.	-15-
7.9	Inspection.	-15-
7.10	Choice of Law.	-15-
7.11	Entire Agreement; Amendment.	-15-
7.12	Counterparts.	-15-
7.13	Severability.	-16-
7.14	Representatives Not Personally Liable.	-16-
7.15	Actions Contesting the Validity and Enforceability of the Redevelopment Plan.	-16-
7.16	Release and Indemnification.	-16-

ARTICLE VIII. REPRESENTATIONS OF THE PARTIES

8.1	Representations of the City.	-17-
8.2	Representations of the Developer.	-17-

- EXHIBIT A - Legal Description of Property
- EXHIBIT B - Certificate of Commencement of Construction
- EXHIBIT C - Certificate of Substantial Completion
- EXHIBIT D - Certification of Reimbursable Project Costs
- EXHIBIT E - Concept Site Plan
- EXHIBIT F - Proposal
- EXHIBIT G - Public Improvements/Reimbursable Project Costs
- EXHIBIT H - Form of TIF Note
- EXHIBIT I - Settlement Agreement

SCHEDULES

- SCHEDULE 1 - Advances to the City

REDEVELOPMENT AGREEMENT

THIS REDEVELOPMENT AGREEMENT (this "*Agreement*") is made and entered into as of this ____ day of September, 1997 by and between **THE CITY OF CHESTERFIELD, MISSOURI**, an incorporated political subdivision of the State of Missouri with an address of 922 Roosevelt Parkway, Chesterfield, Missouri 63017, and **OLD SMOKE HOUSE INVESTMENT GROUP, L.L.P.**, a Missouri limited liability partnership with an address of 300 Hunter Avenue, Suite 101, St. Louis, Missouri 63124. (All capitalized terms used herein, other than proper nouns, shall have the meanings ascribed to them in **Article I** of this Agreement, except as they may be defined elsewhere in this Agreement.)

RECITALS

A. On May 3, 1993, the City Council, pursuant to Ordinance No. 777, created and empowered the TIF Commission to transact business and exercise its powers as authorized by the TIF Act; and

B. Upon recommendation of the TIF Commission, the City Council adopted Ordinance Nos. 953, 954, and 955 on October 17, 1994, (1) approving the Redevelopment Plan pursuant to the Act, (2) designating the Chesterfield Valley area within the City as the Redevelopment Area (as defined in the Redevelopment Plan), and (3) establishing the Special Allocation Fund for the payment of redevelopment project costs and obligations incurred in the payment thereof; and

C. The Redevelopment Plan approves the payment from TIF Revenues of certain redevelopment project costs incurred within the Redevelopment Area, including costs associated with 500-year levee improvements, internal storm water drainage systems, sanitary sewers system improvements, water system extensions, I-64/US 40 improvements, local valley road improvements, and planning, legal, and other professional services required to implement the Redevelopment Plan; and

D. On June 9, 1997, the Developer submitted its Proposal to the City proposing redevelopment of the Chesterfield Grove Sub-Area; and

E. On July 21, 1997, the City Council adopted a resolution (1) conditionally designating Developer as developer of the Chesterfield Grove Sub-Area pursuant to the Proposal, and (2) approving a certain Preliminary Funding Agreement between the City and the Developer; and

F. On _____, 1997, and after due consideration, the City Council adopted Ordinance No. ____ (1) designating Developer as developer of the Chesterfield Grove Sub-Area pursuant to the Proposal, and (2) approving this Agreement; and

G. Pursuant to provisions of the TIF Act, the City is authorized to enter into this Agreement, to issue TIF Obligations 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 Obligations; and

H. The City Council hereby determines that (1) acceptance of the Proposal, (2) the redevelopment of the Chesterfield Grove Sub-Area pursuant to the Redevelopment Plan, the Concept Site Plan, and this Agreement, and (3) the fulfillment generally of this Agreement are in the best interests of the City and the health, safety, morals and welfare of its residents, and in accord with the public purposes specified in the Redevelopment Plan.

AGREEMENT

In consideration of the above premises and the mutual obligations of the parties hereto, each party hereby agrees as follows:

ARTICLE I. DEFINITIONS

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

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

“Bond Counsel” means Gilmore & Bell, P.C., 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 B, attached hereto and incorporated by reference, delivered by the Developer to the City in accordance with this Agreement and evidencing the Developer’s commencement of construction as provided in Section 5.1.4 hereof.

“Certificate of Substantial Completion” means a document substantially in the form of Exhibit C, attached hereto and incorporated by reference, delivered 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 Work.

“Certification of Reimbursable Project Costs” means a document, substantially in the form of Exhibit D, attached hereto and incorporated by reference, delivered by the Developer to the City in accordance with this Agreement and evidencing Reimbursable Project Costs incurred in furtherance of construction of the Public Improvements.

“Chesterfield Grove Account” means the account established within the Special Allocation Fund by the Note Ordinance, into which shall be deposited certain TIF Revenues generated by the Chesterfield Grove Project within the Chesterfield Grove Sub-Area as provided in Section 6.2 hereof and the Note Ordinance.

“Chesterfield Grove Project” means the project described in the Concept Site Plan, the Proposal and this Agreement, including but not limited to the construction of the Public Improvements and a total of not less than 150,000 s.f. of space for such permitted or conditional uses as may be allowed within a C-3 Commercial zoning district under applicable zoning laws, all within the Chesterfield Grove Sub-Area.

“Chesterfield Grove Sub-Area” means the area designated to be redeveloped as part of the Chesterfield Grove Project and designated in the Proposal as the “Chesterfield Grove Redevelopment Area,” and as further described in **Exhibit A** hereto.

“City” means the City of Chesterfield, St. Louis County, Missouri, a municipal corporation of the State of Missouri.

“City Administrator” means the City Administrator or acting City Administrator of the City or his/her duly authorized designee.

“City Council” means the City Council of the City of Chesterfield, Missouri.

“Concept Site Plan” means a preliminary plan sheet, attached to this Agreement as **Exhibit E** and incorporated by reference herein, depicting the conceptual program for the improvements to be constructed for the Chesterfield Grove Project in accordance with the Redevelopment Plan, the Proposal, and this Agreement.

“Construction Inspector” means the City Engineer or a qualified civil engineering firm or licensed engineer or architect to be retained by the City from time to time.

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

“Developer” means Old Smoke House Investment Group, L.L.P., or its permitted successors or assigns in interest.

“Fiscal Agent” means the City Finance Director or other qualified individual or entity to be retained by the City from time to time to carry out the duties of the Fiscal Agent as provided in this Agreement and the Note Ordinance.

“Issuance Costs” means the fees and expenses of the City’s financial advisors and attorneys (including special TIF counsel and Bond Counsel), the City’s administrative fees (including the fees of planning consultants and Construction Inspectors), the costs of printing the TIF Obligations and any official statement relating thereto, the fees and expenses of the Fiscal Agent, the costs of credit enhancement, if any, and the fees of any rating agency rating the TIF Obligations, all incurred in furtherance of the issuance of TIF Obligations.

“Note Ordinance” means an ordinance and all other subsequent ordinances to be adopted by the City Council that are necessary to authorize the TIF Obligations and any trust indenture relating thereto, and all related ordinances, resolutions and proceedings.

“Phase I Work” means that portion of the Work comprising all Public Improvements and at least 34,000 s.f. of commercial space as described in **Section 3.5.1** hereof.

“Project Fund” means the project fund created in the Note Ordinance.

"Property" means the Chesterfield Grove Sub-Area, including all separate parcels of property comprising the same, which in the aggregate constitute approximately 26.8 acres as set forth in **Exhibit A**.

"Proposal" means the document, attached hereto as **Exhibit F** and incorporated herein by reference, titled "Application for Tax Increment Financing Assistance for Chesterfield Grove" submitted by the Developer to the City, which proposes the Chesterfield Grove Project and depicts the improvements to be constructed in furtherance of the redevelopment of the Chesterfield Grove Sub-Area, as amended by and subject to the provisions of the Redevelopment Plan, the Concept Site Plan and this Agreement.

"Public Improvements" means that portion of the Work set forth and described in **Exhibit G**, incorporated by reference herein.

"Redevelopment Area" shall have the meaning set forth in the Redevelopment Plan.

"Redevelopment Plan" means a plan titled "Chesterfield Valley Tax Increment Financing District Redevelopment Plan" as approved by the City Council on October 17, 1994 pursuant to Ordinance No. 953, and as may be amended from time to time in accordance with the TIF Act.

"Redevelopment Project" means the redevelopment project described in the Redevelopment Plan.

"Redevelopment Project Costs" means all reasonable or necessary costs actually incurred in performing the Work and any such costs incidental to the Redevelopment Plan or the Redevelopment Project. Such costs may include, but are not limited to, the following: (a) costs of all due diligence permitted hereunder, including studies, surveys, plans, reports, tests and specifications; (b) professional service costs, including, but not limited to, architectural, engineering, legal, marketing, financial, planning or special services; (c) acquisition costs; (d) costs of demolition of buildings, and the clearing and grading of land; (e) costs of rehabilitation, reconstruction, or repair or remodeling of existing buildings and fixtures; (f) costs of construction of public works or improvements; (g) Issuance Costs; (h) all or a portion of a taxing district's capital costs resulting from the Redevelopment Project necessarily incurred or to be incurred in furtherance of the objectives of the Redevelopment Plan and the Redevelopment Project, to the extent the City by written agreement accepts and approves such costs; and (i) payments in lieu of taxes.

"Reimbursable Project Costs" means only those costs associated with the Public Improvements that are reimbursable under **Article IV** hereof, which shall not exceed the aggregate sum set forth in **Exhibit G**, incorporated herein by reference.

"Special Allocation Fund" means the Chesterfield Valley Special Allocation Fund created by Ordinance No. 954, adopted by the City Council on October 17, 1994.

"TGA Refund" has the meaning given such phrase in **Section 4.5** hereof.

"TIF Act" means the Real Property Tax Increment Allocation Redevelopment Act, Sections 99.800 to 99.865, Revised Statutes of Missouri (1994), as amended.

"TIF Bonds" mean Tax Increment Finance Revenue Bonds authorized by a bond ordinance and issued by the City in accordance with the TIF Act and this Agreement.

"TIF Commission" means the Tax Increment Financing Commission of the City of Chesterfield, Missouri.

"TIF Notes" means notes issued by the City pursuant to and subject to this Agreement and the Note Ordinance in substantially the same form as set forth in **Exhibit H**, attached hereto and incorporated herein by reference, to evidence the City's limited obligation to repay Reimbursable Project Costs incurred by the Developer and others on behalf of the City in accordance with this Agreement and the TIF Act.

"TIF Obligations" means TIF Bonds, TIF Notes, or other obligations, singly or in series, issued by the City pursuant to the TIF Act and in accordance with this Agreement and such authorizing ordinance as the City may adopt.

"TIF Revenues" means: (a) payments in lieu of taxes attributable to the increase in the current equalized assessed valuation of each taxable lot, block, tract, or parcel of real property in the Chesterfield Grove Sub-Area over and above the initial equalized assessed value (as that term is used and described in Section 99.845.1 of the TIF Act) of each such unit of property, as paid to the City's Treasurer by the St. Louis County Collector of Revenue during the term of the Redevelopment Plan and the Redevelopment Project; and (b) fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or any other taxing district (as that term is defined in Section 99.805(12) of the TIF Act) and which are generated by economic activities within the Chesterfield Grove Sub-Area over the amount of such taxes generated by economic activities within the Chesterfield Grove Sub-Area in the calendar year ending December 31, 1996 (subject to annual appropriation by the City as provided in the TIF Act), but excluding therefrom any taxes imposed on sales or charges for sleeping rooms paid by transient guests of hotels and motels, licenses, fees or special assessments and personal property taxes, other than payments in lieu of taxes.

