

REQUEST FOR PROPOSALS FOR THE PROVISION OF CITY/AIRPORT
ADVISORY SERVICES RELATED TO A LEASE OF THE AIRPORT IN
ACCORDANCE WITH THE FAA AIRPORT PRIVATIZATION PILOT
PROGRAM (49 U.S.C. § 47134)





Notice

The data on pages 1 – 55 of this proposal identified by an asterisk (*) contains technical or financial information constituting trade secrets or information the disclosure of which would result in substantial injury to the proposer's competitive position.

The proposer requests that such information be used only for the evaluation of the proposal, but understands that any disclosure will be limited to the extent that the City considers proper under the law. If the City enters into an agreement with the proposer, the City shall have the right to use or disclose such information as provided in the agreement, unless otherwise obligated by law.



Table of Contents

I	SUMMARY OF LAZARD QUALIFICATIONS	4
II	PROPOSED SCOPE OF WORK	17
III	DISCLOSURES & CERTIFICATIONS	31
APPENDIX		
A	Selected Biographies of Lazard Group Team Members	37
B	Airport, Government Advisory, Infrastructure and M&A Credentials	46
C	Proposed Letter of Engagement	52

CONFIDENTIAL



LAZARD

October 20, 2017

Mr. Michael Garvin
City Counselor's Office
1200 Market Street
Room 314
St. Louis, MO 63103

Dear Mr. Garvin,

Lazard Frères & Co. LLC ("Lazard") is pleased to submit the following proposal to the City of St. Louis, Missouri ("the City") in response to its invitation to submit proposals for the provision of city/airport advisory services related to a request for proposals for a lease of the St. Louis Lambert International Airport (the "Airport") in accordance with the FAA Airport Privatization Pilot Program (the "Transaction").

Lazard is particularly well suited to advise the City as it evaluates the potential Transaction to ensure it takes into account the interests of the City, its residents, users of St. Louis Lambert International Airport, the City's labor force at the Airport and the City's taxpayers, among other stakeholders. Lazard along with its direct and indirect affiliates (collectively the "Lazard Group") is a premier advisory-focused investment bank. We are unique in using our global coverage and expertise to offer superior unbiased advice to our clients. The firm has a 170-year history of advising governments, corporations, independent committees and other stakeholders on complex strategic and financial matters, including more than 10 airport privatizations as well as other public-private partnerships ("PPPs"), infrastructure and transportation assignments. Our substantial experience in respect of airport and related advisory assignments is detailed herein on pages 10 – 14 and in Appendix B.

The perspectives gained from leading many of the most significant and industry-defining global M&A transactions uniquely enable us to offer a combination of a deep understanding of the infrastructure sector and its participants, extensive tactical execution experience and capital markets knowledge, in each case necessary to deliver comprehensive recommendations to the City. In an increasingly sophisticated and international infrastructure market, this combination is particularly important and can only be delivered by a top-tier, independent, global investment bank. The Lazard Group's 1,000+ advisory professionals operate from offices in 43 cities and 27 countries, giving it comparable scale to the largest investment banks' advisory teams and enabling the Lazard Group to offer substantially more resources than boutique firms. While Lazard's global scale is a distinct advantage, clients also rely on the firm to deliver pertinent local insights in key markets such as St. Louis, where Lazard has advised a number of leading companies, including Peabody Energy and Express Scripts.

CONFIDENTIAL



It is crucial for the City to have an advisor that can provide unbiased advice without direct or indirect conflicts or the perception of conflicts. The Lazard Group's advisory-focused business model means that we are an independent firm, free from many of the conflicts and distractions that can arise at other financial institutions resulting from their broad sales, trading, derivatives, underwriting (municipal or otherwise), principal investing and lending activities. Within the "advisory-first" banking space, we believe the Lazard Group is the most experienced and the largest bank, with its focus on key industries and a large number of qualified professionals having years of transaction and advisory experience.

