

ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

For the Period Ending December 31, 2017

\$39,470,000

*370/Missouri Bottom Road/Taussig Road
Transportation Development District
Hazelwood, St. Louis County, Missouri
Transportation Revenue Bonds
Series 2002*

CUSIP NUMBER

88575UAL7

Prepared by:

MUNICAP, INC.

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ANNUAL DEVELOPMENT ACTIVITY AND DISCLOSURE REPORT

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I. UPDATED INFORMATION

The information provided below is updated for the period ending December 31, 2017.

- As of December 31, 2017, the Current Owner has reported nine leases with anchors occupying 500,961 square feet. The anchor store space that is subject to a letter of intent to lease is zero square feet, the square footage of the anchor store space for which lease negotiations are in progress is zero square feet, the square footage of the anchor store space that is leased but not yet open is zero square feet and the square footage of the anchor store space of any remaining leasable space that is not subject to a lease, letter of intent or negotiation is zero square feet.
- Additionally, the Current Owner has reported 13 fully executed specialty store leases for 77,085 square feet of space, which is equal to 15.0 percent of the total 512,280 square feet of leasable space for specialty stores. The specialty store space that is subject to letter of intent to lease is zero square feet, the square footage of the specialty store space that is leased but not yet open is zero square feet and the square footage of the specialty store space of any remaining leasable space that is not subject to a lease, letter of intent or negotiation is zero square feet.
- For the period of December 31, 2016 through December 31, 2017, \$314,464 in TDD Sales Tax Revenues have been collected.
- The Trustee reports that as of December 31, 2017, the balance on the \$26,385,000 Industrial Development Authority of the City of Hazelwood, Missouri, Tax Increment Refunding Revenue Bonds, Series 2003 (370/Missouri Bottom Road Redevelopment Project) was \$600,000.
- TDD Special Assessments in the amount of \$766,777 were to be collected for fiscal year 2013. As of August 4, 2017, the City of Hazelwood reports that TDD Special Assessments in the amount of \$584,281 have been collected, representing 76.2 percent of the TDD Special Assessments billed for fiscal year 2013. According to the City of Hazelwood, TDD Special Assessments in the amount of \$182,497 remain outstanding on seventeen parcels owned by one property owner. Follow up inquiries have been made with the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.
- TDD Special Assessments in the amount of \$968,268 were to be collected for fiscal year 2014. As of August 4, 2017, the City of Hazelwood reports that TDD Special Assessments in the amount of \$737,815 have been collected, representing 76.2 percent of the TDD Special Assessments billed for fiscal year 2014. According to the City of Hazelwood, TDD Special Assessments in the amount of \$230,453 remain outstanding on seventeen parcels owned by one property owner. Follow up inquiries have been made to the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.
- TDD Special Assessments in the amount of \$2,012,097 were to be collected for fiscal year 2015. As of August 4, 2017, the City of Hazelwood reports that TDD Special Assessments in the amount of \$1,330,927 have been collected, representing 66.1 percent

of the TDD Special Assessments billed for fiscal year 2015. According to the City of Hazelwood, TDD Special Assessments in the amount of \$681,170 remain outstanding on eighteen parcels owned by two property owners. Follow up inquiries have been made to the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.

- TDD Special Assessments in the amount of \$2,688,814 were to be collected for fiscal year 2016. As of August 4, 2017, the City of Hazelwood reports that TDD Special Assessments in the amount of \$1,778,526 have been collected, representing 66.1 percent of the TDD Special Assessments billed for fiscal year 2016. According to the City of Hazelwood, TDD Special Assessments in the amount of \$910,288 remain outstanding on eighteen parcels owned by two property owners. Follow up inquiries have been made to the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.
- TDD Special Assessments in the amount of \$3,177,646 were to be collected for fiscal year 2017. As of August 4, 2017, the City of Hazelwood reports that TDD Special Assessments in the amount of \$411,533 have been collected, representing 13.0 percent of the TDD Special Assessments billed for fiscal year 2017. According to the City of Hazelwood, TDD Special Assessments in the amount of \$2,766,113 remain outstanding on twenty-one parcels owned by three property owners. Follow up inquiries have been made to the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.
- TDD Special Assessments in the amount of \$3,150,632 were to be collected for fiscal year 2018. Follow up inquiries have been made to the City of Hazelwood to request current collection numbers. As of the date of this report, that information has not yet been made available by the City of Hazelwood. When it becomes available, the Administrator will provide an update in a supplemental disclosure.
- Pursuant to the Significant Event Notice filed with EMMA and dated January 11, 2016, the Administrator received notice from the District that it has entered a Settlement Agreement and Release dated January 5, 2016 among the District, the 370/Missouri Bottom Road/Taussig Road Community Improvement District and St. Louis Residual Limited Partnership, pursuant to which St. Louis Mills Residual Limited Partnership has transferred ownership of the seventeen parcels it owned within the District pursuant to a special warranty deed recorded with St. Louis County on January 11, 2016. These seventeen parcels were owned by one of the delinquent property owners mentioned above. Since the District has no assets, it is unable to pay the delinquent assessments on these seventeen parcels or assessments levied in future years on these parcels. As of the date of this report, the District has indicated that it intends to sell these seventeen parcels to an entity or entities that is or will be able to pay the delinquent and future assessments levied on these parcels. As of the date of this report, however, the District has not indicated if marketing efforts to sell these parcels has begun.
- In June 2016, the Hazelwood City Council approved a Condominium Declaration for the property which subdivides the Plat T of the property into separate parcels for the anchor locations.

- On February 11, 2016, the mall was sold to St. Louis Retail Outlet, LLC. The property remains branded as St. Louis Outlet Mall and all rights and responsibilities now reside with the new entity. Concurrent with the change was the termination of The Woodmont Company as Manager and arrangement for St. Louis Mall Realty, LLC as new management of the St. Louis Outlet Mall.
- On April 4, 2017, the Administrator received notice that the St. Louis Outlet Mall was sold to Namdar Realty Group.
- On May 1, 2017, an unscheduled draw of \$212,512 from the Reserve Fund was made to pay semi-annual interest of \$1,326,260 on the Series 2002 Bonds on May 1, 2017, as a result of the non-payment of a portion of the special assessments levied in 2017. (According to the Trustee, Bondholders have elected not to pay the principal due of \$620,000 on May 1, 2017. The current Reserve Requirement is equal to \$3,947,000 and the balance in the Reserve Fund after the May 1, 2017 draw was \$2,348,241.
- On November 1, 2017, an unscheduled draw of \$860,768 from the Reserve Fund was made to pay semi-annual interest as a result of the nonpayment of a portion of the special assessment levied in 2017. The current Reserve Requirement is equal to \$3,947,000 and the balance in the Reserve Fund after the November 1, 2017 draw was \$1,539,729.

II. INTRODUCTION

The 370/Missouri Bottom Road/Taussig Road Transportation Development District (the “District”) issued the \$39,470,000 Series 2002 Transportation Revenue Bonds pursuant to and in accordance with the Missouri Transportation Development District Act, Sections 238.200 through 238.275, of the Revised Statutes of Missouri, as amended (the “TDD Act”), and an indenture of trust by and between the District and UMB Bank, National Association, (the “Trustee”), dated as of October 1, 2002.

The property in the District is located in the City of Hazelwood, Missouri (the “City”), and consists of a mall parcel of 92 acres of land within the City of Hazelwood, Missouri and adjacent outparcels that are located in the City of Hazelwood and the City of Bridgeton, Missouri.

The Mills Corporation was acquired by SPG-FCM Ventures, LLC, a joint venture between an entity owned by Simon Property Group, Inc. and Farallon Capital Management, LLC, on April 3, 2007. The property in the District was being developed by SPG-FCM Ventures, LLC (the “Former Developer”). On August 31, 2012, the mall property was transferred to MSCI 2007-IQ13 Retail 5555 LLC, via a Special Warranty Deed in Lieu of Foreclosure. On February 11, 2016, the mall was sold to St. Louis Retail Outlet, LLC. Concurrent with the change was the termination of The Woodmont Company as Manager and arrangement for St. Louis Mall Realty, LLC as new management of the St. Louis Outlet Mall. The Retail Project included an enclosed super-regional value and entertainment retail mall known as St. Louis Mills and adjacent outparcels that are projected to be sold or leased (the “Pad Sites”). On April 4, 2017 the St. Louis Outlet Mall was sold at auction to Namdar Realty (“Current Owner”). The property remains branded as the St. Louis Outlet Mall (the “Mall”) and all rights and responsibilities now reside with the Current Owner.

Pursuant to the Limited Offering Memorandum (LOM), \$39,470,000 in Transportation Revenue Bonds (Series 2002) were sold to finance public improvements to serve the property located within the District. Additional bonds and other obligations may be issued under and equally ratably secured by the indenture on a parity (except as otherwise provided for in the indenture) with the Series 2002 Bonds and any other additional bonds from time to time upon compliance with the conditions set forth in the indenture for any purpose authorized under the TDD Act.

Pursuant to the continuing disclosure agreement, the Former Developer and Administrator agreed to provide certain information regarding the development of the property and the operations of the District. These reports are provided pursuant to Rule 15c2-12.