"Work" means all work necessary to implement and construct the Chesterfield Grove Project within the Chesterfield Grove Sub-Area according to the Concept Site Plan, the Proposal, this Agreement and the Redevelopment Plan.

"Zoning Approvals" means all plat approvals, re-zoning or other zoning changes, site plan approvals, conditional use permits, or other subdivision, zoning, or similar approvals required for the implementation of the Chesterfield Grove Project and consistent with the Redevelopment Plan, the Concept Site Plan, the Proposal, and this Agreement.

ARTICLE II. DEVELOPER DESIGNATION

2.1 Developer Designation. The City hereby selects the Developer to perform the Work in accordance with the Concept Site Plan, the Redevelopment Plan, the Proposal, and this Agreement.

2.2 Developer to Advance Costs. The Developer agrees to advance all Redevelopment Project Costs as necessary to complete the Work, all subject to the Developer's right to abandon the Chesterfield Grove Project and terminate this Agreement as set forth in **Section 7.1** of this Agreement. Additionally, (i) within five (5) days of the date of this Agreement the Developer shall advance to the City the total sum of Sixty-Nine Thousand Five Hundred Dollars (\$69,500), less sums previously advanced to the City under that certain Preliminary Funding Agreement between the City and the Developer, which sum shall be advanced in accordance with **Schedule 1** attached hereto, and (ii) from the date of this Agreement until such time as the TIF Notes are paid in full, the Developer shall advance to the City such other sums as are necessary to reimburse the City for such

administrative and professional costs and other Redevelopment Project Costs not otherwise reimbursed from the Special Allocation Fund pursuant to the Note Ordinance, as such costs are incurred by the City in furtherance of the Chesterfield Grove Project. Any amounts advanced to the City by the Developer shall be eligible for reimbursement exclusively from the proceeds of TIF Obligations issued subject to Article IV and Article V of this Agreement.

ARTICLE III. CONSTRUCTION OF THE CHESTERFIELD GROVE PROJECT; CITY APPROVALS

3.1 Construction of the Chesterfield Grove Project. Within one hundred twenty (120) days of the date of this Agreement, the Developer shall initiate performance of the Work, and, subject to Sections 7.2 and 7.5 hereof, shall complete or cause the completion of not less than 60,000 s.f. of the commercial space contemplated by the Concept Site Plan by December 31, 1998, and shall complete or cause completion of all of the Work within forty-eight (48) months from the date of this Agreement.

3.2 Construction Contracts. The Developer may enter into one or more construction contracts to complete the Work. Prior to execution of any construction contract, the Developer shall provide satisfactory documentation to the City evidencing that any recourse of any such contractor against the City is limited to: (i) the Chesterfield Grove Account in such amount as may be lawfully due such contractor for labor or materials used in the construction of Public Improvements, provided that in no event shall such amount exceed the amount of Reimbursable Project Costs due the Developer pursuant to the terms of this Agreement; or (ii) any mechanic's lien rights such contractor may have against the Property. Prior to the commencement of construction of the Work, the Developer shall obtain or shall ensure that any such contractor obtain workers' compensation, comprehensive public liability and builder's risk insurance coverage in amounts customary in the industry for similar type projects and as provided in Section 7.8 hereof. Prior to commencement of construction of the Work, the Developer shall deliver to the City evidence of all insurance to be maintained by such contractor as required by this Section. Developer shall ensure that the insurance required is maintained by any such contractor for the duration of the Work.

3.3 Competitive Bids. In accordance with applicable law and prior to execution of any contract with sub-contractors for constructing or installing any Public Improvements, the Developer shall, to the extent required by City ordinance or other applicable law, obtain competitive bids for the construction or installation of such Public Improvements, and shall provide documentation satisfactory to the Construction Inspector evidencing such competitive bids. The Developer may select such general contractor as it deems fit without the necessity of obtaining a competitive bid; provided that such general contractor's total fee for general conditions, overhead and profit in constructing or installing Public Improvements shall not exceed 10% of the aggregate contract price to be paid to all sub-contractors for constructing or installing Public Improvements.

3.4 Concept Site Plan. The Concept Site Plan is hereby approved.

3.5 Construction Plans. The Developer shall not commence construction of any Work without obtaining the approval of the Construction Inspector of Construction Plans relating to such Work as provided in this Section 3.5.

3.5.1 Submittal of Construction Plans. Within forty-five (45) days following the execution of this Agreement, the Developer shall submit for approval by the Construction Inspector Construction Plans for construction of that portion of the Phase I Work consisting of all Public

Improvements and at least 34,000 s.f. of commercial space. Prior to the commencement of construction of any additional Work, the Developer shall submit for approval by the Construction Inspector Construction Plans for construction of such Work.

3.5.2 Conformity With Concept Site Plan and Applicable Law. All Construction Plans shall be in sufficient completeness and detail to show that construction will be in substantial conformance with the Concept Site Plan and in accordance with the Proposal, the Redevelopment Plan and this Agreement. Construction Plans shall be deemed in "substantial conformance" with the Concept Site Plan with regard to the use, location, and aggregate area of commercial structures shown therein if such Construction Plans show construction of commercial space, which when combined with the commercial space shown or to be shown on all other Construction Plans, comprises an aggregate area of not less than 150,000 s.f., and the Construction Inspector shall not reject such Construction Plans merely because they show a use, location, or area of individual structures other than as depicted in the Concept Site Plan; provided that this sentence shall not be deemed to exempt the Developer from obtaining any required Zoning Approvals with regard to use, area and location of structures. The Construction Inspector may condition approval of Public Improvements on the satisfaction of conditions of other governmental agencies. Construction Plans shall be prepared by a professional engineer or architect licensed to practice in the State of Missouri. 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.

3.5.3 City Review and Approval. The Construction Inspector shall approve or reject in writing the Construction Plans according to the standards set forth in Section 3.5.2 hereof within twenty-eight (28) days after submittal by the Developer to the City; otherwise, the Construction Plans shall be deemed approved. If the Construction Inspector rejects the Construction Plans, said rejection shall specify any and all deficiencies in the Construction Plans relating to lack of conformity with the Concept Site Plan, the Proposal, the Redevelopment Plan or this Agreement and with applicable City codes, ordinances and regulations; provided that the Construction Inspector's failure to specify deficiencies in the Construction Plans relating to the City codes, ordinances and regulations shall not relieve the Developer of its obligations to perform the Work in accordance therewith. Within thirty (30) days after the date the Developer receives written notice of the Construction Inspector's rejection of the Construction Plans referred to in the latest such notice, the Developer shall submit new or corrected Construction Plans. The provisions of this Section relating to approval, rejection and resubmittal of the Construction Plans shall continue to apply to resubmittal of corrected Construction Plans until the Construction Plans have been approved by the Construction Inspector. Said approval shall not be unreasonably withheld or delayed by the Construction Inspector. The Developer shall ensure that all construction work by the Developer or its agents or independent contractors shall be in substantial conformity with the Construction Plans as finally approved by the Construction Inspector.

3.5.4 Changes. During the progress of the Work the Developer may make such reasonable changes, including, without limitation, modification of the construction schedule, including dates of commencement and completion within the limitations otherwise set forth in this Agreement, modification of the areas in which the Work is to be performed, relocation, expansion or deletion of items, and such other changes as site conditions or orderly development may dictate or as may be required to meet any reasonable requests of prospective tenants or purchasers of any portion of the Property, or as may be necessary or desirable to enhance the economic viability of the Chesterfield Grove Project; provided that any such changes shall be in accordance with the general objectives of, and shall be in substantial conformity with, the Work and the Chesterfield Grove Project as provided in the Concept Site Plan, the Redevelopment Plan, the Proposal and this Agreement. No change shall

become effective or be deemed authorized until the Developer has provided written notification of such change to the Construction Inspector and the Construction Inspector has consented in writing to such change, which consent shall not be unreasonably delayed and shall be granted or denied according to the standards set forth in **Section 3.5.2** hereof. Failure of the Construction Inspector to object to any change within ten (10) business days following receipt of such written notification shall be deemed a consent to such change by the Construction Inspector.

3.6 Zoning Approvals. The City agrees to cooperate with the Developer and to expeditiously process and timely consider all applications for Zoning Approvals as received, all in accordance with the applicable City ordinances and laws of the State of Missouri, and to take all further actions on Zoning Approvals (after processing in accordance with applicable laws and ordinances) as are consistent with the Concept Site Plan, the Redevelopment Plan, the Proposal and this Agreement.

3.7 Certification of Substantial Completion. Promptly after substantial completion of the Work in accordance with the provisions of this Agreement, the Developer will furnish to the Construction Inspector a Certificate of Substantial Completion so certifying. Certification by the Developer and acceptance by the Construction Inspector shall be a conclusive determination of the satisfaction of the Developer's agreements and covenants to perform the Work. The Certificate of Substantial Completion shall be recorded in the office of the St. Louis County Recorder. If the Construction Inspector shall refuse or fail to accept such Certification, the City shall, within fifteen (15) days after written request by the Developer, provide to the Developer a written statement stating in adequate detail in what respects the Developer has failed to complete the Work in reasonable accordance with the Redevelopment Plan, the Concept Site Plan, the Proposal and/or this Agreement, or is otherwise in default, and what reasonable measures or acts the Developer must take or perform, in the opinion of the Construction Inspector, to obtain such acceptance.

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 issue TIF Notes to be sold to the Developer to evidence the City's obligation to reimburse Developer for verified Reimbursable Project Costs not to exceed the maximum aggregate amount set forth in **Exhibit G** hereto which are actually incurred by the Developer in the implementation of the Chesterfield Grove Project and in the construction of the Work.

4.2 Reimbursements for Reimbursable Project Costs Limited to Verified Costs. Nothing in this Agreement shall obligate the City to issue TIF Obligations or to reimburse the Developer for any portion of the Reimbursable Project Costs unless the Developer shall first provide to the City: (a) itemized invoices, receipts or other information evidencing such costs in accordance with unit costs provided in **Exhibit G**; and (b) a Certification of Reimbursable Project Costs signed by the Construction Inspector, such signature constituting certification that to the Construction Inspector's satisfaction, which shall not be unreasonably withheld, such costs were actually incurred and qualify as Reimbursable Project Costs under this Agreement.

4.3 Reimbursements Limited to Reimbursable Project Costs. Nothing in this Agreement shall obligate the City to issue TIF Obligations or to reimburse the Developer for any cost that is not incurred in accordance with the Redevelopment Plan and pursuant to Section 99.820.1 of the TIF Act, and that does not qualify as a "redevelopment project cost" under Section 99.805(11) of the TIF Act, and in addition to the Developer's obligations under **Section 4.2** hereof, the Developer

shall, at the City's request, provide itemized invoices, receipts or other information, if any, requested by the City to confirm that any such cost is so incurred and does so qualify.

4.4 City's Obligations Limited to Chesterfield Grove Account and Bond Proceeds.

Notwithstanding any other term or provision of this Agreement, the principal of and interest on the TIF Notes shall be repayable to the Developer for verified Reimbursable Project Costs only from the Chesterfield Grove Account and from Bond Proceeds and from no other source.