The Lazard Group also has a proven track record of providing thoughtful and objective advice to federal, state and city-level governments and labor, business and civic leaders in the U.S. and abroad. Representative assignments include advising the State of Alaska on potential financing alternatives for the Alaska LNG Project; the City of Philadelphia on the potential privatization of Philadelphia Gas Works; the Tennessee Valley Authority on strategic alternatives, including possible privatization; the governments of Queensland and Tasmania, Australia on the privatizations of the Hobart, Cairns and Mackay Airports and the sale of 12.4% of Brisbane Airport; the City of Chicago in respect of strategic alternatives for its parking assets at O'Hare Airport; the ATSB on the restructuring of U.S. Airways; the government of New Zealand on the sale of 20% of Air New Zealand; and serving as Financial Agent to the U.S. Treasury Department (including with respect to its stakes in General Motors and Ally). We are adept at interacting with city officials, financial advisors and legal counsel, managing stakeholder communications and addressing key policy considerations. Furthermore, we have deep relationships extending beyond the financial community that allow us to assemble strong coalitions and build consensus among often disparate groups of stakeholders.

We appreciate the opportunity to respond to the City of St. Louis' request for proposals and look forward to working with the City on this important assignment.

This proposal constitutes a valid, binding and continuing offer at the prices set forth in the proposal for a period of sixty (60) days from the deadline for acceptance of proposals as set forth herein.

Respectfully yours,

George W. Bilicic
Vice Chairman of Investment Banking
Global Head of Power, Energy & Infrastructure
Head of Midwest Investment Banking

Lazard Frères & Co. LLC
300 N. LaSalle Street, 23rd Floor
Chicago, IL 60654
+1 312 407 6673 phone
george.bilicic@lazard.com

Lazard shall not have any obligation, express or implied, except to the extent set forth in a subsequent mutually acceptable written agreement, if any, executed by Lazard and the City of St. Louis, Missouri.

CONFIDENTIAL



I Summary of Lazard Qualifications

LAZARD



Introduction/Executive Summary

The Lazard Group has extensive experience providing world-class, independent advice to clients on a broad array of financial and strategic advisory assignments, including many of the most significant and industry-defining global M&A transactions. The Lazard Group's clients include corporations, governments, partnerships, institutions, labor unions, high net worth individuals and family offices. We maintain long-standing relationships with, and have exceptional access to, business leaders and key decision makers around the world. In today's market, the Lazard Group is the leading independent investment bank with deep global industry coverage, capabilities and expertise that offers unbiased advice to clients.