The information in this report on development activity was provided by the Current Owner and is believed to be accurate; however, no effort has been made to independently verify the information.

A map of the TDD is provided below. The yellow area is the original TDD boundary, the purple area is the property that was added to the TDD, and the orange area is the property that was deleted from the TDD because it was dedicated to MoDOT.

The information provided herein is not intended to supplement or otherwise relate to the information provided in the Limited Offering Memorandum and any such intent is expressly disavowed. Rather, this report responds to the specific requirements of the continuing disclosure agreement.

No representation is made as to the materiality or completeness of the information provided herein or as to whether other relevant information exists with respect to the period covered by this report. Other matters or events may have occurred or become known during or since that period that may be material. All information is provided as of December 31, 2017, unless otherwise stated, and no representation is made that the information contained in this report is indicative of information that may pertain since the end of the period covered by this report or in the future.

III. DEVELOPMENT ACTIVITY

A. OVERVIEW

The Transportation Development District (TDD) includes an area of approximately 184.6 acres and is located in the northeast quadrant of the intersection of State Highway 370 and Missouri Bottom Road in St. Louis County, Missouri. The Retail Project consists of a Mills Super Regional Mall (the “Mall”), which was constructed on a 92-acre site and an estimated 20 peripheral pad sites totaling approximately 86 acres to be sold or ground leased to the ultimate users thereof, such as restaurants, retail or service businesses, and an additional 26.7 acre parcel, which may be subdivided for one or more industrial users. St. Louis Mills is planned as a super-regional value and entertainment-oriented mall. The Limited Offering Memorandum reported that approximately 1.4 million square feet of gross floor area would be created when complete. Of this, approximately 1,025,000 square feet would be leasable. The Current Owner has since revised this figure to 1,194,610 square feet of leasable space, which has been made available to retailers.

As outlined in the Limited Offering Memorandum, the Former Developer originally anticipated that 12 anchors, occupying approximately 519,000 square feet of leasable anchor space around an oval corridor, and 175 specialty stores, occupying approximately 506,000 square feet of leasable specialty store space completing the outer oval and occupying portions of the central mall, would be created. The current plan is for the mall to consist of 13 anchor tenants occupying approximately 682,330 square feet of leasable space and 175 specialty retail stores occupying approximately 512,280 square feet of leasable space. The plan includes a number of major value fashion and outlet retailers, as well as entertainment uses, including a multi-screen theater and restaurants. The mall was completed, and the grand opening took place on November 13, 2003.

The conceptual plan envisioned by the Former Developer anticipated that the proposed pad sites may be subdivided and developed as “theme” restaurants, big box retailers such as Toys “R” Us, Circuit City, PetSmart and Staples, as well as other peripheral uses including light industrial, and a bank branch, which would not generate TDD Sales Tax Revenues.

At the time of bond issuance, financing for the construction loan of St. Louis Mills had not been obtained, but closing of construction financing for the project was expected to occur no later than May 1, 2003. The Former Developer was in discussions with several lending institutions that had financed other Mills Corporation mall projects.

The Former Developer’s financial projections anticipated a construction loan of approximately \$152 million and \$65.1 million in owner’s equity at the time of bond issuance. Conditions to closing on the construction loan were expected to include an initial equity contribution of \$65.1 million, closing on the Series 2002 Bonds, executed leases for at least 25 percent of the leasable area in the mall and an appraisal showing a loan-to-value ratio of no more than 75 percent with respect to the mall upon completion. It was expected that the construction loan would be full recourse to the Mills, LP until certain conditions related to the development of St. Louis Mills had been met. The construction loan was expected to be secured by a mortgage on the mall site.

B. GOVERNMENTAL APPROVALS AND PERMITS

According to the Former Developer, in accordance with the TDD Act, the District and the Missouri Highways and Transportation Commission had entered into a Missouri Highways and Transportation Commission Transportation Development District Cooperative Agreement dated February 5, 2003, pursuant to which, the Commission has approved that portion of the Mills Transportation Project known as the Interchange Improvements. The plans for that portion of the Mills Transportation Project known as St. Louis Mills Circle were submitted to the City of Hazelwood, Missouri, as the applicable local transportation authority,

and were approved on October 1, 2002, and subsequently approved, as revised, on March 21, 2003. The plans for that portion of the Mills Transportation Project known as St. Louis Mills Boulevard were submitted to the City of Hazelwood, Missouri, as the applicable transportation authority, and were approved on April 3, 2003. The plans for a portion of the Mills Transportation Project known as the Missouri Bottom Road Relocation were submitted to St. Louis County, Missouri, as the applicable transportation authority, and were approved on June 17, 2003.

The zoning classification for the property in the District, which was in place at the time the bonds were issued, was M-1, which is the manufacturing zoning category in the county. The uses allowed under M-1 zoning are manufacturing facilities, office buildings, truck terminals, warehousing and a variety of other uses. Conditional use within the District may include business services, service and repair stations, nightclubs, restaurants and other businesses. The Former Developer reported that the parcels located in the City of Hazelwood were rezoned to "Planned District Mixed" on October 2, 2002. The Former Developer also reported the parcels located within the City of Bridgeton were rezoned to B-2 Commercial.

C. STATUS OF DEVELOPMENT

The Former Developer reported the construction of the Mills Transportation Project began in July 2002 and that construction of the Mills Transportation Project was substantially complete.

When the Series 2002 Bonds were issued, there was an environmental litigation complaint filed by the Missouri Coalition for the Environment against the United States Army Corps of Engineers. The amended complaint filed by the Missouri Coalition for the Environment on September 30, 2003 was settled on March 26, 2003.

On July 8, 2004, the District, St. Louis Mills, LP, St. Louis Mills Residual, LP and various other owners of record of real property located within and adjacent to the boundaries of the District, filed a petition for the adjustment of the boundaries of the District. The petition sought to amend the District's boundaries to include approximately 33.662 acres of real property on the west side of the existing right-of-way of Missouri Bottom Road (excluding approximately 7.171 acres of real property to be dedicated as right-of-way for the Mills Transportation Project). The adjustment of the boundaries was completed pursuant to a judgment and order entered by the court on September 24, 2004.

The Former Developer reported the following change of ownership: the transfer by the Mills Development company of Missouri, LLC to St. Louis Mills, LP of approximately 178 acres of property within the District on November 6, 2002; the transfer by St. Louis Mills Residual, LP to the District of approximately 2 acres of property within the District on September 26, 2003; the transfer by St. Louis Mills, LP to St. Louis Mills Residual, LP of approximately 48 acres of property within the District on November 19, 2003; the transfer by St. Louis Mills, LP to St. Louis Mills Residual, LP of approximately 0.5 acres of property within the District on June 21, 2005; and the transfer by the District to St. Louis Residual, LP of access rights to approximately 19 acres of property within the District on December 14, 2005.

The Mills Corporation was acquired by SPG-FCM Ventures, LLC, a joint venture between an entity owned by Simon Property Group, Inc. and Farallon Capital Management, LLC, on April 3, 2007.

The Mills Corporation reported pending litigation in which the claim for damages was originally in excess of \$1,000,000, although the amount in controversy as of December 31, 2005, was less than \$1,000,000. According to the Mills Corporation, the litigation was a consolidated equitable action involving mechanic's liens filed by various claimants incurred that performed work in connection with the construction of the mall. The Former Developer reported that in the opinion of counsel to the Former Developer, this litigation would not materially adversely affect the financial condition of the Former Developer. The Former Developer reported that a settlement has been reached regarding this litigation and there were no payments required by or on behalf

of the Mills, the former beneficial owner of the Former Developer as of June 30, 2008.

According to the Former Developer, a number of lawsuits arising out of the Company's announcement of its intention to restate its and Mills LP's previously issued financial statements were filed on January 20, 2006 in the United States District Court for the Eastern District of Virginia against the Company, Mills LP and certain of the Company's current and former officers and directors. These putative class actions asserted various claims arising under the federal securities laws and all the several securities actions have since been consolidated under the caption, *The Mills Corporation Securities Litigation*, No: 1:06cv77 (GBUTJR) (E.D. Va.). As of May 8, 2009, the Former Developer reported that this case had been settled and the parties entered into a Stipulation and Agreement of Settlement. According to the Former Developer, the Agreement received preliminary approval from the trial court in February 2009. The Former Developer also reported that final approval of the settlement by the court is conditioned upon a plan of distribution being finalized for all class participants and final approval of settlement and payment of the last installment of the settlement amount should complete the disposition of this litigation.

On January 8, 2012, the Former Developer reported that the \$90,000,000 Morgan Stanley Capital Investments construction loan matured, and a material default and payment default occurred. According to the Former Developer, the construction loan was secured by property within the District owned by the Former Developer. No replacement financing has been obtained and, on August 31, 2012, the Mall property was transferred to MSCI 2007-IQ13 RETAIL 5555 LLC via a Special Warranty Deed In Lieu of Foreclosure. On April 4, 2017 the St. Louis Outlet Mall was sold at auction to Namdar Realty (“Current Owner”). Concurrent with the change, St. Louis Mall Realty, LLC became the new Manager of the St. Louis Outlet Mall. The property remains branded as the St. Louis Outlet Mall (the “Mall”) and all rights and responsibilities now reside with the Current Owner.

