

QUARTERLY REPORT
Olive/Graeser Transportation Development District

To: Mark Perkins, Creve Coeur City Administrator
cc: Credit Union (First Community Credit Union)
Hutkin (Adkins Farms, Inc.; D Hutkin Family Investors, LLC; ORA Properties, LLC;
10923 Olive Partners, L.L.C.)
Stern (Forsyth Investments LLC)
Wolff (Creve Coeur Real Estate Venture IV, LLC)
Carl J. Lumley, Esq., Creve Coeur City Attorney
Olive/Graeser Transportation Development District Board of Directors
From: Natalie J. Nichols on behalf of the Olive/Graeser Transportation Development District
Board of Directors
Date: January 15, 2010
Re: Quarterly report required by section 4.15 of District Development Agreement

Please consider this memorandum as the quarterly report of the District's Board of Directors required by section 4.15 of the District Development Agreement entered into among the District, the City of Creve Coeur, and the District's property owners and dated August 31, 2009, as amended (the "*District Development Agreement*").

On December 8, 2009, the Circuit Court of the County of St. Louis, Missouri entered a Judgment and Order Organizing a Transportation Development District (the "*Order*") that established the Olive/Graeser Transportation Development District (the "*District*") as a political subdivision of the State of Missouri. The Order established the District for the sole purpose of financing the Infrastructure Improvements (as defined in the Order) through the imposition of a 1% transportation development district sales tax on the receipts from the sale at retail of all tangible personal property or taxable services within the District (the "*TDD Sales Tax*").

1. Status of Construction. Pursuant to the District's Resolution No. 09-005, the District designated Pace-Creve Coeur Associates, L.L.C. (the "*Developer*") as the District's agent for the purpose of completing the Infrastructure Improvements. Please see the Developer's quarterly report for the anticipated construction schedule.

2. District Revenues. On December 16, 2009, the property owners within the District unanimously voted to authorize imposition of the TDD Sales Tax. Also on December 16, 2009, the District's Board of Directors approved Resolution No. 09-004, imposing the TDD Sales Tax.

Under recent changes in Missouri law, the Missouri Department of Revenue ("*DOR*") will collect the TDD Sales Tax (see section 238.235, RSMo). The District submitted certain required information regarding the TDD Sales Tax to the DOR on December 30, 2009. Because the DOR was notified of the tax prior to December 31, 2009, the TDD Sales Tax will become

effective on **April 1, 2010**. The District is currently collecting information about each business within the District (e.g., sales tax identification number and contact information), which must be submitted to the DOR this month.

District Advisory Director Dan Smith provided the District with a sample sticker to be displayed at businesses within the District to notify customers of the TDD Sales Tax. These stickers will be distributed to each business within the next two months.

3. District Expenses. To date, the District has not authorized payment of any District expenses and has not issued any notes to the Developer to reimburse the Developer for District expenses incurred as contemplated in the District Development Agreement.

4. Outstanding Obligations of the District. To date, the District has no outstanding obligations.