BUSINESS MODEL	<ul style="list-style-type: none"> The core of Lazard's success is its straightforward, advisory-focused business model that offers clients independent advice and global capabilities with an emphasis on excellence, intellectual rigor, integrity and creativity Lazard is an independent firm, free from many of the conflicts that can arise at other financial institutions resulting from their broad sales, trading, derivatives, underwriting (municipal or otherwise), principal investing and lending activities
STRATEGY AND TACTICS	<ul style="list-style-type: none"> Lazard's 170-year history focused on capital raising, restructurings and mergers and acquisitions has given our firm a wide array of insights that help us provide unique perspectives and superior advice on the strategic and tactical approaches available to our clients
COMPLEX TRANSACTION STRUCTURING	<ul style="list-style-type: none"> Lazard excels at structuring transactions with high degrees of technical complexities and complicated qualitative aspects (e.g., public concerns, conflicting interests and multiple stakeholders) Lazard can help the City develop the optimal transaction structure for any potential project or partnership opportunity by analyzing its options from a holistic perspective Lazard's experience working on complex strategic and financial assignments gives it a nuanced understanding of critical concepts such as risk allocation, option values and various technical concepts that are specific to the infrastructure sector Lazard can provide detailed analysis around the financial implications of any potential partnership opportunities or financing strategies by drawing on our history of successful advisory assignments
AIRPORT, INFRASTRUCTURE AND GOVERNMENT ADVISORY	<ul style="list-style-type: none"> Lazard has significant experience advising on airport transactions and has been involved in many of the most significant and complex transactions in the infrastructure industry Currently, Lazard has no conflicting airport advisory assignments in North America, which prevents the City's interests from being cannibalized by other priorities and allows Lazard to be a fully dedicated advocate for the City and the Airport in respect of the proposed transaction Given our extensive track record of successfully advising governments and public agencies around the world, we would serve the City and the public interest of St. Louis exceptionally well Lazard employs professionals with extensive experience in public-private partnerships, project finance and government advisory work, including many former elected and appointed officials with an intimate knowledge of government processes Lazard's holistic approach to our government advisory business includes a practical focus on the political sensitivities inherent in most infrastructure projects—since 2007, Lazard has conducted three national infrastructure polls to assess likely voters' perceptions of private investment in public infrastructure assets and policy considerations
PROJECT FINANCE/CAPITAL MARKETS	<ul style="list-style-type: none"> Lazard's understanding of the capital markets, strong relationships with capital providers and business model that focuses on avoiding conflicts can lead to the most efficient capital structures for our clients Lazard's independence allows us to lead broader, more creative financing processes that often include diverse pools of capital—pension funds, infrastructure funds and other institutional investors
STAKEHOLDER/ COALITION BUILDING	<ul style="list-style-type: none"> Lazard's objective advice, deep industry knowledge and trusted reputation enables us to build consensus among often disparate groups of stakeholders Lazard's deep relationships extend beyond the financial community to include public sector entities, labor unions, strategic partners, technical consultants, legal advisors and quasi-governmental agencies Lazard can offer the City the experience it has gained through advising on complex transactions that involve the interests of multiple stakeholders



Firm Experience




The Lazard Group is a preeminent global financial advisory firm with a strong history of creating innovative financial solutions for the challenges confronting our clients. With roots dating back to 1848, Lazard provides advice on mergers and acquisitions, public-private partnerships, restructuring and capital raising for corporation, governments and institutions. The Lazard Group has 1,000+ advisory professionals who operate from offices in 43 cities in key business and financial centers across 27 countries throughout North America, Europe, South America, Central America, Asia and Australia. The Lazard Group is headquartered in New York and is listed on the New York Stock Exchange.

Global Scale with Local Insight

- Clients in more than 70 countries
- Sovereign clients on multiple continents
- Active in emerging markets for more than 35 years
- Multicultural client teams
- Leading advisor on cross-border transactions



Financial Advisory Offices

Principal Offices		Amsterdam 2004	Hong Kong 2001	Panama City 2004	Tokyo 1989
  	New York 1851	Beijing 2006	Houston 2003	Perth 2010	Toronto 2016
	Paris 1854	Bogota 2004	Lima 2004	Riyadh 2011	Zürich 2007
	London 1870	Boston 2007	Los Angeles 2003	San Francisco 1850	
		Brussels 2004	Madrid 1999	Santiago 2004	
		Buenos Aires 1981	Melbourne 2007	São Paulo 2004	
		Charlotte 2007	Mexico City 2017	Seoul 1999	
		Chicago 1988	Milan 1991	Singapore 1995	
		Dubai 2007	Minneapolis 2007	Stockholm 1998	
		Frankfurt 1988	Mumbai 1984	Sydney 1994	