(i.) Status of Mall Construction

The Former Developer hired the general contractor, HC Beck, (“Beck”), to construct the St. Louis Mills Mall and construction commenced in July 2002. The mall was completed and opened to the public on November 13, 2003.

(ii.) Status of Pad Site Construction

The conceptual plan envisioned by the Former Developer anticipated that the proposed pad sites would be developed as “theme” restaurants, big box retailers such as Toys “R” Us, Circuit City, PetSmart, and Staples, as well as other peripheral uses including light industrial, and a bank branch, which would not generate TDD Sales Tax Revenues.

The Former Developer reported that pad site C Block, which was owned by Colling & Goodman, was sold to Dymterko Wright. Based on the research conducted by the Administrator on the St. Louis County Assessment Division website and discussed with individuals in the Abstract Department of the Assessment Division, this property is currently owned by Associated Bank, National Association. The Former Developer also reported that the owner had proposed the construction of a hotel-waterpark (Splash Universe) on this site. The Former Developer reported that the site work began in September 2008 and was put on hold due to the current credit market.

Table III-1 on the following page shows the status of construction and occupancy of the auxiliary use parcel as of December 31, 2017.

**Table III-1
Pad Site Construction Status**

Owner	Use	Lot	Construction Status	Occupancy Status
MERS	Goodwill Outlet	G-2	Completed	Open
Toys-R-Us	Babies R Us	R-1/2	Completed	Open
Steak N Shake Operations, Inc.	Steak 'n Shake	R-6	Completed	Closed
Chrouch, Ellen D. Trust et al	Jared Jewelers	S-2	Completed	Open
5552 St. Louis Mills Blvd, LLC	Longhorn Steakhouse	R-4C	Completed	Open
Bef Reit, Inc.	Bob Evans	R-4D	Completed	Closed
Empire Development	Retail	H-2	Not Yet Commenced	N/A
Crescent Pointe 370, LLC	Hotel/Waterpark	C	Site work on hold	N/A
Rogers Darrel L 2008 Trust	Sonic Restaurant	S-3	Completed	Closed

The Current Owner reports that the occupants of for pads, Babies “R” Us, Jared Jewelers and Longhorn Steakhouse, are complete and open for business. The Current Owner reports that American Television & Appliance and Sonic closed in the third quarter of 2011, that Bob Evans closed in the 2013, and that Steak n’ Shake closed in November of 2017.

(iii.) Leasing Status

Mall Parcel

At the time of bond issuance, the Former Developer reported that no leases had been signed for the Retail Project. The Current Owner reports that the plan for the mall anticipates 13 anchor tenants occupying approximately 682,330 square feet (including the 15,828 square feet of the former NASCAR Mezzanine) of leasable space and 175 specialty retail stores occupying approximately 512,280, resulting in aggregate leasable space of 1,194,610 square feet.

The Current Owner reports that Cabela’s, an anchor store that occupies approximately 128,709 square feet of mall space, opened on April 13, 2007. According to the Current Owner, Cabela’s has occupied 9,646 square feet of the specialty store space, which decreased the specialty store leasable space footage. The Current Owner reports that the Children’s Place retailer opened on November 2, 2007 occupying 20,397 square feet of the anchor store space. According to the Current Owner, the Children’s Place originally planned to occupy 28,915 square feet rendering the remaining 8,518 square feet unleaseable.

As of December 31, 2017, the Current Owner reports that in 2009 the anchor space and total leasable square footage was decreased by approximately 20,000 square feet when the proposed anchor space B-1 was pulled out of inventory since the space was not fit-out for a tenant and the space was never occupied. The change decreased the aggregate leasable space from 1,195,417 square feet to 1,175,417 square feet. As of December 31, 2017, the Current Owner reports that in 2012, concurrent with the conveyance of the property, all actual square footages (including B-1) were returned to the total square footage available to lease with the intent to lease all available spaces, including those not yet built out. As a result, the aggregate leasable space increased from 1,175,417 square feet to 1,194,610 square feet. As of December 31, 2017, the Current Owner reports that Ross Dress for Less opened in the first quarter of 2013 and occupied 35,041 square feet of anchor store space. As of December 31, 2017, the Current Owner reports that in January, 2014, NASCAR Speedpark closed in default of the lease with payment arrangements made through June 2014. On December 18, 2014, a seven-year lease with Epic Music and Events Center for 26,776 square feet was executed.

As of December 31, 2017, the Current Owner reports that the square footage of anchor store space that is currently leased is 500,961 square feet, the anchor store space that is subject to a letter of intent to lease is zero square feet, the square footage of the anchor store space for which lease negotiations are in progress is zero square feet, the square footage of the anchor store space that is leased but not yet open is zero square feet and the square footage of the anchor store space of any remaining leasable space that is not subject to a lease, letter of intent or negotiation is zero square feet.

As of December 31, 2017, the Current Owner also reports that in June 2016, the Hazelwood City Council approved a Condominium Declaration for the property which subdivides the Plat T of the property into separate parcels for the anchor locations.

The square footage of the specialty store space currently executed and open is 77,085 square feet. According to the Current Owner, as of December 31, 2017, the square footage of specialty store space leased but not open is zero square feet, the square footage of the specialty store space for which a proposal letter has been submitted or lease negotiations are in progress is approximately 18,718 square feet and the square footage of the specialty store space of any remaining leasable space that is not subject to a lease, proposal letter or negotiation is approximately 416,477 square feet.

As of December 31, 2017, the Current Owner has reported nine leases with anchors for 500,961 square feet of space. Additionally, the Current Owner has reported 13 fully executed leases for 77,085 square feet of specialty store space, which is equal to 15.0 percent of the total 512,280 square feet of leasable space for specialty stores. According to the Current Owner, a total of 578,046 square feet of space has been leased, representing 48.4 percent of the total 1,194,610 square feet of leasable space within the Mall.

Table III-2 provides a list of those anchors and specialty shops that were reported as tenants in the St. Louis Mills Mall as of December 31, 2017.

Table III-2
Status of Mall Parcel Leasing

Anchors:

The Children's Place
 Cabela's
 Ross Dress For Less
 Midwest Clearance Center
 Ice Zone / St. Louis Blues
 Earth Surf Skatepark
 Regal Cinemas
 Lorenzo
 Burlington Coat Factory

Specialty Shops Cont.:

Hair Braiding Studio
 Wetzel's Pretzel
 Putting Edge
 Last Chance
 Lorenzo Menswear
 I.T.L. Gift Gallery
 Citi Trends
 ZAF

Specialty Shops:

Wholesale Mattress and More
 Wholesale Mattress and More II
 Wholesale Furniture Outlet
 St Louis Sports Academy
 St Louis Alumni Association

(iv.) Status of Pad Sales

Pad Sites

The Current Owner reports nine pad sites have been sold and closed with end users, totaling 41.954 acres, which is based on actual land records. The property owner, lot number, rounded acreage and proposed use of each parcel sold and closed, is shown in Table III-3 below.

**Table III-3
Pad Site Sales**

Owner	Lot	Acres	Land Use
MERS	G-2	9.9	Goodwill Outlet Store
Toys-R-Us	R-1/2	3.4	Babies "R" US
Steak N Shake Operations, Inc.	R-6	1.3	Steak 'n Shake
Chrouch, Ellen D. Trust et al	S-2	1.6	Jared Jewelers
5552 St. Louis Mills Blvd, LLC	R-4C	1.5	Longhorn Steakhouse
Bef Reit, Inc.	R-4D	1.9	Bob Evans
Empire Development	H-2	2.0	Retail
Crescent Pointe 370, LLC	C	17.4	Hotel/Waterpark
Rogers Darrel L 2008 Trust	S-3	1.2	Sonic Restaurant

(v.) Status of Financing

At the time of bond issuance, financing for the construction loan for St. Louis Mills had not been obtained, but closing of construction financing was expected to occur by May 1, 2003. The Former Developer was in discussions with several lending institutions that had financed other Mills Corporation mall projects.

At the time of bond issuance, the Former Developer's financial projections anticipated a construction loan of approximately \$152 million and \$65.1 million in owner's equity. Conditions to closing on the construction loan were expected to include an initial equity contribution of \$65.1 million, closing on the Series 2002 Bonds, executed leases for at least 25 percent of the leasable area in the Mall, and an appraisal showing a loan-to-value ratio of no more than 75 percent with respect to the Mall upon completion. It was expected that the construction loan would be full recourse to the Mills, LP until certain conditions related to the development of St. Louis Mills had been met. The construction loan was expected to be secured by a mortgage on the Mall site. The Former Developer reported the initial equity contribution requirement of \$65,128,680 has been revised to \$57,967,000. The Former Developer also reported the initial equity contribution requirement of \$57,967,000 was reached in December 2002.

