

REDEVELOPMENT AGREEMENT AMONG THE CITY OF WELLSTON, WELLSTON  
REDEVELOPMENT CORPORATION AND LAND CLEARANCE FOR REDEVELOPMENT  
AUTHORITY OF THE COUNTY OF ST. LOUIS

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THIS REDEVELOPMENT AGREEMENT, dated this 19<sup>th</sup> day of April, 1999 (this "Agreement"), is by and among the City of Wellston (the "City"), Wellston Redevelopment Corporation ("WRC") and Land Clearance for Redevelopment Authority of the County of St. Louis ("County LCRA").

WITNESSETH THAT:

WHEREAS, pursuant to Ordinance No. 955 adopted January 20, 1999 (the "Approving Ordinance"), the City Council of the City of Wellston designated the entire geographic area encompassing the City as the Wellston Redevelopment Area (the "Area"), and declared same to be a blighted area as defined in the Urban Redevelopment Corporations Law (Sections 353.010 to 353.190, inclusive, of the Revised Statutes of Missouri, 1994, as amended) (hereinafter, "Chapter 353") and the Land Clearance for Redevelopment Authority Law (Sections 99.300 to 99.660, inclusive, of the Revised Statutes of Missouri, 1994, as amended) (hereinafter, the "LCRA Law"); and

WHEREAS, pursuant to the Approving Ordinance, the Wellston City Council approved an Amended and Restated Wellston Redevelopment Plan for the Area dated November, 1998 (the "Plan"); and

WHEREAS, pursuant to Section 99.320 of the LCRA Law, a county land clearance for redevelopment authority may operate within the territorial boundaries of a municipality within such county if (a) the governing body of the municipality declares a need therefor, and (b) in the case of a municipality in which another land clearance for redevelopment authority is already established, such authority consents, by resolution, to the county authority acting within such municipality; and

WHEREAS, pursuant to the Approving Ordinance, the Wellston City Council declared a need for the County LCRA to act within the City; and

WHEREAS, by Resolution No. 38, the Land Clearance for Redevelopment Authority of the City of Wellston (the "Wellston LCRA") consented to the operation of the County LCRA within the City; and

WHEREAS, pursuant to Section 99.610 of the LCRA Law, two or more land clearance for redevelopment authorities may join or cooperate with one another in the exercise of any or all of the powers conferred under the LCRA Law for the purpose of planning, undertaking or financing a land clearance project within the area or areas of operation of any one or more of said authorities; and

WHEREAS, the Wellston LCRA and the County LCRA have cooperated to create WRC under the provisions of Chapter 353 for purposes of implementing the Plan; and

WHEREAS, pursuant to the Approving Ordinance, the Wellston City Council appointed WRC to serve as redeveloper of the Area and authorized the City to execute a redevelopment agreement with WRC; and

WHEREAS, pursuant to the Approving Ordinance, the Wellston City Council further authorized the Wellston LCRA and the County LCRA to undertake certain activities in furtherance of implementing the Plan, including the limited exercise of eminent domain powers subject to certain conditions as provided in the Approving Ordinance; and

WHEREAS, the parties desire to set forth their respective rights, obligations and limitations with respect to the development of the Area.

NOW, THEREFORE, the City, WRC and the County LCRA, in consideration of the above premises and the mutual covenants set forth in this Agreement, do hereby agree as follows.

1. Items Incorporated in this Agreement. The provisions of Chapter 353 up to and including the date of the Approving Ordinance, the provisions of the Approving Ordinance and the Plan are hereby incorporated by reference and made a part of this Agreement.
2. Development of the Area. WRC agrees to redevelop, or cause to be redeveloped, the Area in accordance with the Approving Ordinance, the Plan and this Agreement. Subject to any limitations set forth in the Approving Ordinance, the Plan and this Agreement, WRC is vested with authority to implement the Plan of the Area.
3. Development Schedule. WRC will undertake and complete or cause to be undertaken and completed redevelopment of the Area in accordance with the schedule for development set forth in the Plan, as may be amended from time to time in accordance with the Approving Ordinance or as otherwise approved by the City Council of the City. The schedule will be automatically extended for any Excusable Delay, as defined below, and may otherwise be extended in writing by agreement of WRC and the City. WRC shall use its best efforts to cause residential redevelopment to occur simultaneously, or on a parallel track, with commercial/industrial development.