4.5 Developer's Assignment of TGA Refund. Pursuant to paragraph (9) of that certain Settlement Agreement dated May 5, 1997, by and among St. Louis County, Missouri, the Developer and others, which is attached hereto as **Exhibit I** and incorporated by reference herein, the Developer is entitled to a refund from the Chesterfield Valley Traffic Generation Assessment Road Trust Fund upon the occurrence of certain events described in said Settlement Agreement ("TGA Refund"). In consideration for the Developer's entitlement hereunder to Reimbursable Project Costs relating to the Baxter Road extension improvements, Developer hereby assigns all of its right, title, and interest in (i) the TGA Refund, and (ii) any other reimbursement in any form offered or provided to the Developer by St. Louis County in connection with the Baxter Road extension improvements, to the City for deposit by the City into the Special Allocation Fund. Contemporaneously with the execution of this Agreement, Developer shall provide to the City evidence that the Developer has given St. Louis County written notice of the foregoing assignment of the TGA Refund and any other such reimbursement or credit. Furthermore, the Developer shall take all necessary steps to insure City's realization of the TGA Refund for all costs expended in connection with Baxter Road improvements whether or not said costs are Reimbursable Project Costs. In the event that the Developer receives a credit from St. Louis County, in any form other than as provided in **Section 4.5(i)** or **(ii)** above, for sums expended or costs incurred by the Developer in connection with the Baxter Road extension improvements, the amount of Reimbursable Project Costs due the Developer for the Baxter Road extension improvements under this Agreement shall be reduced by the amount of such credit.

ARTICLE V. TIF OBLIGATIONS

5.1 Issuance of TIF Notes. The City shall utilize its powers under the TIF Act and under such other authority provided pursuant to Missouri law to issue two TIF Notes, each in a form substantially similar to **Exhibit H** hereto, in a maximum aggregate principal amount not to exceed One Million Six Hundred Twenty-Six Thousand Dollars (\$1,626,000). Each of the TIF Notes shall be issued for a term to expire on October 17, 2017. Principal payments on each of the TIF Notes shall be paid as provided in the Note Ordinance beginning on the fifteenth day of the month of February after which incremental revenues generated within the Chesterfield Grove Sub-Area have first been deposited in the Special Allocation Fund, and every February 15th thereafter until paid in full; provided that the City may, at its sole option, redeem or partially redeem either or both TIF Notes in such amounts as it deems desirable on any such payment date or as otherwise provided in the Note Ordinance. Interest on each of the TIF Notes shall be paid as provided in the Note Ordinance. Each TIF Note shall bear interest at the rates set forth in **Section 5.1.1** and **Section 5.1.2** hereof, provided that such rates shall not exceed the lowest interest rate paid by the Developer to any lender who finances construction of any portion of the Work. No TIF Note shall be issued in an initial principal amount of less than Fifty Thousand Dollars (\$50,000), and the aggregate principal amount of the TIF Notes shall not exceed the total of all Reimbursable Project Costs as set forth in **Exhibit G** hereto.

5.1.1 Tax-Exempt TIF Note. One TIF Note shall bear interest at a rate not to exceed Seven Percent (7%) per annum, and the interest on such TIF Note shall be excludable from

the gross income of the owners thereof for purposes of federal income tax ("Tax-Exempt TIF Note"). The Tax-Exempt TIF Note shall be issued with respect to those Reimbursable Project Costs identified in an opinion letter to be issued by Bond Counsel as reimbursable from the proceeds of the Tax-Exempt TIF Note.

5.1.2 Taxable TIF Note. The other TIF Note shall bear interest at a rate not to exceed Nine Percent (9%) per annum, and the interest on such other TIF Note shall be includable in the gross income of the owners thereof for purposes of federal income tax ("Taxable TIF Note"). The Taxable TIF Note shall be issued to reimburse the Developer for those Reimbursable Project Costs not reimbursed by the Tax-Exempt TIF Note.

5.1.3 Parity of TIF Notes. The Tax-Exempt TIF Note and the Taxable TIF Note shall be on a parity with one another with respect to available funds in the Chesterfield Grove Account.

5.1.4 Procedures Applicable to Issuance of TIF Notes. No TIF Note shall be issued until such time as the Developer shall submit to the City: (a) its Certificate of Commencement of Construction evidencing that construction has begun on a structure or structures contemplated by the Concept Site Plan, which when complete shall constitute at least 34,000 s.f. of commercial space; and (b) a Certification of Reimbursable Project Costs in substantially the same form as Exhibit D attached hereto. The initial principal amount of the Tax-Exempt TIF Note or the Taxable TIF Note shall exceed the sum of Fifty Thousand Dollars (\$50,000) but shall not be not less than the total Issuance Costs theretofore paid by the Developer. Subject to the limitations of Article IV hereof, additional advances for the reimbursement of additional Reimbursable Project Costs incurred in conjunction with the Public Improvements ("*Construction Advances*") shall be issued and endorsed by the City on the Taxable TIF Note or the Tax-Exempt TIF Note, as the case may be, within ten (10) days of acceptance by the City of a Certification of Reimbursable Project Costs evidencing such additional costs; provided that each Construction Advance shall be issued (i) in an amount not less than Fifty Thousand Dollars (\$50,000), and (ii) no more than once every calendar month, commencing on the 15th day following the date on which the City is first obligated hereunder to issue the Taxable TIF Note or the Tax-Exempt TIF Note, as the case may be, and then on the same day of every month thereafter, as may be applicable, until all such Construction Advances have been advanced. Notwithstanding anything contained in this Agreement to the contrary, upon the acceptance by the City of a Certification of Reimbursable Project Costs and the issuance by the City of endorsements to the TIF Notes as provided in this Section 5.1.4, the Developer shall be deemed to have advanced funds necessary to purchase such TIF Notes and the City shall be deemed to have deposited such funds in the Project Fund and shall be deemed to have reimbursed the Developer in full for such costs from the amounts deemed to be on deposit in the Project Fund.

5.1.5 Holdback from Issuance of TIF Notes. The City shall be entitled to withhold issuance of the TIF Notes in an amount equal to ten percent (10%) of the maximum principal amount of each TIF Note allowable under this Agreement until such time as the Work has been completed and accepted by the Construction Inspector as provided in Article III hereof. Upon completion and acceptance by the Construction Inspector of the Work, the amount of this holdback shall be reimbursed to the Developer by issuance of the TIF Note in accordance with the terms otherwise set forth in this Agreement.

5.2 TIF Bonds. The City may, in its sole discretion, issue TIF Bonds or other TIF Obligations in an amount sufficient to refund all or any portion of outstanding TIF Notes.

5.3 Cooperation in the Issuance of TIF Obligations. The Developer covenants to cooperate and take all reasonable actions necessary to assist the City and its Bond Counsel, underwriters and financial advisors in the disclosure and preparation of offering statements, private placement memorandum and all other documents necessary to market and sell the TIF Obligations. So long as any TIF Obligation is outstanding, but in no event more than twenty-three (23) years from the adoption by the City of the ordinance approving the Redevelopment Project within the Redevelopment Area, the Developer shall cause such obligation to cooperate in the issuance of TIF Obligations to be a covenant running with the land and shall be enforceable as if any subsequent purchaser, lessee or transferee or possessor of any portion of the Property were originally a party to and bound by this Agreement.

5.4 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. Subject to Section 5.2 hereof, the City agrees to issue the TIF Bonds in the maximum principal amount which the underwriter, the City and Bond Counsel have reasonably determined is the maximum amount that can be amortized by the use of the TIF Revenues pledged to and secured by the Chesterfield Grove Account over a term not to exceed twenty-three (23) years from the adoption by the City of the ordinance approving the Redevelopment Project within the Redevelopment Area, and at such legal interest rate or rates and containing such terms as can reasonably be achieved in the public or private market under fiscally sound public financing principles.

ARTICLE VI. CHESTERFIELD GROVE ACCOUNT; COLLECTION AND USE OF TIF REVENUES

6.1 Creation of Chesterfield Grove Account. The City agrees to cause its Finance Director or other financial officer to maintain within the Special Allocation Fund the Chesterfield Grove Account for the deposit of such TIF Revenues as are required to be deposited therein under Section 6.2 hereof and the Note Ordinance.

6.2 Application of TIF Revenues. Subject to the provisions of Section 7.2 hereof, the City hereby agrees for the term of this Agreement to apply and deposit into the Chesterfield Grove Account such TIF Revenues and any taxes, fees or assessments subsequently enacted and imposed in substitution therefor and allocable to the Chesterfield Grove Account under the TIF Act, as from time to time amended, or under successor statutes, as are necessary to satisfy the City's obligation to repay the TIF Notes as provided in the Note Ordinance; provided that the City shall at no time be obligated to apply and deposit into the Chesterfield Grove Account such TIF Revenues and any such taxes, fees or assessments in excess of the amount necessary to maintain the balance of the Chesterfield Grove Account at an amount equal to (i) the sum of the payments next due on the Tax-Exempt TIF Note and the Taxable TIF Note plus (ii) an amount equal to ten percent (10%) of the sum of the outstanding principal amounts of the Tax-Exempt TIF Note and the Taxable TIF Note.

6.3 Cooperation in Determining TIF Revenues. The City and the Developer agree to cooperate and take all reasonable actions necessary to cause the TIF Revenues to be paid into the Special Allocation Fund as provided in this Article, including the City's enforcement and collection of all such payments through all reasonable and ordinary legal means of enforcement. To assist the City in calculating TIF Revenues, the Developer shall use all reasonable efforts to supply or cause to be promptly supplied to the City, copies of the following:

- (i) State sales tax returns filed with the Missouri Department of Revenue promptly after filing by “sellers” (as that term is defined in Section 144.010(9), RSMo, as amended) located on the Property following completion of the Work; and
- (ii) Monthly invoices received for utility services provided to the Property, including but not limited to electric, natural gas and telephone services.

6.4 Obligation to Report TIF Revenues. Any purchaser or transferee of property, and any lessee or other user of property within the Chesterfield Grove Sub-Area required to pay TIF Revenues shall furnish to the City such documentation as is required in Section 6.3 hereof. So long as any TIF Obligation is outstanding but in no event more than twenty-three (23) years from the adoption by the City of the ordinance approving the Redevelopment Project within the Redevelopment Area, the Developer shall cause such obligation to be a covenant running with the land and shall be enforceable as if such purchaser, lessee or other transferee or possessor thereof were originally a party to and bound by this Agreement.

6.5 Obligation to Report Maximum Sales Tax Revenue as Originating From the Chesterfield Grove Sub-Area. To the fullest extent permitted by law, the Developer shall use all reasonable efforts to cause any purchaser or transferee of the Property and any lessee or user of the Property to designate sales subject to sales taxes pursuant to Chapter 144, RSMo, as amended, to be reported as originating from the Chesterfield Grove Sub-Area. So long as any TIF Obligation is outstanding but in no event more than twenty-three (23) years from the adoption by the City of the ordinance approving the Redevelopment Project within the Redevelopment Area, the Developer shall cause such obligation to be a covenant running with the land and shall be enforceable as if such purchaser, lessee or other transferee or possessor of any portion of the Property were originally a party to and bound by this Agreement.

6.6 Notice to City of Transfer. The Developer shall notify the City in writing of any sale or other disposition of any or all of the real property in the Chesterfield Grove Sub-Area within ten (10) days of the date of said sale or other disposition. Said notice shall specify the name and address of the person so acquiring any or all of the real property in the Chesterfield Grove Sub-Area and shall identify the real property sold or transferred, whether by voluntary transfer or otherwise.