The Former Developer reported that the construction loan closed on May 13, 2003. The lead lender for the construction loan was Goldman Sachs Mortgage Company, which acquired the loan on May 19, 2006 from the Bank of America, N.A., successor by merger to Fleet National Bank. The Former Developer reported that the construction loan amount was rolled into a senior term loan with Goldman Sachs and the senior term loan balance, which includes loans on two other properties, was \$1.484 billion, as of June 30, 2006. The construction loan amount for the property was \$162 million for a three-year term that expired on May 13, 2006 with two one-year extension options. The interest rate was floating at the 30-day LIBOR plus 195 basis points and was reset monthly. The monthly payments were calculated on an interest only basis. The Former Developer reported the construction loan was fully guaranteed by the Mills Corporation and the Mills Limited Partnership subject to reductions based on completion of the improvements and the achievement of leasing and debt service coverage hurdles stipulated in the loan agreement. The Mills Corporation and the Mills Limited Partnership also guaranty the completion of the improvements as stipulated in the loan agreement. The Former Developer

reported that the construction loan was refinanced with a permanent loan from Morgan Stanley Capital Investments on December 28, 2006. The principal amount of the permanent loan was \$90 million and the term of the loan was five years at a fixed interest rate of 6.39 percent. On January 8, 2012, the Former Developer reported that the \$90,000,000 Morgan Stanley Capital Investments construction loan matured and a material default and payment default occurred. According to the Former Developer, the construction loan was secured by property within the District owned by the Former Developer. No replacement financing has been obtained and, on August 31, 2012, the Mall property was transferred to MSCI 2007-IQ13 RETAIL 5555 LLC via a Special Warranty Deed In Lieu of Foreclosure.

The Former Developer reported on December 30, 2003 that all of the TIF notes owned by Mills Services Corp. totaling \$9,279,000 plus accrued interest of \$2,448,558 and all of the TIF notes owned by Park 370 Development, L.L.C. (as assignee for TriStar Business Communities, L.L.C.) totaling \$9,421,000 plus accrued interest of \$1,582,569, were refunded by the issuance of \$26,385,000 Industrial Development Authority of the City of Hazelwood, Missouri, Tax Increment Refunding Revenue Bonds, Series 2003 (370/Missouri Bottom Road Redevelopment Project). The balance on the \$26,385,000 Industrial Development Authority of the City of Hazelwood, Missouri, Tax Increment Refunding Revenue Bonds, Series 2003 (370/Missouri Bottom Road Redevelopment Project) on December 31, 2017, was \$600,000.

Subordinate Obligations in Lieu of Special Assessments in the amount of \$1,258,265 were issued prior to September 1, 2011 for fiscal year 2012. Due to the material default on the \$90,000,000 Morgan Stanley Capital Investments construction loan on January 8, 2012, the Former Developer notified the District that it did not intend to pay Subordinate Obligations in Lieu of Special Assessments to fund the shortfall of the TDD Sales Tax Account in order to reduce the annual installment of the TDD Special Assessment to zero. Accordingly, special assessments have been levied on the taxable property within the District for fiscal year 2013 in the amount of \$766,777, in the amount of \$968,268 for fiscal year 2014, in the amount of \$2,012,097 for fiscal year 2015, in the amount of \$2,688,814 for fiscal year 2016, in the amount of \$3,177,646 for fiscal year 2017 and in the amount of \$3,150,63 for fiscal year 2018. Table III-4 on the following page, provides the Annual Subordinate Obligations in Lieu of Special Assessments from the first year the Subordinate Obligations were paid by the Former Developer to the Trustee.

Table III-4
Annual Subordinate TDD Obligations in Lieu of Special Assessments

Fiscal Year	Annual Subordinate Obligations in Lieu of Special Assessments
2006	\$791,507
2007	\$1,121,229
2008	\$1,922,239
2009	\$880,889
2010	\$942,682
2011	\$1,455,471
2012	\$1,258,265
2013	\$0
2014	\$0
2015	\$0
2016	\$0
2017	\$0
Total	\$8,372,283

Table III-5 provides the TDD Special Assessments levied for collection on the assessed lots within the District.

Table III-5
TDD Special Assessments

Fiscal Year	TDD Special Assessments
2013	\$766,777
2014	\$968,286
2015	\$2,012,097
2016	\$2,688,814
2017	\$3,177,646
2018	\$3,150,632
Total	\$12,764,252

D. PUBLIC IMPROVEMENTS

The proceeds of the bonds were used to pay for a portion of the costs of the public improvements required for the development of the Mills Transportation Project. The public improvements for the Mills Transportation Project include the interchange improvements, the Missouri Bottom Road Relocation, the parking field, the St. Louis Mills Circle Road Improvements, the Taussig Road Improvements and related acquisition, construction, equipping and improvements.

Table III-6 on the following page shows the status of the construction of the public improvements as of December 31, 2017. Table III-7 on the following page shows the budget for the public improvements and construction draws as of December 31, 2017.

Table III-6
Status of Public Infrastructure Construction

Construction Activity	Percent Complete	Status
Off-Site Earthwork/Highway Paving	100%	Complete
On-Site Earthwork/Storm Sewer/Paving	100%	Complete
Shell/Common Area	100%	Complete
Land	100%	Complete
Design A&E	100%	Complete
Construction Administration	100%	Complete
Legal	100%	Complete
Contingency	0%	

Table III-7
St. Louis Mills Project Budget and Expenditures for Public Improvements

Public Improvement	Original Budget	Budget Revisions	Revised Budget	Spent to Date	Percent Complete
Off-Site Earthwork/Highway Paving	\$9,506,468	\$92,580	\$9,599,048	\$9,599,048	100%
On-Site Earthwork/Storm Sewer/Paving	\$9,353,608	\$434,024	\$9,787,632	\$9,787,632	100%
Shell/Common Area	\$457,248	(\$24,362)	\$432,886	\$432,886	100%
Land	\$4,363,635	\$111,568	\$4,475,203	\$4,475,203	100%
Design A&E	\$1,561,034	\$249,724	\$1,810,758	\$1,810,758	100%
Construction Administration	\$157,795	(\$1,409)	\$156,386	\$156,386	100%
Legal	\$668,891	\$262,024	\$930,915	\$930,915	100%
Contingency	\$806,249	(\$806,249)	\$0	\$0	0%
TOTAL:	\$26,874,928	\$317,900	\$27,192,828	\$27,192,828	100%

IV. TRUSTEE ACCOUNTS

The Trustee for the Series 2002 Bonds is UMB Bank, National Association. The balances as of December 31, 2016, interest paid, additional proceeds, disbursements and account balances for each fund as of December 31, 2017, are shown by the following table:

Table IV-1
Trustee Accounts

Accounts	Balance 12/31/16	Interest Paid	Additional Proceeds	Disbursements	Balance 12/31/17
Debt Service Fund	\$6	\$471	\$2,656,950	\$2,657,427	\$0
TDD Sales Tax	\$87,831	\$53	\$273,328	\$361,212	\$0
Special Assessment	\$0	\$1	\$407,612	\$407,613	\$0
Debt Service Reserve Fund	\$2,994,950	\$109,015	\$0	\$1,580,610	\$1,523,355
Surplus Fund	\$450,015	\$46	\$0	\$450,061	\$0
Operating Fund	\$986	\$54	\$40,255	\$21,866	\$19,428
Subordinate Obligation	\$8	\$0	\$0	\$0	\$8
Total:	\$3,533,795	\$109,640	\$3,378,144	\$5,478,788	\$1,542,791

- Additional proceeds to the Debt Service Fund were transfers of sales tax revenues from the TDD Sales Tax Fund, transfers of TDD Special Assessments and transfers of bond proceeds in the Debt Service Reserve Fund to pay debt service on May 1, 2017 and November 1, 2017.
- Additional proceeds to the TDD Sales Tax Fund were sales tax revenues collected and remitted by the county.
- Additional proceeds to the TDD Special Assessment Fund were special assessments collected and remitted by the county.
- Additional proceeds to the Operating Fund were transfers from the TDD Sales Tax Fund for the payment of operating expenses.

The interest paid through December 31, 2017 does not include interest accrued but not yet paid. The bond proceeds in the Debt Service Reserve Fund are invested in a Societe Generale Guaranteed Investment Contract (GIC) earning 4.41 percent per annum and maturing on May 1, 2033. Table IV-2 below shows the approximate rate of return on the investments.

Investment income on the Debt Service Fund will be applied to the payment of debt service. Investment income on the Debt Service Reserve Fund that is in excess of the Debt Service Reserve Requirement will be transferred to the Debt Service Fund.

Table IV-2
Rates of Return

Account	Rate of Return
TDD Sales Tax Fund	0.00%
TDD Special Assessment	0.00%
Debt Service Reserve Fund	4.41%
Surplus Fund	0.00%
Operating Fund	0.04%

V. DISTRICT OPERATIONS

The information provided in this section is taken from the report on the adjustment of annual assessments for the 370/Missouri Bottom Road/Taussig Road Transportation Development District dated November 21, 2017. The information herein reflects information available as of the same date and may not contain the most updated information regarding special assessment collections, delinquencies or other updates to the expected debt service on the Series 2002 Bonds as of the date of this annual continuing disclosure report.