For purposes of this Agreement, "Excusable Delay" shall mean any and all causes not within the reasonable control of WRC, including, but not limited to, acts of nature, fire and other casualty, strikes, lockouts or other labor disputes, weather conditions, shortages or unavailability of material, labor or

utilities, failure or delay in funding, vandalism, laws, orders or regulations of any court, governmental, civilian or military authority, acts of public enemy, unanticipated or unusual site conditions, litigation challenging the rights or authority of WRC and unreasonable delay in actions of City boards, departments and bureaus necessary for implementation of the Plan.

4. Acquisition of Property in the Area. For purposes of implementing the Plan, WRC and the County LCRA are hereby vested with authority to acquire property in the Area by the limited exercise of eminent domain powers, subject to the following limitations:

- (a) The County LCRA agrees that it will utilize the power of eminent domain to acquire only such property in the Area with respect to which WRC has, by resolution approved by a supermajority of the members of its Board of Directors (i.e., currently, four of the five members), directed the County LCRA to exercise such eminent domain powers in connection with such property; and
- (b) The power of eminent domain will not be used to acquire any owner-occupied residential property in the Area unless the Wellston City Council has approved same.

Any party approving an ordinance or resolution pursuant to the provisions of (a) or (b) above shall provide a certified copy of such resolution or ordinance to each of the other two parties to this Agreement.

All eligible occupants displaced as a result of acquisition of property for implementation of the Plan shall be relocated in accordance with all applicable federal, state and local laws, ordinances, regulations and policies. WRC, for itself and for any developers who develop property in the Area pursuant to the authority granted to WRC under this Agreement, agrees to use its best efforts to provide residential occupants of property who are displaced as a result of activities authorized under this Agreement with the opportunity to relocate within the City.

5. Breach and Compliance. In the event of non-compliance with the Plan, written notice of same may be delivered to WRC by the City and/or the County LCRA and, if WRC, after receipt of such notice, shall not have corrected such non-compliance within forty-five (45) days after the time reasonably required to complete such correction (unless the time for such correction is further extended by the City), or upon failure of WRC to timely commence the redevelopment activities or complete the same in accordance with the provisions of paragraph 3 of this Agreement, taking into consideration any extensions as provided for in said paragraph 3, the City and/or the County LCRA may institute such proceedings as may be necessary or desirable in its or their opinion to cure and remedy such default, and terminate this Agreement, in which

event WRC shall have no further rights, including rights of eminent domain, and, subject to the provisions of paragraph 17, rights of tax abatement, and the City shall have no further obligations hereunder.

6. Building and Site Maintenance. WRC shall maintain the buildings on, and exterior areas of, any properties in the Area to which it holds title in a good state of repair.
7. WRC Compliance with City Procedures. WRC shall obtain all necessary permits as prescribed by applicable law and be subject to all lawful inspections and perform such necessary acts as are required by the applicable ordinances of the City.
8. City Actions. The City agrees to cooperate with WRC in carrying out the Plan and with due diligence will perform each and every act reasonably and lawfully required of it under the Plan and this Agreement, including, without limitation, issuance of necessary building and occupancy permits subject only to its ordinary prerequisites and standards.
9. Tax Abatement.
  - (a) Subject to the provisions of paragraph 10 hereof, real property in the Area acquired by WRC shall not be subject to assessment or payment of general *ad valorem* property taxes imposed by the City or the State or any political subdivision thereof for a period of ten years from January 1 of the year following the date when WRC acquires such property by purchase, lease or otherwise, except to such extent and in such amount as may be imposed upon such real property during such period measured solely by the amount of the assessed valuation of the land, exclusive of improvements, as was determined by the St. Louis County Assessor for taxes due and payable thereof during the calendar year preceding the calendar year during which WRC acquired title to such real property; and the amounts of such tax assessment shall not be increased during such period so long as the real property is used in accordance with the Plan and this Agreement and any amendments thereto.
  - (b) In the event of the sale or other disposition of any real property, WRC (i) by reason of the foreclosure, or deed in lieu of foreclosure, under any mortgage, deed of trust or other lien, or insolvency or bankruptcy proceedings; (ii) by order of any court of competent jurisdiction; (iii) by voluntary transfer or conveyance (including sales, long-term lease, or other disposition); or (iv) otherwise, then in each case the tax relief provided for in this paragraph shall inure to the benefit of any purchaser(s) or other transferee(s) so long as they shall continue to use, operate and maintain such real property in accordance with the provi-

sions of the Plan, the Approving Ordinance and this Agreement and any amendments thereto.