ARTICLE VII. GENERAL PROVISIONS

7.1 Developer’s Right of Termination. At any time prior to the issuance of the Certificate of Substantial Completion, the Developer may, by giving written notice to the City and Fiscal Agent and after surrender to the Fiscal Agent of all outstanding TIF Notes by Developer for cancellation in accordance with this Agreement and the Note Ordinance, abandon the Chesterfield Grove Project and terminate this Agreement and the Developer’s obligations hereunder, if the Developer, in the Developer’s sole discretion, determines that the Chesterfield Grove 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, and any TIF Notes issued pursuant to this Agreement shall be deemed cancelled.

7.2 City’s Right of Termination. Subject to Section 7.5 hereof, the Developer’s failure to substantially complete the Work within forty-eight (48) months of the date of this Agreement shall constitute a default by the Developer hereunder. Upon failure of Developer to cure such default

pursuant to **Section 7.4** hereof within sixty (60) days of receipt from the City of written notice of such default, the City may terminate this Agreement. Upon such termination, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or for Reimbursable Project Costs or Redevelopment Project Costs incurred or paid by Developer, and any TIF Notes issued pursuant to this Agreement shall be deemed cancelled.

7.3 Assignment. The rights, duties and obligations of this Agreement shall be assignable subject to prior written approval of the other party, which approval shall not be unreasonably withheld or delayed; provided that the City Administrator shall approve an assignment by Developer upon a reasonable demonstration of a proposed assignee's experience and financial capability to undertake and complete the Chesterfield Grove Project and the Work in accordance with the Concept Site Plan, the Redevelopment Plan, the Proposal, and this Agreement. Nothing in this **Section 7.3** shall be construed to prohibit or otherwise limit the Developer from selling lots within the Chesterfield Grove Sub-Area.

7.4 Remedies. Except as otherwise provided in this Agreement and subject to Developer's right of termination, in the event of any default in or breach of any term or condition of this Agreement by either party or any permitted successor or assign, the defaulting or breaching party shall, upon written notice from the other party, proceed immediately to cure or remedy such default or breach, and, shall, in any event, within thirty (30) days after receipt of such notice, commence to cure or remedy such default. In case such cure or remedy is not taken or not diligently pursued, or the default or breach is not cured or remedied within a reasonable time, 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 but not limited to 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, including without limitation: damage or destruction by fire or casualty; condemnation; strike; lockout; civil disorder; war; restrictive government regulations; issuance of any permits and/or legal authorization by a governmental entity (other than the City) necessary for the Developer to proceed with construction of the Work or any portion thereof including, but not limited to, the failure to obtain by March 1, 1998, through no fault of Developer, appropriate governmental approvals, consents, authorities and permits necessary for the Developer to 1) construct and complete the Baxter Road Extension, 2) reopen Chesterfield Airport Road to the terminus of Baxter Road Extension, 3) temporarily close Chesterfield Airport Road (as indicated in the Concept Site Plan) pursuant to a Special Use Permit or similar procedure, and 4) construct the slip ramp from extended Chesterfield Airport Road to eastbound Interstate 64/U.S. Highway 40; shortage or delay in shipment of material or fuel; acts of God; unusually adverse weather or wet soil conditions; a five percent (5%) decline, in the aggregate, over a four (4) consecutive calendar quarter period, in the Midwest Rent Per Square Foot Average for either the Suburban Office or Retail Category as published in the "Market Monitor" National Real Estate Index by KOLL or any comparable Index if said Index is no longer published; or other causes beyond the parties' reasonable control, including but not limited to, any court order or judgment resulting from any litigation affecting the validity of the Redevelopment Plan, the Redevelopment Project, this Agreement or the TIF Obligations. Notwithstanding the foregoing provisions of this **Section 7.5**, if for any reason the Work is not completed within seventy-two (72) months after the date of this Agreement, the Developer shall be in default hereunder, and the City may terminate this Agreement. Upon such termination, the City shall have no obligation to reimburse the Developer for any amounts advanced under this Agreement or for Reimbursable Project Costs or

Redevelopment Project Costs incurred or paid by Developer and any TIF Notes issued pursuant to this Agreement shall be deemed cancelled.

7.6 Notices. Any notice, demand, or other communication required by this Agreement to be given by either party hereto to the other shall be in writing and shall be sufficiently given or delivered if dispatched by certified United States first class mail, postage prepaid, or delivered personally,

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

Old Smoke House Investment Group, L.L.P.
300 Hunter Avenue, Suite 101
St. Louis, Missouri 63124
Attention: Fairfax P. Pollnow

With a copy to:

Michael J. Doster, Esq.
Doster, Robinson, James, Hutchison & Ullom P.C.
16476 Chesterfield Airport Road
Chesterfield, Missouri 63017

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

The City of Chesterfield
922 Roosevelt Parkway
Chesterfield, Missouri 63017
Attention: City Administrator

With copies to:

James E. Mello, Esq.
Armstrong, Teasdale, Schlafly & Davis
One Metropolitan Square, Suite 2600
St. Louis, Missouri 63102-2740

and

Douglas R. Beach, Esq.
Beach, Burcke, Helfers & Mittleman
222 South Central, Suite 900
Clayton, Missouri 63105

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

7.7 Conflict of Interest. No member of the City Council 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 Chesterfield Grove Sub-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 City Council the nature of such interest and seek a determination by the City Council 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 Insurance. The Developer shall cause there to be insurance as hereinafter set forth at all times during the process of constructing the Work and, from time to time at the request of the City, furnish the City with proof of payment of premiums on;

- (i) Builder's risk insurance, written on the so called "Builder's Risk — Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Work at the date of completion, and with coverage available in non-reporting form on the so called "all risk" form of policy. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;
- (ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an owner's contractor's policy, with limits against bodily injury and property damage of not less than One Million Dollars (\$1,000,000) for each occurrence (to accomplish the above required limits, an umbrella excess liability policy may be used); and
- (iii) Workers' compensation insurance, with statutorily required coverage.

The policies of insurance required pursuant to clauses (i) and (ii) above shall be in form and content satisfactory to the City and shall be placed with financially sound and reputable insurers licensed to transact business in the State of Missouri. The policy of insurance delivered pursuant to clause (i) above shall contain the agreement of the insurer to give not less than thirty (30) days advance written notice to the City in the event of cancellation of such policy or change affecting the coverage thereunder.

7.9 Inspection. The Developer shall allow authorized representatives of the City access to the Property from time to time for reasonable inspection thereof upon reasonable advance notice prior to the completion of the Work.

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 the 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 effective when signed by the authorized agents of the parties, and shall be amended only by a writing signed by the authorized agents of the parties.

7.12 Counterparts. This Agreement is 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 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 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, employees and representatives contesting the validity or legality of the Redevelopment Area, the Redevelopment Plan, the TIF Obligations, this Agreement or the ordinances approving this Agreement or the TIF Obligations, the Developer may at the Developer's option, assume the defense of such claim or action (including, without limitation, to settle or compromise any claim or action for which the Developer has assumed the defense) with counsel of the Developer's choosing, and the parties expressly agree that so long as no conflicts of interest exist between them, the same attorney or attorneys may simultaneously represent the City and the Developer in any such proceeding. All cost of any such defense, whether incurred by the City or the Developer, shall be deemed to be eligible Redevelopment Project Costs and reimbursable from any amounts in the Special Allocation Fund, subject to Article IV hereof. The provisions of this Section 7.15 shall survive termination or expiration of this Agreement.

7.16 Release and Indemnification.

7.16.1 Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages or otherwise in the event that all or any part of the Act, or any ordinance of the City adopted in connection with either the TIF Act, this Agreement or the Redevelopment Plan, shall be 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.

7.16.2 The Developer releases from and covenants and agrees that the City and its governing body members, officers, agents, servants and employees shall not be liable for, and agrees to indemnify and hold harmless the officers, agents, servants, and employees thereof against, any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the construction of the Work.

7.16.3 The City and its governing body members, offices, agents, servants and employees shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be about the Property or Work due to any act of negligence of any person.

7.16.4 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, servants or employees in their individual capacities.

7.16.5 No official, employee or representative of the City shall be personally liable to the Developer (1) in the event of a default or breach by any party under this Agreement, or (2) for any amount or any TIF Obligations which may become due to any party under the terms of this Agreement.

7.16.6 Notwithstanding anything herein to the contrary, the City shall not be liable to the Developer for damages arising in any way from this Agreement, the TIF Obligations or any other obligation or agreement made in connection therewith or from any breach thereof, or arising from a declaration by a final judgment by a court of competent jurisdiction that all or any portion of the Act is unconstitutional or that any ordinance of the City adopted in connection with this Agreement, the Redevelopment Plan or the TIF Act is invalid or unconstitutional in whole or in part; provided that nothing in this paragraph shall limit claims by Developer against the Chesterfield Grove Account or actions by the Developer seeking specific performance of relevant contracts.

7.16.7 The Developer agrees to indemnify and hold the City, its employees, agents and independent contractors, harmless from and against any and all suits, claims and cost of attorneys' fees, resulting from, arising out of, or in any way connected with (i) the Redevelopment Plan or its approval, (ii) this Agreement, the TIF Obligations (except TIF Obligations issued by the City not authorized by this Agreement), or any other agreement or obligation made in connection therewith or their approval, (iii) any legal action brought challenging all or any of the foregoing or challenging or counterclaiming in any eminent domain action, (iv) the construction of the Work, and (v) the negligence or willful misconduct of the Developer, its employees, agents or independent contractors in connection with the management, development, redevelopment and construction of the Work.

7.16.8 The indemnifications contained in this Section 7.16 shall survive termination or expiration of this Agreement.

ARTICLE VIII. REPRESENTATIONS OF THE PARTIES

8.1 Representations of the City. The City hereby represents and warrants that the City 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 but not limited to the right, power and authority to issue and sell the TIF Obligations, and all of the foregoing have been or will be 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 that the Developer has full corporate 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.

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

“CITY”

THE CITY OF CHESTERFIELD, MISSOURI

(SEAL)

By: _____
City Administrator

Attest:

City Clerk

“DEVELOPER”

**OLD SMOKE HOUSE INVESTMENT GROUP,
L.L.P.**

By: _____
Title: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF _____) SS.

On this _____ day of September, 1997, before me, the undersigned, a Notary Public, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the City Administrator of THE CITY OF CHESTERFIELD, MISSOURI, a body politic and corporate duly authorized, incorporated and existing under and by virtue of the laws of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said City, and that said instrument was signed and sealed in behalf of said City by authority of its City Council, and said official acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said City.

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

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

(SEAL)

My commission expires: _____

ACKNOWLEDGMENT

STATE OF MISSOURI)
)
COUNTY OF _____) SS.

On this _____ day of September, 1997, before me, the undersigned, a Notary Public, appeared _____, who being before me duly sworn did say that he is the managing partner of OLD SMOKE HOUSE INVESTMENT GROUP, L.L.P., a Missouri limited liability partnership, and that said instrument was authorized by and signed on behalf of said limited liability partnership, and said partner acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said limited liability partnership.