A. ANNUAL ADJUSTMENT

Annual Special Assessments are payable in Annual Installments each fiscal year until the repayment or defeasance of the Series 2002 Bonds. The Annual Installment is to be allocated proportionately each fiscal year among the assessed lots by the TDD on the basis of the net acreage of the assessed lot relative to the aggregate net acreage of all of the assessed lots within the TDD. The Annual Installment is to be reduced by the Annual Adjustment, which is defined as of the Calculation Date (on or about August 1) as follows:

The lesser of: (A) (i) the sum of (a) 90% of the amount of the TDD sales tax revenues deposited into the TDD Sales Tax Account of the Revenue Fund for the 12 month period commencing on July 1 and ending on June 30 immediately preceding the Calculation Date, (b) any moneys in the Revenue Fund, the Capitalized Interest Account and the Debt Service Fund in excess of the amount needed to pay the principal of and interest due on the Series 2002 Bonds and any refunding bonds related thereto on the next succeeding Payment Date, which moneys are otherwise available for transfer pursuant to the trust indenture for the purposes of paying any obligation payable by the TDD Special Assessment, and (c) proceeds from the Subordinate Obligations in lieu of special assessments deposited into the Debt Service Fund or Surplus Fund (not otherwise counted in (b) above) by the date required in the trust indenture, less (ii) the amount required to restore the Debt Service Reserve Fund to the Debt Service Reserve Requirement and to restore the Surplus Fund to the Surplus Fund Requirement or (B) such other amount as determined by the TDD.

Table V-1 provides a summary of the Annual Installment as adjusted for fiscal year 2018. The Annual Installment as Adjusted for fiscal year 2018 is equal to the Total Annual Installment less the Annual Adjustment, which is equal to \$3,150,632. As a result, the Annual Installment to be assessed on the assessed lots within the TDD for fiscal year 2018 is \$3,150,632. Each of these numbers is explained in the following sections.

Annual Installment

The Annual Installment for fiscal year 2018 is equal to the debt service interest payment of \$1,304,560 due on May 1, 2018 and the debt service interest payment of \$1,278,740 due on November 1, 2018. There is a principal payment of \$725,000 due on May 1, 2018. The collection fee of \$33,083, which is equal to one percent of the total TDD Special Assessment amount collected, must also be collected as part of the Annual Installment.

Table V-1
Annual Installment as Adjusted
Fiscal Year 2018

Annual Installment:	
Semi-annual Interest on May 1, 2018	\$1,304,560
Principal on May 1, 2018	\$725,000
Semi-annual Interest on November 1, 2018	\$1,278,740
<i>Sub-total Annual Installment</i>	\$3,308,300
Collection Fee	\$33,083
<i>Total Annual Installment</i>	\$3,341,383
Estimated TDD Sales Tax Revenues	(\$292,580)
Revenue Fund	(\$0)
Excess TDD Sales Tax Revenues in the Surplus Fund	(\$0)
Debt Service Fund	(\$0)
Estimated Debt Service Reserve Fund Investment Income	(\$0)
<i>Annual Adjustment</i>	(\$292,580)
Estimated Additional Legal & Administrative Expenses	\$101,828
<i>Annual Installment as Adjusted</i>	\$3,150,632

(i.) TDD Sales Tax Revenue

The Grand Opening of the Mall took place on November 13, 2003. The TDD sales tax revenues deposited into the TDD Sales Tax Account of the Revenue Fund for the 12-month period commencing on July 1, 2016 and ending on June 30, 2017 equaled \$325,088. TDD Sales Tax Revenues for fiscal year 2018 are estimated based on ninety percent of the actual collections from the prior year. As a result, TDD Sales Tax Revenues for fiscal year 2018 are estimated to be \$325,088. Ninety percent of this amount is \$292,580. Accordingly, TDD Sales Tax Revenues for fiscal year 2017 are estimated to be \$292,580.

(ii.) Revenue Fund

Between July 1, 2016 and June 30, 2017, \$359,552, in sales tax revenues, including \$43,876 of TDD Sales Tax Revenues collected between July 1, 2015 and June 30, 2016 that were designated by the City of Hazelwood as surplus TIF revenues resulting from the redemption of the TIF Bonds, had been transferred to the TDD Sales Tax Account of the Revenue Fund. Together with the previous balance of \$119,506 and \$23 in investment income earned in the account, \$40,255 has been transferred to the Operating Fund, \$434,173 has been transferred to the Bond Payment Account, and \$4,653 has been transferred to pay trustee fees. As of July 31, 2017, the balance in the TDD Sales Tax Revenue Account of the Revenue Fund was zero. Accordingly, there are no funds available in the TDD Sales Tax Revenue Account of the Revenue Fund to pay interest on the Series 2002 Bonds on November 1, 2017.

Section 409 of the Trust Indenture states that, “the amount on deposit in the Surplus Fund shall be valued by the trustee on each August 1 (the Valuation Date). Amounts in the Surplus Fund on such valuation date in excess of the Surplus Fund Requirement shall be transferred by the Trustee, without further authorization, into the Debt Service Fund.” As of July 31, 2017, the balance in the Surplus Fund was zero. The Surplus Fund Requirement is \$450,000. As a result, there are no funds available in the Surplus Fund to be transferred to the Debt Service Fund to pay interest on the bonds on November 1, 2017.

(iii.) Debt Service Fund

As of July 31, 2017, the balance in the Debt Service Fund was \$96,670. According to Section 403 (b)

of the Trust Indenture, the trustee is to withdraw sufficient moneys from the Capitalized Interest Account prior to withdrawing any other moneys from the Debt Service Fund or the Revenue Fund to pay interest on the bonds. The balance in the Capitalized Interest Account is zero. Accordingly, these proceeds will be used to pay the interest on the Series 2002 Bonds on November 1, 2017, resulting in a balance of zero that will be made available to pay debt service on the bonds in 2018.

(iv.) Debt Service Reserve Fund

As a result of delinquent special assessments, there were unscheduled draws on the Debt Service Reserve Fund on October 31, 2014 to pay debt service on November 1, 2014, on October 31, 2015 to pay debt service on November 1, 2015, On November 1, 2016 to pay debt service on November 1, 2016, and on April 30 and May 1, 2017 to pay debt service on May 1, 2017. As of July 31, 2017, the balance in the Debt Service Reserve Fund was \$2,348,245. The reserve requirement is \$3,947,000. As a result, there is a shortfall in the Debt Service Reserve Fund equal to \$1,598,755.

Pursuant to Section 405 (a) of the Trust Indenture, the amount on deposit in the Debt Service Reserve Fund shall be valued by the trustee (i) on each August 1 and (ii) on the 45th day prior to each Payment Date and proceeds in excess of the reserve requirement shall be transferred to the Debt Service Fund to be used solely for the payment of interest on the bonds.

The reserve requirement is invested in a Societe Generale Guaranteed Investment Contract (GIC) earning 4.41 percent per annum and maturing on May 1, 2033. Investment income on the GIC is paid semi-annually in April and October of each year. At the current yield, an additional \$51,779 in investment income is estimated to be earned on the Debt Service Reserve Fund prior to November 1, 2017, and an additional \$103,558 ($\$2,348,245 \times 4.41\% = \$103,558$) in annual investment income is estimated to be earned through October 31, 2018. Summing these amounts results in aggregate estimated investment income of \$155,336 ($\$51,779 + \$103,558 = \$155,336$), which is \$1,443,419 less than the Reserve Requirement of \$3,947,000. As a result, all of the investment income earned on the Debt Service Reserve Fund is anticipated to remain in that fund in order to fully fund the Reserve Requirement.

(v.) Deficit from Prior Year

The estimated deficit from the prior year is shown in Table V-2 on the following page. The estimated deficit from the prior year is provided for informational purposes only and is not used in calculating the Annual Installment as Adjusted for fiscal year 2018. The TDD sales tax revenues deposited into the TDD Sales Tax Account of the Revenue Fund for the three-month period prior to the bond year ending on November 1, 2016 (August 1, 2016 through October 31, 2016) were equal to \$90,369. TDD Sales Tax Revenues for the three-month period prior to the bond year ending on November 1, 2017, are estimated based on the actual collections from the prior period. As a result, TDD Sales Tax Revenues for this period are estimated to be \$90,369. Ninety percent of this amount is \$81,332. Accordingly, TDD Sales Tax Revenues for the three-month period prior to the bond year ending November 1, 2017 are estimated to be \$81,332. These funds will be made available to pay a portion of the interest on the Series 2002 Bonds on November 1, 2017.

As shown below, the balances in the Debt Service Fund and the TDD Sales Tax Account of the Revenue Fund on July 31, 2017 were \$96,670 and zero, respectively. As a result, no additional Surplus TIF revenues are anticipated to be available through November 1, 2017.

Special assessments in the amount of \$3,177,646 were to be collected on the taxable property within the TDD in 2017. According to the City of Hazelwood, as of August 4, 2017, \$411,729 in special assessments has been collected of which \$411,533 (i.e., \$411,729 less a check written to CID in the amount of \$196) had been transferred to the trustee. As a result, the uncollected balance is equal to \$2,765,917, which represents the 2017 special assessment on 23 parcels owned by five property owners.

According to the City of Hazelwood, TDD Special Assessments in the amount of \$182,497 remain outstanding on seventeen parcels owned by one property owner for fiscal year 2013. The City of Hazelwood also reports that interest and penalties totaling \$21,500 have accrued on these delinquent parcels.