- (c) If any portion of the real property is not used, operated and maintained in accordance with the Plan and any amendments thereto, or in the event that a transferee does not desire the real property to continue under the Plan and any amendments thereto, such portion of the real property shall be assessed for *ad valorem* taxes upon the full true value of the real property and may be owned and operated free from any of the conditions, restrictions, or provisions of Chapter 353 and the Approving Ordinance, and this Agreement, but such act will not constitute or result in a withdrawal of other parcels of real property in the Area from the benefit of Chapter 353 or the Approving Ordinance. A breach of any covenant or obligation imposed by Chapter 353 by any owner will not constitute a breach by any other owner of real property in the Area, and each parcel will be treated separately for this purpose.

10. Payments in Lieu of Taxes. Notwithstanding the tax abatement provisions of paragraph 9 of this Agreement, WRC agrees with respect to all real property in the Area, with the exception of institutional property and property otherwise tax exempt, owned by it or its subsidiaries or nominees, and taxed in accordance with paragraph 9 of this Agreement and pursuant to Section 353.110 of Chapter 353, as amended, WRC and its subsidiaries or nominees shall make payments in lieu of taxes, in addition to the *ad valorem* taxes computed as set forth above, in amounts as follows: (a) with respect to all such real property which is developed for commercial/industrial purposes (i) for the first seven years of the period referenced in paragraph 9(a) of this Agreement, in an amount equal to the amount by which the actual tax on such property within the Area computed pursuant to Section 353.110 of Chapter 353 is less than the tax which would have resulted in such taxable year against such property had such property been taxed at 50% of the assessed value of such property and any improvements thereon, and (ii) commencing in the eighth year of the period referenced in paragraph 9(a) of this Agreement, in an amount equal to the amount by which the actual tax on such property within the Area computed pursuant to Section 353.110 of Chapter 353 is less than the tax which would have resulted in such taxable year against such property had such property been taxed at 100% of the assessed value of such property and any improvements thereon, (b) with respect to all such real property which is developed for residential purposes (i) for the first five years of the period referenced in paragraph 9(a) of this Agreement, in an amount annually equal to the amount by which the actual tax on all such property within the Area computed pursuant to Section 353.110 of Chapter 353 is less than the tax which would have resulted in such taxable year against all such property had the property been taxed at

50% of the assessed value of such property and any improvements thereon, and (ii) commencing in the sixth year of the period referenced in paragraph 9(a) of this Agreement in an amount equal to the amount by which the actual tax on such property within the Area computed pursuant to Section 353.110 of Chapter 353 is less than the tax which would have resulted in such taxable year against such property had such property been taxed at 100% of the assessed value of such property and any improvements thereon. The obligation to make the foregoing payments shall constitute a lien against each such parcel to which such obligation applies, enforceable by the City in the same manner as general real estate taxes. The City agrees with respect to such payments made pursuant to this paragraph that it will distribute or cause to be distributed such payments in the same manner as it distributes *ad valorem* property taxes collected on such property to the state or other political subdivisions entitled thereto at the time of distribution. In no event shall the taxes assessed and levied against the property of WRC, its successors or assigns, when added to all other payments made under this paragraph, exceed the taxes which would have been assessed and levied by the City pursuant to the general real property taxing statutes of Missouri.

11. Surplus Earnings of the Redevelopment Corporation. Any surplus earnings of WRC, in excess of the rate of earnings as provided in Chapter 353, and the Articles of Incorporation of WRC, may be held by WRC as a reserve for maintenance of such rate of return in the future and may be used by WRC to offset any deficiency in such rate of return which may have occurred in prior years; or may be used to accelerate the amortization payments or the enlargement of the Redevelopment Project or for the reduction in rental or sales price therein; provided that any excess of such surplus earnings of WRC remaining at the end of the tax relief grant and pursuant to Chapter 353 shall be turned over by WRC to the City.
12. WRC's Right to Transfer Property. WRC reserves the right to sell, assign, transfer, lease, mortgage and convey any property or any part thereof or interest therein which it may acquire within the Area, to any person, corporation, partnership, public authority, joint venture or other entity, including, without limitation, any affiliate of WRC either before or after completion of any redevelopment activity as provided herein. However, all such transfers of a property prior to completion of redevelopment shall be subject to the Plan, this Agreement and the Approving Ordinance, thereby obligating the transferee to complete the redevelopment activities called for in the Plan with respect to such property. Any transferee or successor in interest in the property of WRC within the Area, prior to completion of redevelopment activities, will agree in writing to assume the obligations of this Agreement with respect to the property or interest so transferred. All such transfers, before or after completion of construction, shall be subject to land use requirements of the Plan. Any transferee or successor in interest to such property, or any part