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

Printed Name: _____
Notary Public in and for said State
Commissioned in _____ County

(SEAL)

My commission expires: _____

EXHIBIT A

(Legal Description of Property)

(To be provided by the Developer)

EXHIBIT B

CERTIFICATE OF COMMENCEMENT OF CONSTRUCTION

The undersigned, being a duly authorized agent of Old Smoke House Investment Group, L.L.P. (the "Developer") delivers this notice to the City of Chesterfield, Missouri (the "City") in connection with that certain Redevelopment Agreement by and between the Developer and the City dated September __, 1997 (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned hereby certified as to the following:

- A. The Developer has acquired legal title by negotiation and contract to each and every parcel of real property located within Chesterfield Grove Sub-Area.
- B. The total cost of such acquisitions exceeds \$_____.
- C. The Developer has entered into one or more contracts to incur, and has incurred, Reimbursable Project Costs.
- D. The Developer is under a contractual obligation to incur additional Reimbursable Project Costs in the future.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Commencement of Construction as of the _____ day of _____, 199__.

OLD SMOKE HOUSE INVESTMENT GROUP,
L.L.P.

By: _____
Title: _____

EXHIBIT C

CERTIFICATE OF SUBSTANTIAL COMPLETION

The Undersigned is the _____ of _____, the Architect/Engineer for the Redevelopment Project carried out by Old Smoke House Investment Group, L.L.P., a Missouri limited liability partnership (the "Developer"), in accordance with the terms of that certain Redevelopment Agreement dated September __, 1997 (the "Agreement") between the Developer and the City of Chesterfield, Missouri (the "City"). The Chesterfield Grove Project has been constructed on the property legally described on Exhibit A to the Agreement.

The undersigned hereby certifies to the Developer and the City that: (a) the construction of the Chesterfield Grove Project has been reviewed and found to be substantially complete; (b) the Work has been performed in a workmanlike manner and in accordance with the Construction Plans (as those terms are defined in the Agreement); (c) lien waivers for applicable portions of the Work have been obtained; (d) the date of substantial completion of the Chesterfield Grove Project is the date of this Certificate; and (e) the costs incurred in the substantial completion of the Chesterfield Grove Project total not less than \$_____.

In witness whereof, the undersigned has duly executed this Certificate on the _____ day of _____, 199__.

[NAME OF PROJECT ARCHITECT/ENGINEER]

(SEAL)

By: _____
Title: _____

Attest:

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

On this _____ day of _____, 199__, before me appeared _____, to me personally known, who being, by me duly sworn, did say that he is the _____ of _____, a corporation of the State of Missouri, and that said instrument was signed on behalf of said corporation by authority of its board of directors and that said _____ acknowledged said instrument to be the free act and deed of said corporation.

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

Notary Public

My commission expires: _____

EXHIBIT D

CERTIFICATE OF REIMBURSABLE PROJECT COSTS

TO: _____

RE: \$1,626,000 Tax Increment Revenue Notes (Chesterfield Grove Project) Series _____

You are hereby requested and directed under Ordinance No. _____ adopted on _____ (the "Note Ordinance") by the City of Chesterfield, Missouri (the "City") to advance moneys in the Chesterfield Grove Account within the Special Allocation Fund for the payment of the following Reimbursable Redevelopment Project Costs:

<u>Payee</u>	<u>Amount</u>	<u>Description of Reimbursable Project Costs</u>
--------------	---------------	--

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Note Ordinance. The undersigned is the Developer under the Redevelopment Agreement dated as of _____, 1997, between the City and the Developer, and hereby states and certifies that:

1. Each item listed above is a Reimbursable Project Cost and was incurred in connection with the construction, renovation, repairing, equipping and constructing of the Project. Attached to this Certificate is supporting documentation of the nature and amount of each Reimbursable Project Cost submitted herein.

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

3. Each item listed above has not previously been paid or reimbursed from moneys in the Chesterfield Grove Account 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 on the Chesterfield Grove Project 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 Concept Site Plan and the Redevelopment Agreement.

7. This certificate is accompanied by an opinion of counsel to the Developer that such costs are eligible for reimbursement under the TIF Act and the Redevelopment Agreement.

8. Based on the attached opinion of counsel to the Developer, the costs constitute advances under the TIF Notes.

9. In the event that any cost item to be reimbursed under this certificate is deemed to not constitute a "Redevelopment Project Cost" within the meaning of the TIF Act and the Redevelopment Agreement, the Developer shall have the right to substitute other eligible Reimbursable Project Costs for payment hereunder.

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

Yes: _____ No: _____

11. The Developer is not in default or breach of any term or condition of the Agreement.

Dated this _____ day of _____, 199__.

OLD SMOKE HOUSE INVESTMENT GROUP,
L.L.P.

By: _____
Title: _____

Approved for Payment this _____ day of _____, 19__.

CITY OF CHESTERFIELD, MISSOURI

By: _____
Title: _____

EXHIBIT E

(Concept Site Plan)

EXHIBIT F

(Proposal)

(On file with the City Clerk)

EXHIBIT G

(Public Improvements/Reimbursable Project Costs)

PUBLIC IMPROVEMENTS	REIMBURSABLE PROJECT COSTS
Baxter Road Extension	
Estimated cost of road improvements	524,000
Sidewalk/utility relocation (as required)	33,000
Fill (30,000 c.y. @ \$6.5/c.y.)	195,000
Less TGA credit	(235,000)
Sub-Total: Baxter Road Extension	517,000
Stormwater Storage and Control System	
Excavation and removal of clay for use by Levee District	108,000
Credit for replacing fill given to Levee District and credit for extra capacity of system (including land costs)	326,000
Sub-Total: Stormwater Storage and Control System	434,000
Bonhomme Creek Levee	
Cost of land to be granted in fee to Levee District (including amount paid for fill in original purchase price)	155,000
Construction costs	400,000
Sub-Total: Bonhomme Creek Levee	555,000
Professional Fees	
Professional fees, including costs of issuing TIF Notes, plus up to \$20,000 of City's interim administrative costs	120,000
Sub-Total: Professional Fees	120,000
TOTAL REIMBURSABLE PROJECT COSTS	1,626,000¹

¹Subject to verification and reduction by the amount of any credits or non-TIF reimbursements received as per Redevelopment Agreement. The sub-totals and line items shown are for illustration purposes only and, subject to the aggregate amount of Reimbursable Project Costs permitted under this Agreement, shall not be construed to impose any limitation on the Reimbursable Project Costs incurred for any particular Public Improvement.

EXHIBIT I

(Settlement Agreement)

SCHEDULE 1

(Advances to the City)

Developer's advance upon execution of this agreement shall be as follows:

City's Application Fee	4,000
City's Counsel Fees and Expenses	5,500
City's Special Counsel Fees and Expenses	20,000
Bond Counsel Fees and Expenses	20,000
Investment Banker Fees and Expenses	<u>20,000</u>
Subtotal	69,500
Less (Amount Previously Advanced)	<u>69,000</u>
TOTAL	500

EXHIBIT A

(Legal Description of Property)

LAND DESCRIPTION

Tracts of land in U.S. Survey 2031, Township 45 North, Range 4 East, City of Chesterfield, St. Louis County, Missouri and being more particularly described as follows:

Beginning at a point on the South line of Highway 40TR, 100 feet wide, said point being the Northeast corner of a tract of land conveyed to Frank W. and Claire M. Wiegand By Deed per Deed Book 5617, page 74 of the St. Louis County Records; thence along said South Highway line in a Easterly direction along a curve to the right, having a radius of 2814.90 feet and a central angle of 17 degrees 44 minutes 03 seconds, an arc distance of 871.27 feet to a point on said South line; thence continuing along said South Highway line the following: along a curve to the right having a radius of 2814.79 feet an arc distance of 618.44 feet (the chord of which bears South 48 degrees 43 minutes 03 seconds East, 617.20 feet) to a point, South 46 degrees 56 minutes 40 seconds West, 10.00 feet to a point, along a curve to the right having a radius of 2804.79 feet an arc distance of 16.55 feet to a point of tangent, South 42 degrees 43 minutes 02 seconds East, 133.08 feet, South 47 degrees 16 minutes 58 seconds West, 10.00 feet to a point, South 42 degrees 43 minutes 02 seconds East, 150.00 feet, South 47 degrees 16 minutes 58 seconds West, 5.00 feet, South 42 degrees 43 minutes 02 seconds East, 154.00 feet, North 47 degrees 16 minutes 58 seconds East, 25.00 feet and South 42 degrees 43 minutes 02 seconds East, 32.57 feet to a point; thence departing said South Highway line along Bonhomme Creek the following: South 67 degrees 45 minutes 32 seconds West 266.82 feet, South 84 degrees 58 minutes 47 seconds West, 230.85 feet, North 87 degrees 07 minutes 16 seconds West, 178.13 feet, North 76 degrees 39 minutes 25 seconds West, 144.97 feet, South 0 degrees 09 minutes 21 seconds East, 4.68 feet, North 70 degrees 09 minutes 21 seconds West, 180.00 feet, North 78 degrees 09 minutes 21 seconds West, 150.00 feet, North 80 degrees 09 minutes 21 seconds West, 344.46 feet, South 88 degrees 52 minutes 00 seconds West, 47.02 feet and North 88 degrees 12 minutes 00 seconds West, 246.58 feet to a point on the East line of Chesterfield Airport Road, 60 feet wide; thence along said East line, North 3 degrees 28 minutes 51 seconds East, 820.70 feet to the intersection of the South line of the Wiegand tract, as aforementioned, thence along said South line North 87 degrees 00 minutes 00 seconds East, 118.92 feet to the Southeast corner thereof; thence along North 01 degrees 16 minutes 00 seconds West, 236.35 feet to the point of beginning. Excepting therefrom a 2 acre tract of land conveyed to Don F. Wiegand per Deed Book 8234, page 1325 of the St. Louis County Records.

EXHIBIT B

CERTIFICATE OF COMMENCEMENT OF CONSTRUCTION

The undersigned, being a duly authorized agent of Old Smoke House Investment Group, L.L.P. (the "Developer") delivers this notice to the City of Chesterfield, Missouri (the "City") in connection with that certain Redevelopment Agreement by and between the Developer and the City dated September __, 1997 (the "Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

The undersigned hereby certified as to the following:

- A. The Developer has acquired legal title by negotiation and contract to each and every parcel of real property located within Chesterfield Grove Sub-Area.
- B. The total cost of such acquisitions exceeds \$ _____.
- C. The Developer has entered into one or more contracts to incur, and has incurred, Reimbursable Project Costs.
- D. The Developer is under a contractual obligation to incur additional Reimbursable Project Costs in the future.

IN WITNESS WHEREOF, the undersigned has duly executed this Certificate of Commencement of Construction as of the _____ day of _____, 199__.

OLD SMOKE HOUSE INVESTMENT GROUP,
L.L.P.

By: _____
Title: _____

EXHIBIT C

CERTIFICATE OF SUBSTANTIAL COMPLETION

The Undersigned is the _____ of _____, the Architect/Engineer for the Redevelopment Project carried out by Old Smoke House Investment Group, L.L.P., a Missouri limited liability partnership (the "Developer"), in accordance with the terms of that certain Redevelopment Agreement dated September __, 1997 (the "Agreement") between the Developer and the City of Chesterfield, Missouri (the "City"). The Chesterfield Grove Project has been constructed on the property legally described on Exhibit A to the Agreement.

The undersigned hereby certifies to the Developer and the City that: (a) the construction of the Chesterfield Grove Project has been reviewed and found to be substantially complete; (b) the Work has been performed in a workmanlike manner and in accordance with the Construction Plans (as those terms are defined in the Agreement); (c) lien waivers for applicable portions of the Work have been obtained; (d) the date of substantial completion of the Chesterfield Grove Project is the date of this Certificate; and (e) the costs incurred in the substantial completion of the Chesterfield Grove Project total not less than \$_____.