According to the City of Hazelwood, TDD Special Assessments in the amount of \$230,453 remain outstanding on seventeen parcels owned by one property owner for fiscal year 2014. The City of Hazelwood also reports that interest and penalties totaling \$20,676 have accrued on these delinquent parcels.

According to the City of Hazelwood, TDD Special Assessments in the amount of \$681,188 remain outstanding on eighteen parcels owned by two property owners for fiscal year 2015. The City of Hazelwood also reports that interest and penalties totaling \$47,271 have accrued on these delinquent parcels.

According to the City of Hazelwood, TDD Special Assessments in the amount of \$2,093,795 remain outstanding on eighteen parcels owned by two property owners for fiscal year 2017.

For purposes of calculating the deficit from the prior year, the uncollected balance of the special assessments for fiscal years 2013 through 2016 have been excluded.

As of July 31, 2017, the balance in the Special Assessment Revenue Fund was zero. As of the same date, the balance in the Surplus Fund was zero. As a result, there are no excess TDD Sales Tax Revenues deposited in the Surplus Fund as of July 31, 2017. As of July 31, 2017, the balance in the Operating Fund was \$25,197. These funds will be used to pay a portion of the outstanding Administrative expenses described below. As of July 31, 2017, and as shown above, there was no investment income in the Debt Service Reserve Fund in excess of the Reserve Requirement and no additional investment income is estimated to be made available in the Debt Service Reserve Fund through October 31, 2017. These funds will be made available to pay a portion of the interest on the Series 2002 Bonds on November 1, 2017. The debt service interest payment due on the Series 2002 Bonds on November 1, 2017 is equal to \$1,304,560.

Table V-2
Deficit from Prior Year

Estimated TDD Sales Tax Revenues through October 31, 2017	(\$81,332)
Debt Service Fund Balance at July 31, 2017	(\$96,670)
TDD Sales Tax Account Balance at July 31, 2017	(\$0)
Surplus TIF Revenues to be transferred from the City of Hazelwood	(\$0)
Balance of 2016 Special Assessments to be Transferred to the Trustee by October 31, 2017	(\$0)
Special Assessment Revenue Fund Balance at July 31, 2017	(\$0)
Excess TDD Sales Tax Revenues in the Surplus Fund at July 31, 2017	(\$0)
Available Debt Service Reserve Fund Investment Income at July 31, 2017	(\$0)
Estimated Debt Service Reserve Fund Investment Income through October 31, 2017	(\$0)
Sub-total Available Funds	(\$178,001)
Debt Service:	
Semi-annual Interest due on November 1, 2017	\$1,304,560
Sub-total Expenses	\$1,304,560
<i>Deficit from Prior Year</i>	\$1,126,559

Totaling the available funds, less the November 1, 2017 debt service payment on the Series 2002 Bonds of \$1,304,560.00, results in an estimated deficit of \$1,126,559 (\$81,332 + \$96,670 + \$0 + \$0 + \$0 + \$0 + \$0 + \$0 + \$0) - (\$1,304,560) = \$1,126,559, that must be funded with special assessments collected in fiscal year 2018.

Annual Adjustment

As shown above, the Annual Adjustment for fiscal year 2018 is equal to the aggregate funds available to reduce the Annual Installment, which is \$292,580 ($\$292,580 + \$0 + \$0 + \$0 + \$0 = \$292,580$).

(vi.) Estimated Additional Legal and Administrative Expense

According to the counsel for the TDD, legal and Administrative expenses anticipated to be submitted for the current year total \$91,602, which consists of \$1,120 in accountant fees, \$40,982 in Administrative expenses for the Administrator, \$42,000 in legal expenses, \$2,500 in arbitrage rebate expenses and \$5,000 in city attorney expenses. As of July 31, 2016, the available balance in the Operating Fund was \$25,197. These funds are expected to be used to pay a portion of the outstanding Administrative expenses. In order to replenish the Operating Fund in an amount sufficient to pay the anticipated fees of the TDD counsel, the anticipated charges of the Administrator and the accountant, an additional \$74,660 has been budgeted. Pursuant to Section 402(a) of the Trust Indenture, an amount equal to the TDD's Administrative expenses in excess of the Annual Operating Fund Deposit may be made from the Revenue Fund. Pursuant to Section 101 of the Trust Indenture, the Annual Operating Fund Deposit is defined as the amount of \$30,000 in calendar year 2003, which is to be increased each future year by the percentage increase in the consumer price index for the preceding calendar year. According to the trustee, the Annual Operating Fund Deposit for 2018 is equal to \$40,255. Subtracting the Annual Operating Fund Deposit from the estimated legal and Administrative expenses of \$74,660, results in estimated legal and Administrative expenses of \$34,406 ($\$74,660 - \$40,255 = \$34,406$). Adding to this amount the balance of the unfunded anticipated Administrative expenses mentioned above (i.e., $\$91,602 - \$25,197 = \$66,405$), results in Administrative and legal expenses of \$100,810 ($\$34,406 + \$66,405 = \$100,810$). Dividing this amount by 0.99 percent to account for the city's one percent collection fee, results in estimated additional legal and Administrative expenses of \$101,828.

(vii.) Summary

The Annual Installment as Adjusted for fiscal year 2018 is equal to the Total Annual Installment of \$3,341,383 less the Annual Adjustment of \$190,751. As a result, the Annual Installment to be assessed on the assessed lots within the TDD for fiscal year 2018 is \$3,150,632.

B. ADJUSTMENTS OF THE SPECIAL ASSESSMENT ROLL

Each fiscal year, the TDD shall revise the Annual Assessment Roll for any new or subdivision of Assessed Lots, reallocation or revision of the TDD Special Assessments, and the calculation of the Annual Installments thereof against each Assessed Lot within the TDD. The Annual Assessment Roll shall also be revised such that the total of the TDD Special Assessment and Annual Installments equal the amount of the Outstanding Bonds plus interest.

According to the "Assessment Procedure," "upon a change in the estimate of Net Acreage of an Assessed Lot, the board of directors may reallocate the TDD Special Assessment on some or all of the Assessed Lots upon the unanimous request of the owners of the Assessed Lots for which the TDD Special Assessments are to be reallocated. The reallocation of the TDD Special Assessment shall be made according to the Net Acreage of such Assessed Lot relative to the total Net Acreage of all of the Assessed Lots for which the TDD Special Assessment is being reallocated.

According to the St. Louis County Assessor's Office and the Condominium plat recorded on July 27, 2016, the in-line Mall parcel Lot T was subdivided into sixteen new Assessed Lots in 2017. The reallocation of the TDD Special Assessments on these sixteen new Assessed Lots is shown in Table V-3, attached hereto. As shown in Exhibit A, the reallocation of the Special Assessments to the Assessed (Condo) Lots have been made according to the Net Acreage of such Assessed Lot relative to the total Net Acreage of all of the Assessed Lots

for which the TDD Special Assessment is being reallocated. As a result, there are 46 parcels currently within the TDD of which three are out parcels, as shown in Table V-3.

Pursuant to Table V-3 of the Assessment Procedure, Assessed Lots are defined as “any and all tracts, lots or parcels of real property located within the District other than Public Property or Owner Association Property”. Public Property is further defined in the Assessment Procedure as “lots within the District owned by, ground leased to or irrevocably offered for dedication to the federal government, the State of Missouri, the City, the District, or any other public agency or easements that create an exclusive use for a public utility provider”. According to the TDD, title to twenty of the 43 developable lots have been transferred to 370/MO Bottom Road TDD as a result of foreclosure proceedings where the TDD took title in lieu of foreclosure. As a result, these twenty lots will not be classified as Assessed Lots for fiscal year 2018. These lots are shown in Table V-3. Pursuant to Section B of the Assessment Procedure, “special assessments shall be allocated on the Assessment Roll among the Assessed Lots on the basis of Net Acreage of such Assessed Lots relative to the total Net Acreage of all of the Assessed Lots within the District”. Pursuant to Section A of the Assessment Procedure, Net Acreage is defined as, “the estimated usable acreage of an Assessed Lot on which buildings or parking facilities may be constructed, taking into consideration the development legally permissible, the proposed or planned development, easements and other areas on which development may not occur and excluding existing or intended Public Property and Owner Association Property, as estimated by the Administrator and Confirmed by the Board of Directors”.

As shown in Table V-3, the aggregate acreage of the property in the District is equal to 179.21 acres. Of this area, 118.32 acres represent the Net Acreage on the Assessed Lots and 60.89 acres represent the area of the twenty parcels not classified as Assessed Lots that are owned by 370/MO Bottom Road TDD. These twenty parcels will be classified as Public Property for fiscal year 2018. Accordingly, the Annual Installment of Assessments to be Collected in 2018 of \$3,150,632 have been allocated to each of the Assessed Lots totaling 118.32 net acres based on the Net Acreage of those Assessed Lots relative to the total Net Acreage of all of the Assessed Lots within the District. (As shown in Table V-2, the Annual Installment of Assessments to be Collected in 2018 on the Public Property owned by 370/MO Bottom Road TDD Zone is zero. However, pursuant to the wishes of the TDD, the Special Assessments allocated to each of the parcels owned by TDD have not been reallocated.)

The special assessments shown in Table V-3 have been reduced by \$3,180,000, which is equal to the principal payments through May 1, 2017.