CONFIDENTIAL



II Proposed Scope of Work



Proposed Scope of Work

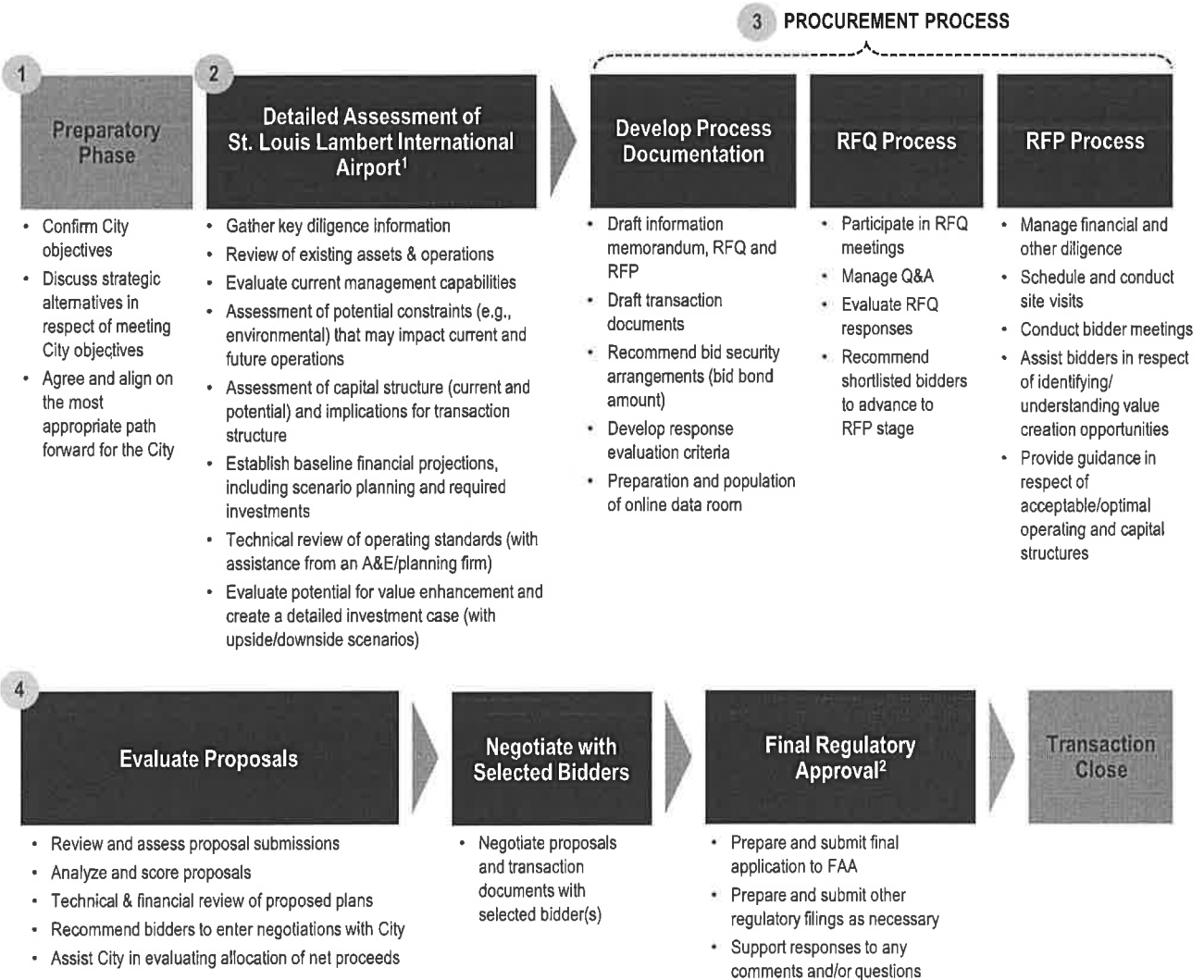
Lazard will manage a qualified and experienced advisory team to deliver to the City bona fide proposals for the long-term lease, management, operation and development of the Airport and will assist the City in selecting a proposal and consummating a transaction that is in the best interests of the City (both in respect of financial and social considerations), including its various constituencies