In witness whereof, the undersigned has duly executed this Certificate on the _____ day of _____, 199__.

[NAME OF PROJECT ARCHITECT/ENGINEER]

(SEAL)

By: _____
Title: _____

Attest:

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

On this _____ day of _____, 199__, before me appeared _____, to me personally known, who being, by me duly sworn, did say that he is the _____ of _____, a corporation of the State of Missouri, and that said instrument was signed on behalf of said corporation by authority of its board of directors and that said _____ acknowledged said instrument to be the free act and deed of said corporation.

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

Notary Public

My commission expires: _____

EXHIBIT D

CERTIFICATE OF REIMBURSABLE PROJECT COSTS

TO: _____

RE: \$1,781,000 Tax Increment Revenue Notes (Chesterfield Grove Project) Series _____

You are hereby requested and directed under Ordinance No. _____ adopted on _____ (the "Note Ordinance") by the City of Chesterfield, Missouri (the "City") to advance moneys in the Chesterfield Grove Account within the Special Allocation Fund for the payment of the following Reimbursable Redevelopment Project Costs:

<u>Payee</u>	<u>Amount</u>	<u>Description of Reimbursable Project Costs</u>
--------------	---------------	--

Terms not otherwise defined herein shall have the meaning ascribed to such terms in the Note Ordinance. The undersigned is the Developer under the Redevelopment Agreement dated as of _____, 1997, between the City and the Developer, and hereby states and certifies that:

1. Each item listed above is a Reimbursable Project Cost and was incurred in connection with the construction, renovation, repairing, equipping and constructing of the Project. Attached to this Certificate is supporting documentation of the nature and amount of each Reimbursable Project Cost submitted herein.

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

3. Each item listed above has not previously been paid or reimbursed from moneys in the Chesterfield Grove Account 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 on the Chesterfield Grove Project 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 Concept Site Plan and the Redevelopment Agreement.

7. This certificate is accompanied by an opinion of counsel to the Developer that such costs are eligible for reimbursement under the TIF Act and the Redevelopment Agreement.

8. Based on the attached opinion of counsel to the Developer, the costs constitute advances under the TIF Notes.

9. In the event that any cost item to be reimbursed under this certificate is deemed to not constitute a "Redevelopment Project Cost" within the meaning of the TIF Act and the Redevelopment Agreement, the Developer shall have the right to substitute other eligible Reimbursable Project Costs for payment hereunder.

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

Yes: _____ No: _____

11. The Developer is not in default or breach of any term or condition of the Agreement.

Dated this _____ day of _____, 199__.

OLD SMOKE HOUSE INVESTMENT GROUP,
L.L.P.

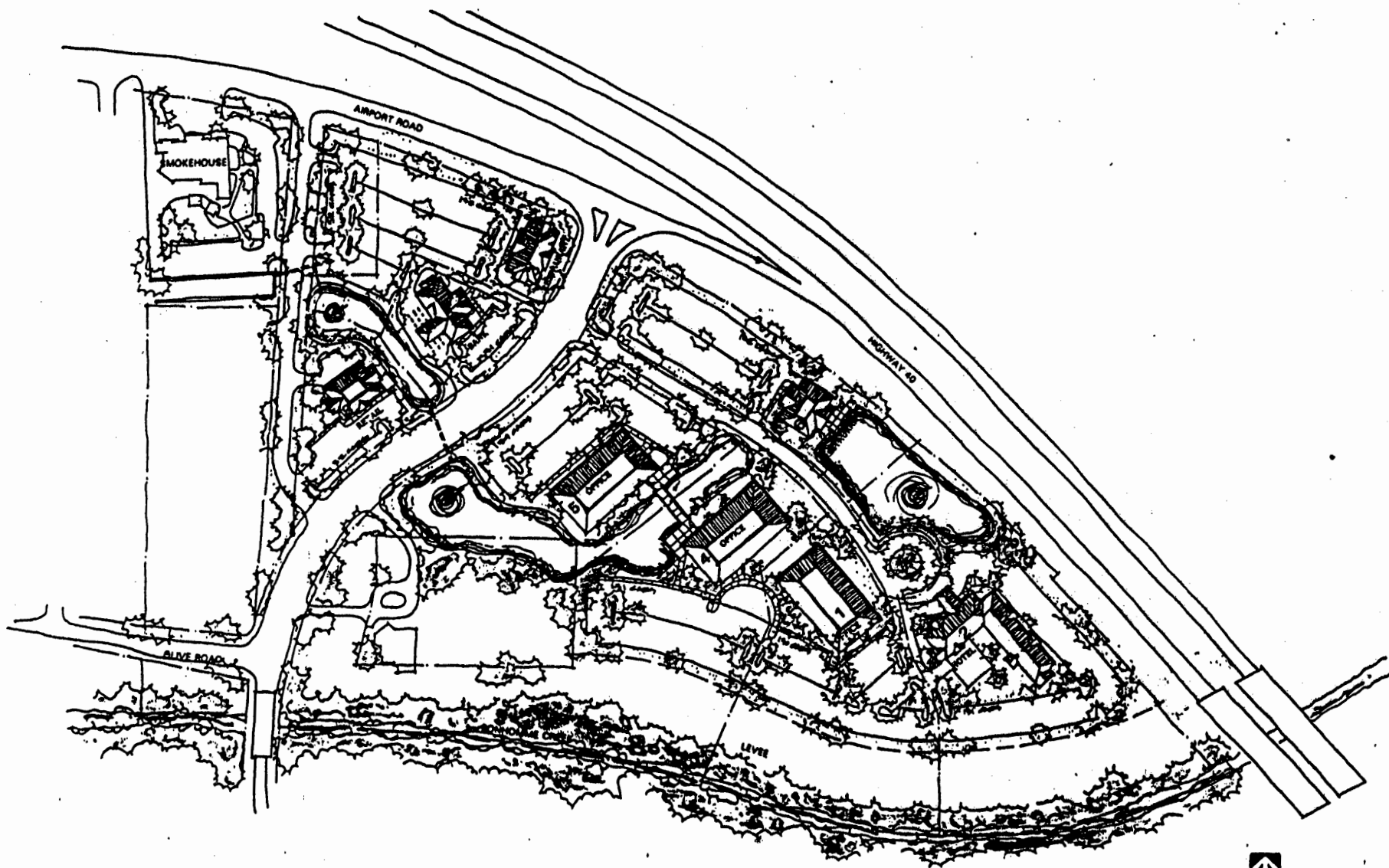
By: _____
Title: _____

Approved for Payment this _____ day of _____, 19__.

CITY OF CHESTERFIELD, MISSOURI

By: _____
Title: _____

EXHIBIT E
(Concept Site Plan)



Chesterfield Grove

Chesterfield, Missouri

SCALE 0 90



APRIL 20, 1997

ARBOR LAND COMPANY
300 Hunter Avenue, Ste. 101
St. Louis, MO 63124
314/862-6600

EXHIBIT F

(Proposal)

(On file with the City Clerk)

EXHIBIT G

(Public Improvements/Reimbursable Project Costs)

PUBLIC IMPROVEMENTS	REIMBURSABLE PROJECT COSTS
Baxter Road Extension	
Estimated cost of road improvements	524,000
Sidewalk/utility relocation (as required)	33,000
Fill (30,000 c.y. @ \$6.5/c.y.)	195,000
Less TGA credit	(235,000)
Sub-Total: Baxter Road Extension	517,000
Stormwater Storage and Control System	
Excavation and removal of clay for use by Levee District	108,000
Credit for replacing fill given to Levee District and credit for extra capacity of system (including land costs)	326,000
Sub-Total: Stormwater Storage and Control System	434,000
Bonhomme Creek Levee	
Cost of land to be granted in fee to Levee District (including amount paid for fill in original purchase price)	155,000
Construction costs	400,000
Sub-Total: Bonhomme Creek Levee	555,000
Professional Fees	
Professional fees, including costs of issuing TIF Notes, plus up to \$20,000 of City's interim administrative costs	120,000
Sub-Total: Professional Fees	120,000
TOTAL REIMBURSABLE PROJECT COSTS	1,626,000¹

¹ Subject to verification and reduction by the amount of any credits or non-TIF reimbursements received as per Redevelopment Agreement. The sub-totals and line items shown are for illustration purposes only and, subject to the aggregate amount of Reimbursable Project Costs permitted under this Agreement, shall not be construed to impose any limitation on the Reimbursable Project Costs incurred for any particular Public Improvement.

EXHIBIT H

FORM OF SERIES 1997 NOTES

***THIS NOTE OR ANY PORTION HEREOF MAY BE TRANSFERRED, ASSIGNED OR
NEGOTIATED ONLY AS PROVIDED IN THE HEREIN DESCRIBED INDENTURE.***

**UNITED STATES OF AMERICA
STATE OF MISSOURI**

Registered
No. R-__

Registered
Up to \$1,626,000
(See Schedule A attached)

CITY OF CHESTERFIELD, MISSOURI

**[TAXABLE] TAX INCREMENT REVENUE NOTE
SERIES 1997
(CHESTERFIELD GROVE PROJECT)**

Interest Rate: _____%, except as otherwise set forth herein

Maturity Date: October 17, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT: See **SCHEDULE A** attached hereto.

The **CITY OF CHESTERFIELD, MISSOURI**, an incorporated political subdivision duly organized and validly existing under 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 Outstanding Principal Amount shown from time to time on **Schedule A** attached hereto on the Maturity Date shown above, and to pay interest thereon from the Date shown from time to time on **Schedule A** attached hereto or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the lesser of (1) the Interest Rate per annum shown above or (2) the lowest interest rate paid by Old Smoke House Investment Group, L.L.P. (the "Developer"), or its permitted successors or assigns in interest, to any lender who finances construction of any portion of the Work (as that term is defined in the Redevelopment Agreement dated September __, 1997 (the "Agreement") between the City and the Developer). Interest shall be payable commencing on the fifteenth day of February after which Net Proceeds generated within the Chesterfield Grove Sub-Area have first been deposited in the Special Allocation Fund, and on each February 15 thereafter (each, an "Interest Payment Date") until the Notes are paid in full. Interest shall be calculated on the basis of a 360-day year of twelve 30-day

months. Interest which accrues but remains unpaid on any Interest Payment Date shall not be compounded.

Except as otherwise provided herein, the capitalized terms herein shall have the meanings as provided in the Indenture (as hereinafter defined).

THE OBLIGATIONS OF THE CITY WITH RESPECT TO THIS NOTE TERMINATE ON OCTOBER 17, 2017, WHETHER OR NOT THE PRINCIPAL AMOUNT OR INTEREST HEREON HAS BEEN PAID IN FULL. REFERENCE IS MADE TO THE INDENTURE FOR A COMPLETE DESCRIPTION OF THE CITY'S OBLIGATIONS HEREUNDER.

The principal of this Note shall be paid at maturity or upon earlier redemption to the person in whose name this Note is registered at the maturity or redemption date hereof, upon presentation and surrender of this Note at the principal corporate trust office of Magna Bank, N.A., St. Louis, Missouri (the "Trustee"). The interest payable on this Note on any Interest Payment Date shall be paid to the person in whose name this Note is registered on the Register at the close of business on the first day (whether or not a Business Day) of the calendar month containing such Interest Payment Date. Such interest shall be payable (a) by check or draft mailed by the Trustee to the address of such registered owner shown on the Register or (b) in the case of an interest payment to any registered owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer to such registered owner upon written notice given to the Trustee by such registered owner, not less than 15 days prior to the Record Date for such interest, containing the electronic transfer instructions including the bank (which shall be in the continental United States), ABA routing number and account number to which such registered owner wishes to have such transfer directed. The principal or redemption price of and interest on the Notes shall be payable by check or draft in any coin or currency that, on the respective dates of payment thereof, is legal tender for the payment of public and private debts.