Table V-3
Allocation of Special Assessments

Property Owner	Locator ID	Net Acreage	Special Assessment	Annual Installment (FY2018)
370/ MO Bottom TDD	09N640314	13.95	\$2,740,615.22	\$0.00
370/ MO Bottom TDD	09N620185	4.61	\$905,420.39	\$0.00
370/ MO Bottom TDD	08N340046	6.36	\$1,276,857.66	\$0.00
370/ MO Bottom TDD	08N340057	1.32	\$265,008.19	\$0.00
Tru 2005 REI, LLC c/o Toys R Us	08N310072	3.94	\$751,955.29	\$104,921.98
370/ MO Bottom TDD	08N310049	1.87	\$357,465.04	\$0.00
370/ MO Bottom TDD	09N630162	1.72	\$328,837.30	\$0.00
370/ MO Bottom TDD	09N630173	1.45	\$275,971.41	\$0.00
5552 St Louis Mills Blvd LLC Rest #0125228	09N630184	1.35	\$256,886.25	\$35,950.42
Bob Evans Restaurants LLC	09N630195	1.87	\$357,465.04	\$49,797.99
370/ MO Bottom TDD	09N640226	0.96	\$183,217.53	\$0.00
Steak and Shake Operations Inc	09N640237	1.11	\$211,081.87	\$29,559.24
370/ MO Bottom TDD	09N640248	1.42	\$270,627.56	\$0.00
Chrouch Ellen D Trust ETAL	09N640259	1.60	\$304,408.30	\$42,607.91
BTNDMO LLC	09N640260	1.19	\$227,876.81	\$31,689.63
370/ MO Bottom TDD	09N640271	1.18	\$225,395.74	\$0.00
370/ MO Bottom TDD	09N640282	1.18	\$224,632.33	\$0.00
370/ MO Bottom TDD	08M110082	2.00	\$381,321.49	\$0.00
370/ MO Bottom TDD	09N630117	1.70	\$324,638.57	\$0.00
370/ MO Bottom TDD	09N630139	2.05	\$391,818.33	\$0.00
St Louis Retail Outlet LLC	08N320125	1.98	\$402,311.00	\$52,679.73
St Louis Retail Outlet LLC	08N320136	1.31	\$266,555.78	\$34,903.56
St Louis Retail Outlet LLC	08N320147	3.29	\$670,062.28	\$87,739.84
St Louis Retail Outlet LLC	08N320158	5.30	\$1,078,576.58	\$141,231.85
St Louis Retail Outlet LLC	08N320169	1.59	\$322,690.96	\$42,254.06
St Louis Retail Outlet LLC	08N320170	5.55	\$1,128,189.67	\$147,728.33
St Louis Retail Outlet LLC	08N320181	3.07	\$624,792.83	\$81,812.13
St Louis Retail Outlet LLC	08N320192	2.17	\$440,434.05	\$57,671.67
Ice Zone Partners	08N320202	3.45	\$700,680.26	\$91,749.04
St Louis Retail Outlet LLC	08N320213	1.70	\$346,574.32	\$45,381.42
St Louis Retail Outlet LLC	08N320224	1.65	\$335,230.39	\$43,896.01
St Louis Retail Outlet LLC	08N320235	2.31	\$469,497.88	\$61,477.37
St Louis Retail Outlet LLC	08N320246	0.86	\$173,944.68	\$22,776.81
St Louis Retail Outlet LLC	08N320257	1.88	\$381,788.32	\$49,992.44
St Louis Retail Outlet LLC	08N320268	8.61	\$1,750,564.93	\$229,223.89
St Louis Retail Outlet LLC	08N320279	50.22	\$10,212,392.57	\$1,337,239.39
370/ MO Bottom TDD	08N220157	1.11	\$231,634.97	\$0.00

370/ MO Bottom TDD	09N540083	15.43	\$3,219,934.70	\$0.00
370/ MO Bottom TDD	09N540094		\$0.00	\$0.00
MERS Missouri Goodwill Industries	09N520106	10.11	\$1,928,937.09	\$269,228.73
Empire Development LLC	09N630128	2.22	\$423,117.99	\$59,118.47
370/ MO Bottom TDD	09N630106	0.79	\$150,581.91	\$0.00
370/ MO Bottom TDD	09N610098	1.13	\$215,853.16	\$0.00
370/ MO Bottom TDD	09N610108	0.66	\$125,389.50	\$0.00
370/ MO Bottom TDD	08N310104		\$0.00	\$0.00
Total		179.21	\$35,861,236.11	\$3,150,631.91

C. COLLECTION EFFORTS

Pursuant to the Significant Event Notice filed with EMMA and dated January 11, 2016, the Administrator received notice from the District that it has entered a Settlement Agreement and Release dated January 5, 2016 among the District, the 370/Missouri Bottom Road/Taussig Road Community Improvement District and St. Louis Residual Limited Partnership, pursuant to which St. Louis Mills Residual Limited Partnership has transferred ownership of the seventeen parcels it owned within the District pursuant to a special warranty deed recorded with St. Louis County on January 11, 2016. These seventeen parcels were owned by one of the delinquent property owners mentioned above. Since the District has no assets, it is unable to pay the delinquent assessments on these seventeen parcels or assessments levied in future years on these parcels. As of the date of this report, the District has indicated that it intends to sell these seventeen parcels to an entity or entities that is or will be able to pay the delinquent and future assessments levied on these parcels. As of the date of this report, however, the District has not indicated if marketing efforts to sell these parcels has begun.

VI. DISTRICT FINANCIAL INFORMATION

The information provided in this section is to meet the requirements for the annual report as provided for in Section 2(a) of the Continuing Disclosure Agreement. The items listed below are in the same format and order as the items required for the annual report as listed in the Continuing Disclosure Agreement.

All information in this section is provided as of December 31, 2017, unless otherwise stated.

A. DISTRICT FINANCIAL STATEMENTS

The Administrator has requested the audited annual financial statements for the TDD for the year ending 2017. The District's audited annual financial statements will be provided under separate cover when made available.

B. FINANCIAL INFORMATION AND OPERATING DATA

(i.) TDD Revenues

Table VI-1 shows the projected and actual sales, the projected and actual Total TDD Sales Tax Remitted to Trustee, and the Debt Service as of December 31, 2017.

**Table VI-1
TDD Revenues**

	2015		2016		2017	
Sales	Projected	Actual*	Projected	Actual*	Projected	Actual*
Total Sales	\$331,262,932	\$119,500,721	\$331,262,932	\$81,993,304	\$331,262,932	\$31,446,370
Estimated Taxes						
Total TDD Sales Tax Remitted to Trustee (1%)	\$3,312,629	\$1,195,007	\$3,312,629	\$819,933	\$3,312,629	\$314,464
Special Assessment	\$0	\$2,688,814	\$0	\$3,177,646	\$0	\$3,150,632
Coverage Debt Service – Bond Year Ending May 1		121.6%		123.0%		104.7%
		\$3,194,254		\$3,250,820		\$3,308,300

**The Actual TDD Sales Tax Revenues listed in the table above represent the total TDD Sales Tax Revenues collected, and the surplus TIF revenues resulting from the redemption of the TIF bonds.

(ii.) Development of the Retail Project

The status of construction is shown in Table III-1 of Section III, "Development Activity," of this report. A listing of tenants in the Mall is shown in Table III-2 of Section III, "Development Activity," of this report. The status of Pad Sales is shown in Table III-3 of Section III, "Development Activity," of this report. The Current Owner reports that St. Louis Mall Realty, LLC is the new manager of the St. Louis Outlet Mall.

The plan of finance and estimated sources of funds is more fully explained in Section III, "Development Activity," of this report.

C. TDD SPECIAL ASSESSMENT PROCEDURE

There have been no changes in the TDD Special Assessment Procedure. The levy of the Annual Installments of the TDD Special Assessments is described in Section V above.

D. TDD SALES TAX

There has been no change in the rate of the TDD sales tax.

E. COLLECTION OF TDD SALES TAX

The following table shows the monthly status of collection of the TDD Sales Tax from January 1, 2016 through December 31, 2017.

**Table VI-2
TDD Sales Tax Collection**

Month	Mills Sales*	TDD Sales Tax Revenues
January 2017	\$5,816,900	\$58,169
February 2017	\$927,900	\$9,279
March 2017	\$4,567,100	\$45,671
April 2017	\$2,235,200	\$22,352
May 2017	\$2,424,700	\$24,247
June 2017	\$941,300	\$9,413
July 2017	\$2,214,800	\$22,148
August 2017	\$3,231,000	\$32,310
September 2017	\$2,098,200	\$20,982
October 2017	\$1,635,393	\$16,354
November 2017	\$2,561,909	\$25,619
December 2017	\$2,791,968	\$27,920
Total	\$31,446,370	\$314,464

*Commencing July 1, 2009 the Mills Sales is based on the TDD Sales Tax Revenues collected and transferred to the Trustee.

The City of Hazelwood ceased providing TDD Sales Tax Revenues collection and delinquency information as of December 31, 2009. The information in the table above excludes the surplus TIF revenues resulting from the redemption of the TIF Bonds.