thereof, which was acquired by WRC pursuant to the Plan shall be entitled to the property tax relief of Section 353.110 of Revised Statutes of Missouri, 1986, as amended, without further action from the Wellston City Council or the City so long as its transferee or successor in interest continues to use, operate, and maintain the property for the land use provided in the Plan.

13. Modifications to this Agreement. WRC may include minor modifications or departures to this Agreement and to the Plan without the City's consent. Such minor modifications shall be limited to curing any ambiguity or formal defect or omission in this Agreement or the Plan so as to more precisely identify the Plan and the property that is the subject of the Plan, or to comply with any future provisions of applicable law. Any modification that substantially departs from this Agreement or the Plan shall require prior approval by WRC, any affected sub-developers, and the City Council. Any amendments to this Agreement and the Plan shall require approval by the City Council, County LCRA and WRC and any affected developer or sub-developer.
14. Term of Use Limitation. The land uses in the Area shall be limited to the land uses described in the Plan for a period of not less than twenty-five (25) years from the effective date of the Approving Ordinance.
15. Term of Agreement. This Agreement shall remain in full force and effect so long as WRC, or any of its successors or assigns shall enjoy tax relief under Chapter 353 and at the termination of such relief, this Agreement shall terminate and become null and void, provided that the redevelopment activities described in the Plan have been completed.
16. Invalidation or Cancellation of Agreement by WRC. In the event that WRC shall be prohibited from performing the covenants and agreements herein contained, or contained in the Plan by order of any governmental agency or other authority of competent jurisdiction, or Court, or in the event that Chapter 353, or the Approving Ordinance shall be declared invalid in whole or in part, then and in any such event, WRC may cancel or terminate this Agreement by giving written notice of its intention to do so to the City.
17. Impact of WRC Default on Tax Relief. Notwithstanding the provisions of paragraph 5 of this Agreement, the default of WRC in completing any portion of the Plan shall in no way affect adversely or jeopardize the partial tax relief with respect to any property in any other portion of the Area or any part thereof which has been or will thereafter be completed by WRC, its successors and assigns, including, without limitation, any purchaser at a foreclosure sale.
18. Impact of Cancellation of Agreement. In the event this Agreement is cancelled with respect to all or any part of the real property in the Area, all du-

ties, obligations and liabilities of the parties hereto with respect to such property shall cease and terminate as of the cancellation date.

19. Notice. Whenever notice or other communication is called for herein to be given or is otherwise given pursuant hereto, it shall be in writing and shall be personally delivered or sent by registered or certified mail, return receipt requested, addressed as follows:

If to City:

City of Wellston  
1414 Evergreen  
Wellston, Missouri 63133  
Attention: Mayor

If to WRC  
c/o Land Clearance for Redevelopment Authority  
of the County of St. Louis  
121 So. Meramec, Suite 900  
Clayton, Missouri 63105  
Attention: Vice-President, Real Estate and Community Development

If to County LCRA:

121 So. Meramec, Suite 900  
Clayton, Missouri 63105  
Attention: Vice-President, Real Estate and Community Development

20. Severability. The provisions of this Agreement shall be deemed severable.
21. Headings. The headings and captions of this Agreement are for convenience and reference only, and in no way define, limit or describe the scope or intent of the Agreement of any provision hereof.
22. Choice of Law. This Agreement shall be 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.
23. Entire Agreement. The parties hereto agree that this Agreement shall constitute the entire agreement between the parties and no other agreements or representations other than those contained in this Agreement have been made by the parties. This Agreement shall be amended only in writing and effective when signed by the duly authorized agents of the parties.
24. Nondiscrimination. WRC and any other party participating as owners or purchasers of property in the Area for redevelopment (collectively, "Redevel-

oper") shall agree for themselves and their heirs, successors and assigns that they shall not discriminate on the basis of race, color, religion, national origin, sex, marital status, age or physical handicap in the sale, lease or rental of any property or improvements erected or to be erected in the Area or any part thereof and those covenants shall run with the land, shall remain in effect without limitation of time, shall be made part of every contract for sale, lease or rental of property to which Redeveloper is a party, and shall be enforceable by the Wellston LCRA, the City and the United States of America.