This Note is one of an authorized series of fully registered notes of the City designated "City of Chesterfield, Missouri, [Taxable] Tax Increment Revenue Notes, Series 1997 (Chesterfield Grove Project)," which together with another authorized series of fully registered notes of the City designated "City of Chesterfield, Missouri, [Taxable] Tax Increment Revenue Notes, Series 1997 (Chesterfield Grove Project)" aggregate a principal amount of up to \$1,626,000 (collectively the "Notes"). The Notes are being issued for the purpose of paying a portion of the redevelopment project costs in connection with the Chesterfield Valley Tax Increment Financing District 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 through 99.865, inclusive, of the Revised Statutes of Missouri, as amended (the "Act"), and pursuant to a Trust Indenture dated as of September 1, 1997, between the City and the Trustee (the "Indenture").

The Notes constitute special, limited obligations of the City payable as to principal and interest solely from (a) Net Proceeds on deposit in the Pilots Account within the Chesterfield Grove Account of the Special Allocation Fund, and (b) subject to annual appropriation, Net Proceeds on deposit in the Economic Activity Tax Account within the Chesterfield Grove Account of the Special Allocation Fund and (c) from certain other funds and accounts held under the Indenture, after the payment of (1) rebatable arbitrage, if any, (2) fees and expenses of the Trustee or any Paying Agents, and (3) certain administrative, professional service and other costs and expenses of the City as set forth in **Section 402(b)** of the Indenture and which constitute Redevelopment Project Costs (as defined in Section 99.805(11) of the Act). Net Proceeds do not include any amount paid under protest until the protest is withdrawn or resolved against the taxpayer nor do Net Proceeds include 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 Notes shall not constitute debts or liabilities of the City, the State of Missouri or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction. Neither the City, the Tax Increment Financing Commission of the City of Chesterfield, Missouri, the commissioners of said Commission, the officers and employees of the City nor any person executing the Notes shall be personally liable for such obligations by reason of the issuance thereof.

The moneys on deposit in the Pilots Account are those payments in lieu of taxes (as defined in Sections 99.805(7) 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 Chesterfield Grove Sub-Area (as described in **Exhibit A** to the Indenture) over and above the initial equalized assessed valuation of the real property within the Chesterfield Grove Sub-Area, as described and determined in accordance with Section 99.855 of the Act (herein referred to as "PILOTS"). Moneys on deposit in the Economic Activity Tax Account are amounts, subject to annual appropriation, equal to fifty percent (50%) of the total additional revenues from taxes which are imposed by the City or any other taxing districts which are generated by economic activities within the Chesterfield Grove Sub-Area over the amount of such taxes generated by economic activities within the Chesterfield Grove Sub-Area in the calendar year ending December 31, 1996 (herein referred to as "EATS"), as described and determined in accordance with Section 99.845.3 of the Act.

PILOTS and, subject to annual appropriation and to the extent permitted by law, EATS, shall be applied to payments on this Note as follows: first, to pay all other accrued but unpaid interest; and second, to the extent due or subject to redemption, to pay principal of this Note.

NOTWITHSTANDING ANY PROVISION HEREIN OR IN THE INDENTURE TO THE CONTRARY, THE NOTES ARE SUBJECT TO CANCELLATION AND DISCHARGE BY THE CITY IN WHOLE WITHOUT PAYMENT UNDER THE CONDITIONS DESCRIBED IN SECTION 7.2 OF THE AGREEMENT.

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

The Notes are subject to mandatory redemption by the City pursuant to the mandatory redemption requirements of the Indenture on each Interest Payment Date, at the redemption price of 100% of the principal amount being redeemed, together with accrued interest thereon to the date fixed for redemption.

If any of the Notes are to be called for optional redemption by the City as aforesaid, notice of redemption, unless waived, is to be given by the Trustee by mailing an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the Register as of the date of such notice, as more fully described in the Indenture. Notice of redemption having been given as aforesaid, the Notes or portions of Notes so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price) such Notes or portions of Notes so called for redemption shall cease to bear interest, shall no longer be secured by the Indenture and shall not be deemed to be Outstanding

under the provisions of the Indenture. Any defect in any notice or the failure of any parties to receive any notice of redemption shall not cause any Note called for redemption to remain Outstanding.

Notes shall be redeemed only in Authorized Denominations. When less than all of the outstanding Notes are to be redeemed and paid prior to maturity, such Notes shall be selected by the Trustee by lot in Authorized Denominations in such equitable manner as the Trustee may determine.

The Notes are issuable in the form of fully registered Notes without coupons in the denomination of \$50,000 or any integral multiple of \$5,000 in excess thereof, except with respect to the Note issued with respect to the final Certification of Reimbursable Project Costs, which may be issued in the denomination of \$1,000 or any integral multiple thereof.

This Note may be transferred or exchanged, as provided in the Indenture, only upon the Register, upon surrender of this Note together with a written instrument of transfer satisfactory to the Trustee 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 TRANSFER, ASSIGN OR NEGOTIATE THIS NOTE SHALL BE LIMITED TO TRANSFER, ASSIGNMENT OR NEGOTIATION TO ACCREDITED INVESTORS, AS THAT TERM IS DEFINED IN THE INDENTURE. Accordingly, this Note will be transferable only upon prior delivery to the Trustee of a statement, signed by the transferee, showing that such transferee is an Accredited Investor. After the Trustee receives the foregoing statement, a new Note of the same maturity and in the same principal amount outstanding as the Note which was presented for transfer or exchange shall be issued to the transferee in exchange therefor as provided in the Indenture, and upon payment of the charges therein prescribed. The City and the Trustee may deem and treat the person in whose name this Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes.

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

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 Notes have existed, happened and been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the **CITY OF CHESTERFIELD, MISSOURI** has executed this Note by causing it to be signed by the manual or facsimile signature of its Mayor and attested by the manual or facsimile signature of its City Clerk, and its official seal to be affixed or imprinted hereon, and this Note to be dated as of the effective date of registration as shown on **Schedule A**.

CITY OF CHESTERFIELD, MISSOURI

(Seal)

By: _____
Mayor

Attest:

City Clerk

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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Note on the books kept by the Trustee 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 Note is one of the Series 1997 Notes described in the within-mentioned Indenture.

<u>Date(1)</u>	<u>Additions to Principal Amount(2)</u>	<u>Principal Amount Paid</u>	<u>Outstanding Principal Amount</u>	<u>Authorized Signatory of Trustee</u>
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____
_____, 19__	\$ _____	\$ _____	\$ _____	_____

(1) Date of Advance or Interest Payment Date. Advances are limited to one per calendar quarter.
(2) Limited to advances of \$50,000 or any \$5,000 increment in excess thereof, except with respect to an advance pursuant to the final Certification of Reimbursable Project Costs, which may be for \$1,000 or any integral multiple thereof.

EXHIBIT I
(Settlement Agreement)

*Arbor Land /
Chesterfield
Smoke*

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT, entered into this 5th day of ^{May} ~~April~~, 1997, by and among St. Louis County, Missouri, 41 South Central, Clayton, Missouri ("County"); James F. Gerst and Valerie D. Gerst, his wife, 16686 Chesterfield Airport Road, Chesterfield, Missouri ("Gersts"); and Robert Brinkmann, Thomas Sehnert, Thomas Sobbe and Fairfax Pollnow, all d/b/a The Old Smoke House Investment Group, LLP, a Missouri limited liability general partnership, c/o Arbor Land Co., 300 Hunter, Suite 101, St. Louis, Missouri ("Smoke House").

WITNESS:

WHEREAS, County has initiated condemnation proceedings for the taking of the Gersts' property at 16686 Chesterfield Airport Road in Chesterfield, Missouri, Locator No. 17T220069 ("subject property") for the purpose of extending Baxter Road northward, as more fully described in the petition filed in St. Louis County Circuit Court and captioned St. Louis County, Missouri v. Huntco Farms, Inc., et al., Cause No. 691121; and

WHEREAS, Condemnation Commissioners were appointed in said proceedings and filed a report assessing Three Hundred Thirteen Thousand Six Hundred Thirty-Two Dollars (\$313,632.00) in damages for the taking of subject property; and

WHEREAS, County and Gersts have both filed exceptions to the Commissioners' Award, which exceptions are pending in St. Louis County Circuit Court, Division 18, and have been assigned Cause No. 691121A; and

WHEREAS, Smoke House desires to obtain and use earthen

material from subject property and adjacent County right-of-way in furtherance of development of a separate tract of land in Chesterfield, Missouri, which development is to include relocation and reconstruction of a portion of Chesterfield Airport Road; and

WHEREAS, County and Gersts desire to settle their dispute without the need for further litigation, and County is willing to allow Smoke House to remove earthen material from the subject property and adjacent County right-of-way upon mutually agreeable terms;

NOW, THEREFORE,
IT IS AGREED BY AND AMONG THE PARTIES AS FOLLOWS:

(1) On or before April 30, 1997, County shall pay into the registry of the Circuit Court the amount of Two Hundred Twenty-Five Thousand Dollars (\$225,000.00) in satisfaction of the amount awarded by the Commissioners in St. Louis County v. Huntco Farms, Inc., et al., and shall promptly notify Gersts and Smoke House of said payment.

(2) Along with the notice required by Paragraph (1) herein, County shall send to Gersts an executed Joint Dismissal of Exceptions, which dismissal shall be identical to the dismissal attached hereto as "Exhibit 1." Within ten (10) days of receipt of said notice of payment and said executed Joint Dismissal of Exceptions, Gersts shall execute the dismissal, secure thereon Smoke Houses's written approval which shall be promptly given by Smoke House, and file the dismissal with the Circuit Clerk. Gersts shall timely provide County and Smoke House with file-

stamped copies of the Joint Dismissal of Exceptions after filing same with the Circuit Clerk.

(3) Within two weeks from the date they receive notice of payment, Gersts shall vacate the subject property and notify County and Smoke House of same. Within two weeks thereafter, County shall then stake the subject property and adjacent County right-of-way area ("staked property") from which earthen material is to be removed by Smoke House. The staked property will be located between Stations 97+60.19 to 107+20.00, depicted on Exhibit 2 (attached).

(4) Within two weeks from the date they receive notice of payment, Smoke House shall provide County's Director of Highways and Traffic ("Director") with proposed plans for relocation of Chesterfield Airport Road. County shall within two weeks thereafter (and two weeks after any subsequent submission of plans) either approve said plans or return them to Smoke House for modifications. Smoke House shall have one week (and one week after any subsequent return of plans for modifications) to submit any requested revisions to County for approval. Within one week of final approval of the plans, County shall prepare cross section plans of the staked property and the area proposed for relocation of Chesterfield Airport Road.