F. PROPERTY OWNERSHIP

The ownership of property within the District for fiscal year 2017 is shown in Table VI-3 on the following page. Assessed value is equal to 32 percent of appraised value. (Please note that according to St. Louis County Assessor's Office, the 2017 appraised and assessed values will not be made available until May 2017.)

**Table VI-3
Property Ownership**

Property Owner	2017 Appraised Value	2017 Assessed Value	Percent of Assessed Value	Annual Installment FY2018
370/MO Bottom TDD	\$ 8,461,200	\$ 2,414,480	0.00%	\$0.00
Tru 2005 REI, LLC c/o Toys R Us	\$ 2,242,800	\$ 717,690	3.33%	\$104,922
552 St. Louis Mills Blvd, LLC, Rhi Inc 0125228 - Corp Tax	\$919,400	\$ 294,210	1.14%	\$35,950
Bob Evans Farms, Inc.	\$ 1,088,600	\$ 348,350	1.58%	\$49,798
Steak & Shake Operations, Inc.	\$ 747,700	\$ 239,270	0.94%	\$29,559
Ellen D Chrouch Trust, Etal	\$ 513,600	\$ 164,350	1.35%	\$42,608
BTNDOMO, LLC	\$ 203,500	\$65,120	1.01%	\$31,690
St. Louis Retail Outlet, LLC	\$25,527,100	\$8,168,650	77.32%	\$2,436,009
MERS Missouri Goodwill Industries	\$2,610,400	\$835,330	8.55%	\$269,229
Empire Development, LLC	\$95,000	\$30,400	1.88%	\$59,119
Ice Zone Partners	\$949,500	\$303,840	2.91%	\$91,749
Total	\$42,442,900	\$13,581,690	100.00%	\$3,150,632

G. LAND USE AMENDMENTS

According to the Current Owner, other than the amendments to land use entitlements and legal challenges to the construction project described in Section III, “Development Activity,” there are no significant amendments to land use entitlements or legal challenges to the construction of the project.

H. CHANGES TO DEVELOPMENT

According to the District, there have been no changes approved by the District to the Mills Transportation Project to be constructed from those stated in the Transportation Development Agreement.

I. DEVELOPMENT OF THE RETAIL PROJECT

The status of the Retail Project is described in Section III, “Development Activity,” of this report.

J. GRAND OPENING

The Former Developer reported the Grand Opening of the Mall occurred on November 13, 2003.

K. TIF OBLIGATIONS

The balances of the \$26,385,000 Industrial Development Authority of the City of Hazelwood, Missouri, Tax Increment Refunding Revenue Bonds, Series 2003 (370/Missouri Bottom Road Redevelopment Project) on December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016, and December 31, 2017, was \$1,705,000, \$1,570,000, \$1,425,000, \$1,275,000, \$1,120,000, \$955,000, \$780,000 and \$600,000

L. AMENDMENTS TO THE TIF DEVELOPMENT AGREEMENT OR MATERIAL CHANGES APPROVED TO THE RETAIL PROJECT

According to the District, there have been no amendments to the TIF Development Agreement and

no material changes approved by the City Administrator to the Retail Project.

M. AMENDMENTS OR DEFAULTS

According to the District and the Current Owner, there have been no amendments or defaults, other than the default event described earlier in Section III, under the following documents: Indenture, District Administration Agreement, Transportation Development Agreement, Contract Administration Agreement, Cooperation Agreement, and Funding and Guaranty Agreement. According to the Former Developer, there are several lawsuits being pursued against the Mills Corporation, a beneficial owner of the Former Developer. The Former Developer reports that the ongoing litigation includes class action lawsuits alleging violations of securities laws, shareholder derivative lawsuits alleging claims on behalf of the Mills Corporation, and a claim alleging violations of the Mills Limited Partnership Agreement.

N. BUDGET

The District has adopted a budget appropriating the revenues from the TDD Sales Tax, and is fully described in Section V above.

VII. SIGNIFICANT EVENTS

A. DEVELOPER SIGNIFICANT EVENTS

According to the continuing disclosure agreement, Developer significant events include the following:

- (i) failure to pay any TDD Special Assessment on a parcel owned by the Developer or any affiliate thereof;
- (ii) material damage to or destruction of any development or improvements within the District;
- (iii) the change in ownership of any parcel in the District owned by the Mills Entity if such transferee is an affiliate;
- (iv) material default by the Developer or any affiliate thereof on any loan with respect to the construction or permanent financing of the Mall or the Mills Transportation Project;
- (v) material default by the Developer or any affiliate thereof on any loan secured by property within the District owned by the Developer or any affiliate of the Developer;
- (vi) payment default by the Developer or any affiliate thereof on any loan to such party with respect to the construction or permanent financing of the Mall or the Mills Transportation Project (whether or not such loan is secured by the property within the District);
- (vii) the filing by or against the Developer or any affiliate thereof, the general partner of the Developer or any owners of more than 25% interest in the Developer of any petition or other proceeding under any bankruptcy, insolvency or similar law or any determination that the Developer or owner of interest in the Developer or a subsidiary of the Developer or any affiliate thereof is unable to pay its debts as they become due; and
- (viii) the filing of any lawsuit with claim for damages in excess of \$1,000,000 against the Developer which may materially adversely affect the completion of the Mall or the Mills Transportation Project or litigation in excess of \$1,000,000 which would materially adversely affect the financial condition of the Developer.

On January 8, 2012, the Former Developer reported that the \$90,000,000 Morgan Stanley Capital Investments construction loan matured and a material default and payment default occurred. According to the Former Developer, the construction loan was refinanced on December 28, 2006 with a five year fixed interest rate of 6.39 percent and the monthly payments were calculated on an interest only basis. According to the Former Developer, the construction loan was secured by property within the District owned by the Former Developer. The Former Developer also reports that no replacement financing has been obtained and it was unlikely that new financing would be obtained or an extension of the loan would result from ongoing discussions with the mortgage lender. No replacement financing has been obtained and, on August 31, 2012, the Mall property was transferred to MSCI 2007-IQ13 RETAIL 5555 LLC via a Special Warranty Deed In Lieu of Foreclosure.

Pursuant to the Significant Event Notice filed with EMMA and dated January 11, 2016, the Administrator received notice from the District that it has entered a Settlement Agreement and Release dated January 5, 2016 among the District, the 370/Missouri Bottom Road/Taussig Road Community Improvement District and St. Louis Residual Limited Partnership, pursuant to which St. Louis Mills Residual Limited Partnership has transferred ownership of the seventeen parcels it owned within the District pursuant to a special

warranty deed recorded with St. Louis County on January 11, 2016.

Pursuant to the Significant Event Notice filed with EMMA and dated February 12, 2016, the Administrator received notice that the auction winner for the St. Louis Outlet Mall has decided not to purchase the Mall.

On April 4, 2017, the Administrator received notice that the St. Louis Outlet Mall was sold to Namdar Realty Group.

On May 1, 2017, an unscheduled draw of \$212,512 from the Reserve Fund was made to pay semi-annual interest of \$1,326,260 on the Series 2002 Bonds on May 1, 2017, as a result of the non-payment of a portion of the special assessments levied in 2017. (According to the Trustee, Bondholders have elected not to pay the principal due of \$620,000 on May 1, 2017. The current Reserve Requirement is equal to \$3,947,000 and the balance in the Reserve Fund after the May 1, 2017 draw was \$2,348,241.

On November 1, 2017, an unscheduled draw of \$860,768 from the Reserve Fund was made to pay semi-annual interest as a result of the nonpayment of a portion of the special assessment levied in 2017. The current Reserve Requirement is equal to \$3,947,000 and the balance in the Reserve Fund after the November 1, 2017 draw was \$1,539,729.

Other than the supplemental notice filled on February 23, 2018, related to projected developments in the mall the Administrator is not aware of the occurrence of any other listed event as of the date of this report

Inquiries have been made with the Current Owner regarding the occurrence of any additional significant events and other than the significant events described in this report and previously reported in prior annual continuing disclosure reports and significant event notices, the Current Owner reports no additional significant events.

B. LISTED EVENTS

Pursuant to the Continuing Disclosure Agreement, listed events include the following:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults;
- (iii) modifications to rights of bondowners;
- (iv) optional, contingent or unscheduled bond calls;
- (v) defeasances;
- (vi) rating changes;
- (vii) adverse tax opinions or events affecting the tax-exempt status of the bonds;
- (viii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (ix) unscheduled draws on credit enhancements reflecting financial difficulties;
- (x) substitution of credit or liquidity providers, or their failure to perform;

- (xi) release, substitution or sale of property securing repayment of the bond; and
- (xii) the continuing disclosure event notices provided to the Administrator by the Developer as more particularly set forth in the Developers continuing disclosure agreement so long as the Developer owns property to the District.

Pursuant to the Significant Event Notice filed with EMMA and dated November 2, 2015, the Administrator received notice from the Trustee on November 2, 2015 that an unscheduled draw of \$778,793 from the Reserve Fund would be required to pay debt service on November 2, 2015, as a result of the non-payment of a portion of the special assessments levied in 2015.

Other than the event indicated above, the Administrator is not aware of the occurrence of any other listed event as of the date of this report (February 28, 2018).