25. Contract Provisions. In all contracts with private and public parties for redevelopment of any portion of the Area, all Redevelopers shall agree:

- (a) To use the property in accordance with the provisions of the Plan, and be bound by the conditions and procedures set forth therein and in the Approving Ordinance;
- (b) That in undertaking construction under any agreement and the Plan, bona fide minority and women subcontractors and material suppliers shall be solicited and fairly considered for subcontractors and purchase orders by the general contractor and other subcontractors under the general construction and other construction contracts let directly by the Redeveloper;
- (c) To be bound by the conditions and procedures regarding the utilization of minority and women business enterprises established from time to time by the City;
- (d) To cooperate with those programs and methods supplied by the City with the purpose of accomplishing, pursuant to this paragraph, minority and women subcontractors and material supplier participation in the construction under the Approving Ordinance. Redevelopers shall report semi-annually during the construction period the results of its endeavors under this paragraph, to the Office of the Mayor and the Wellston City Council; and
- (e) That the language of this section shall be included in its general construction contract and other construction contracts let directly by Redevelopers.

That terms "minority contractor" or "minority material supplier" shall mean a business enterprise at least fifty-one percent of which is owned and controlled by members of minorities. The terms "members of a minority" or "minority" mean African-Americans, Native Americans, Hispanic Americans, Asians, Pacific Islanders and other protected classes.

The term "woman contractor" or "woman material supplier" shall mean a business enterprise at least fifty-one percent of which is owned and controlled by women.

The term "Redeveloper" as used in this section shall include its successors in interest and assigns.

Any conflict between this Agreement and the Approving Ordinance will be resolved in favor of the Approving Ordinance.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first written above.

(SEAL)

CITY OF WELLSTON, MISSOURI

By: Lawrence Brady  
Title: Mayor

Attest:

By: Raymond A. Shultz  
Title: \_\_\_\_\_

(SEAL) NO SEAL

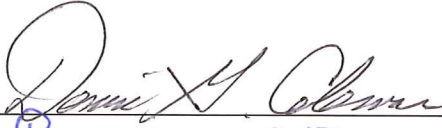
WELLSTON REDEVELOPMENT CORPORATION

By: Helma E. Morehead  
Title: President


Attest:

By: Robert L. Owens  
Title: Vice President



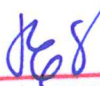

LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY OF THE COUNTY OF ST. LOUIS

By:   
Title: President and CEO

Attest:

By:   
Title: Admin. Asst.

APPROVAL (Please Initial)

<u></u>	<u>6/29/99</u>
Executive Director <input type="checkbox"/>	Date
<u></u>	<u>6/22/99</u>
General Counsel <input type="checkbox"/>	Date
<u></u>	<u>6/29/99</u>
Financial Officer <input type="checkbox"/>	Date
<u></u>	<u>6/22/99</u>
Division Director <input type="checkbox"/>	Date

Board Approval: \_\_\_\_\_ Date \_\_\_\_\_ Resolution # \_\_\_\_\_

\_\_\_\_\_ Funding Source \_\_\_\_\_ Account # \_\_\_\_\_



121 South Meramec, Suite 900 ▪ St. Louis, MO 63105

(314) 889-7663 ▪ Fax (314) 889-7666

July 13, 1999

The Honorable Lawrence Brady  
Mayor, City of Wellston  
1414 Evergreen  
Wellston, Missouri 63133

Re: Redevelopment Agreement among the City of Wellston, Wellston Redevelopment Corporation and Land Clearance for Redevelopment Authority of the County of St. Louis

Dear Mayor Brady:

Enclosed is one fully executed counterpart of the above-referenced agreement. Should you have any questions regarding this matter, please feel free to contact me.

Very truly yours,

A handwritten signature in cursive script that reads 'Karin Weast'.

Karin Weast  
Legal Secretary

Enclosure

July 13, 1999

Page 2

bc: Olivia Powers (w/enc.)  
Wellston Redevelopment Corporation