(5) Within two weeks of receipt of notice that Gersts have vacated the subject property, Smoke House shall provide Director with a report from a County-approved asbestos contractor stating whether and where any asbestos-containing material ("ACM") is

located on the subject property. In the event that ACM is located on subject property, Smoke House shall promptly obtain a minimum of three bids for removal thereof and shall present same to Director for selection and approval of the contractor to be used. Director shall act promptly to designate a contractor or, if none are acceptable to Director, shall present Smoke House with an acceptable bid within two weeks thereafter. Smoke House shall arrange for the removal of all ACM to occur within two weeks of Director's selection of an asbestos contractor and shall promptly notify County of completion of removal. Smoke House shall pay all costs associated with removal of any ACM from the subject property.

(6) Upon approval of the relocation plans pursuant to paragraph 4 herein and completion of any necessary removal of ACM, County shall promptly notify Smoke House that it may enter upon the staked property for the purposes of demolishing and removing all existing structures on the subject property and removing such amount of earthen material from the staked property as may be required for construction of relocated Chesterfield Airport Road. Smoke House shall complete all structure demolition and removal prior to removal of any earthen material.

(7) County shall credit Smoke House the amount of Three Dollars and Fifty Cents (\$3.50) per cubic yard of earthen material removed from subject property and adjacent County right-of-way and used for construction of relocated Chesterfield Airport Road, all such credit to be applied against any

contributions which may be required of Smoke House to the Chesterfield Valley Traffic Generation Assessment Road Trust Fund by either the City of Chesterfield or St. Louis County as a condition of developing the Smoke House property located directly to the east of the existing Chesterfield Airport Road in Chesterfield, Missouri. The amount of material removed by Smoke House in connection with construction of relocated Chesterfield Airport Road shall be determined by cross section measurements performed under Director's supervision before and after removal of earthen material by Smoke House.

(8) Smoke House shall further be credited with the cost of removal of ACM from the subject property in accordance with paragraph (5) herein and with the cost of construction of relocated Chesterfield Airport Road in accordance with County-approved construction plans. Smoke House shall not be credited with the cost of demolition and removal of any structures on subject property other than costs associated with removal of ACM.

(9) If the total approved cost of construction of relocated Chesterfield Airport Road, including removal of earthen material for same, exceeds the amount of money Smoke House is required to contribute to the Chesterfield Valley Traffic Generation Assessment Road Trust Fund, the excess amount shall be refunded to Smoke House as monies are contributed to and become available from that fund. Smoke House shall be refunded any amounts owed under this Settlement Agreement prior to any Trust Fund expenditures for other purposes or projects.

(10) Smoke House shall complete the removal of earthen material from the staked property no later than four (4) weeks after being notified by County pursuant to paragraph (6) herein of its right to enter upon the staked property for the removal of earthen material. If Smoke House does not complete the removal within that time, County may give Smoke House a minimum of five (5) days written notice to vacate the subject property and cease further removal of earthen material from the staked property. Smoke House shall comply with County's directive within the time allowed in the notice.

(11) If upon Smoke House's cessation of removal of earthen material County determines that Smoke House has failed to complete all work pertaining to demolition and removal of structures on subject property, then County shall complete same and shall deduct the amount of money expended to do so from the amount of money credited to Smoke House under Paragraph (4) herein.

(12) Smoke House shall indemnify and hold County and its officers, agents and employees harmless against any claims, actions or damages which may arise out of its use of subject property or its demolition and removal of the structures from subject property or the removal and transportation of earthen materials from the staked property.

(13) Any notice required by this Settlement Agreement shall be directed as follows:

To County: St. Louis County Counselor
41 South Central

Clayton, MO 63105

To Director:

Director of Highways & Traffic
121 South Meramec
Clayton, MO 63105

To Gersts:

Thomas J. O'Toole, Jr.
400 Chesterfield Center, Suite 640
Chesterfield, MO 63017

To Smoke House:

Fairfax Pollnow, President
Arbor Land Co.
300 Hunter, Suite 101
St. Louis, MO

IN WITNESS WHEREOF, the parties have executed this
Settlement Agreement in triplicate the day and year first above
written.

ST. LOUIS COUNTY, MISSOURI

By

John A. Ross
County Counselor

Approved:

Donald E. Spencer
Director of Highways & Traffic

SPALDING & CULLEN, P.C.

By

Thomas J. O'Toole, Jr.
Thomas J. O'Toole, Jr. #35798
400 Chesterfield Center
Suite 640
Chesterfield, MO 63017
(314) 532-6100
Attorneys for Defendants
James F. and Valerie D. Gerst

Approved:

James F. Gerst
James F. Gerst

Valerie D. Gerst
Valerie D. Gerst

THE OLD SMOKE HOUSE
INVESTMENT GROUP, LLP

By

Fairfax Pollnow
Fairfax Pollnow

STATE OF MISSOURI
COUNTY OF ST. LOUIS

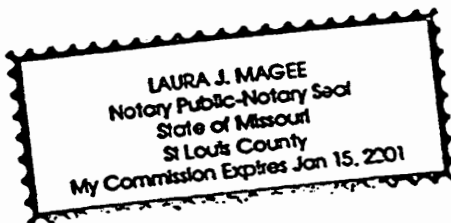
)
) SS
)

On this 5th day of May, 1997, before me appeared Fairfax Pollnow, to me personally known, who being by me duly sworn did say that he is a partner of The Old Smoke House Investment Group, LLP, a Missouri limited liability general partnership, and that as such partner he has authority to execute the foregoing instrument on behalf of said partnership, and acknowledged that he executed the same as his free act and deed and as the free act and deed of said partnership.

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

Laura J. Magee
Notary Public

My commission expires: Jan. 15, 2001



IN THE CIRCUIT COURT OF THE COUNTY OF ST. LOUIS
STATE OF MISSOURI

ST. LOUIS COUNTY, MISSOURI,)
)
 Plaintiff,) Cause No. 691121A
)
 v.) Division 18
)
 HUNTCO FARMS, INC., et al.,) Parcel 3 (Gerst)
)
 Defendants:)
)

JOINT DISMISSAL OF EXCEPTIONS

Come now the parties by and through their attorneys and
dismiss with prejudice all pending exceptions, court costs to be
paid by Plaintiff St. Louis County.

JOHN A. ROSS
COUNTY COUNSELOR

By _____
Patricia Redington #33143
Associate County Counselor
41 South Central Avenue
Clayton, MO 63105
(314) 889-2042
Fax (314) 889-3732
Attorneys for Plaintiff

APPROVED:

SPALDING & CULLEN, P.C.

James F. Gerst

Valerie D. Gerst

By _____
Thomas J. O'Toole, Jr. #35798
400 Chesterfield Center
Suite 640
Chesterfield, MO 63017
(314) 532-6100
Attorneys for Defendants
James F. and Valerie D. Gerst

APPROVED:
THE OLD SMOKE HOUSE INVESTMENT GROUP, LLP

By _____
Fairfax Pollnow

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

On this _____ day of April, 1997, before me appeared Fairfax Pollnow, to me personally known, who being by me duly sworn did say that he is a partner of The Old Smoke House Investment Group, LLP, a Missouri limited liability general partnership, and that as such partner he has authority to execute the foregoing instrument on behalf of said partnership, and acknowledged that he executed the same as his free act and deed and as the free act and deed of said partnership.

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

Notary public

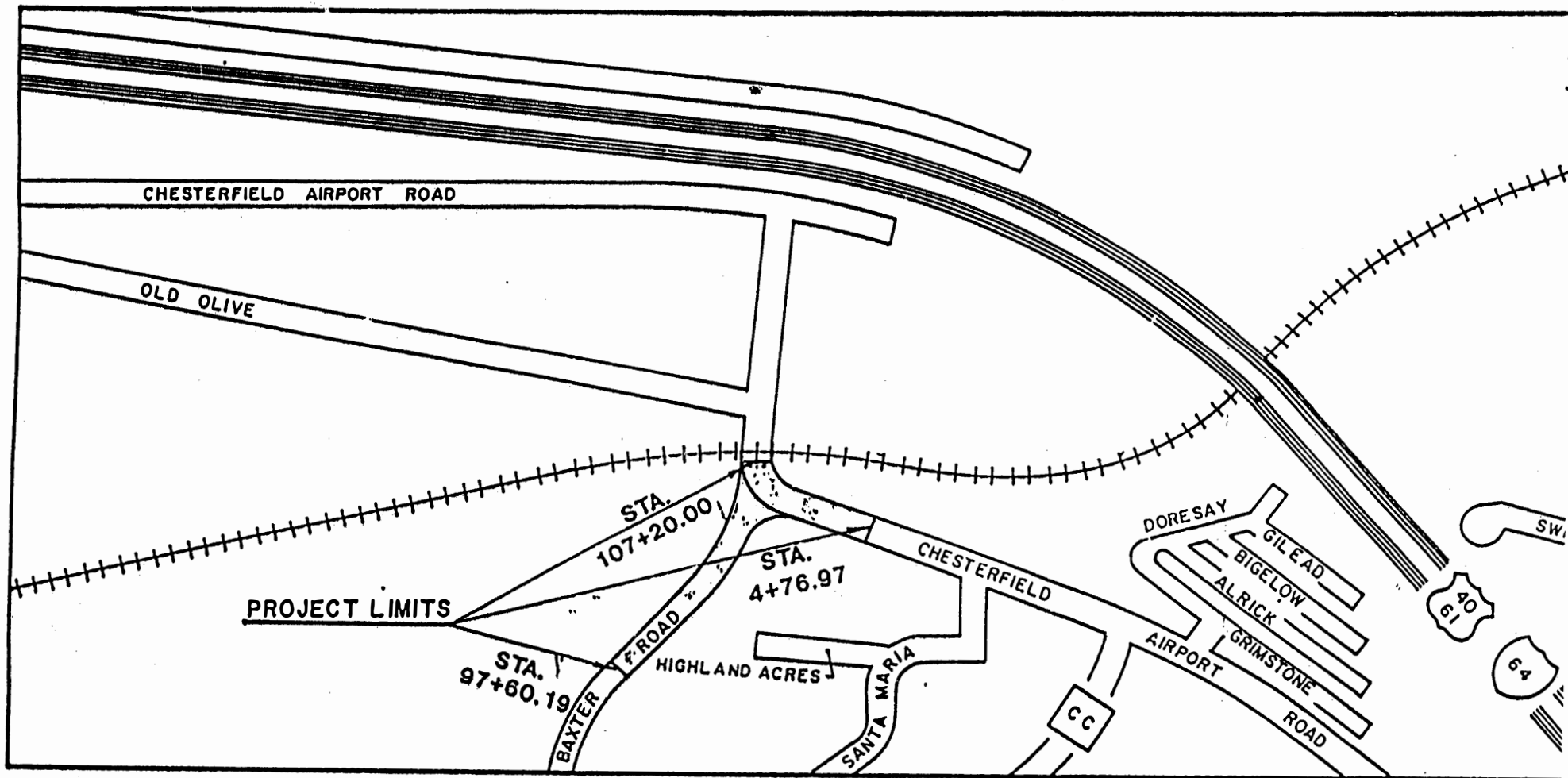
My commission expires: _____

SO ORDERED:

St. Louis County Circuit Judge

Date: _____

CONSTRUCTION PLAN & PRO



BAXTER ROAD

SCHEDULE 1

(Advances to the City)

Developer's advance upon execution of this agreement shall be as follows:

City's Application Fee	4,000
City's Counsel Fees and Expenses	5,500
City's Special Counsel Fees and Expenses	20,000
Bond Counsel Fees and Expenses	20,000
Investment Banker Fees and Expenses	<u>20,000</u>
Subtotal	69,500
Less (Amount Previously Advanced)	<u>69,000</u>
TOTAL	500