- **Effective project management is central to the success of any complex assignment. Lazard has significant project management experience, including**
 - Developing detailed project plans, including timetables, deliverables and responsibilities
 - Communicating the project plan to key participants and relevant stakeholders
 - Developing a risk plan and ensuring that risks are identified, minimized and managed
 - Engaging additional specialized advisors/sub-contractors to fulfill specific roles, as required
 - Coordinating meetings, including ensuring the attendance of all key personnel and prompt distribution and follow-up of action items and accountability for meeting deadlines
 - Scheduling and coordinating the work of any other advisors to ensure deadlines are met
 - Ensuring effective preparation by all advisors for key decision points
 - Chairing meetings and preparing and presenting analyses to key decision makers
 - Preparing and delivering presentations to key decision stakeholders
 - Ensuring probity and public accountability requirements are satisfied, including necessary documentation trails for subsequent review
- **A successful Transaction should strive to maximize lease proceeds to the City, but should do so in the context of establishing a robust regulatory/lease regime that ensures ongoing service provisions and growth for the Airport at a reasonable cost to users and that ensures the City is not exposed to ongoing risks**



Proposed Scope of Work (cont'd)

Lazard is highly qualified to help the City achieve its goal of securing, at attractive terms, a lease for the Airport and proposes the following summary scope of work, which would be completed in collaboration with other advisors (e.g., legal, accounting, engineering, public relations, government finance) to be managed by Lazard, as required



Throughout the process Lazard will seek to ensure alignment with City objectives and with key stakeholders. Lazard will provide necessary updates to stakeholders, including airline briefings, meetings with the City and other governmental and regulatory bodies, public interest groups and the community of St. Louis and surrounding areas, among others as required

 Discussed in greater detail herein

3 Procurement Process

The Lazard Group has significant experience executing both public sector RFQ/RFP processes and private sector sell side (corporate divestiture) processes. Lazard's extensive experience allows it to create bespoke processes to deliver on its clients' goals while maximizing value. Lazard would work closely with the City to determine the optimal process given the City's and the Airport's circumstances and strategic objectives

- **Lazard is comfortable structuring the procurement process in a variety of ways, including either of the below illustrative alternatives**
 - Option 1: RFQ stage evaluates potential bidders' ability to deliver on a detailed list of operational, technical and financial requirements set forth in the RFQ. The RFP then asks for a pricing proposal from a subset of qualified bidders that submitted RFQs
 - Option 2: The RFQ evaluates potential bidders based on a limited set of quantitative requirements (e.g., financial) and selected qualitative requirements (e.g., consortium, team, privatization experience, etc.). The RFP then requests a more comprehensive response (e.g., technical and operational), including a pricing proposal, from a subset of qualified bidders that submitted RFQs
- **While Option 2 is likely to be the optimal process for the City, given the anticipated high level of interest in the Airport from qualified investors and the size of the equity ticket required, Option 1 may be an attractive process to consider in respect of maximizing competitive tension and delivering a set of comprehensive proposals to the City for consideration**

Benefits and Considerations of the Approaches Outlined Above:

Option 1 <i>Comprehensive RFQ/RFP Pricing Proposal</i>	Option 2 <i>Minimize RFQ Requirements/Comprehensive RFP</i>
✓ Requires bidders to dedicate substantial resources to put forward a comprehensive proposal, minimizing participation from those "kicking the tires"	✓ Reduces upfront costs borne by bidders, potentially increasing the number of participants
✓ Provides the City with the full overview of proposals upfront in order to evaluate, shortlist and select the most interesting and creative proposals, outside of pricing factors	✓ Enables a quicker and more efficient qualification process to eliminate those that are not well suited for this transaction and focuses on highest quality participants
? Potentially minimizes participants given higher upfront pursuit costs	? Lower barriers to entry may lead to higher likelihood of participants "kicking the tires"
? Does not provide benefit of cost discovery upfront, meaning that the most cost effective proposals may not be invited into RFP stage	? Limited visibility on scope and scale of bidders' proposals in the RFQ stage
? Requires substantially higher time and resource allocation from the City & Airport to support a large number of bidders during RFQ stage	? May inadvertently shortlist an unqualified participant

The value maximizing (financial and social) process for the City may be a hybrid of the two options highlighted above. Lazard, along with an experienced team of advisors, will work with the City in order to design a bespoke process to meet the City's objectives



4 Bid Review, Negotiation & Regulatory Approval

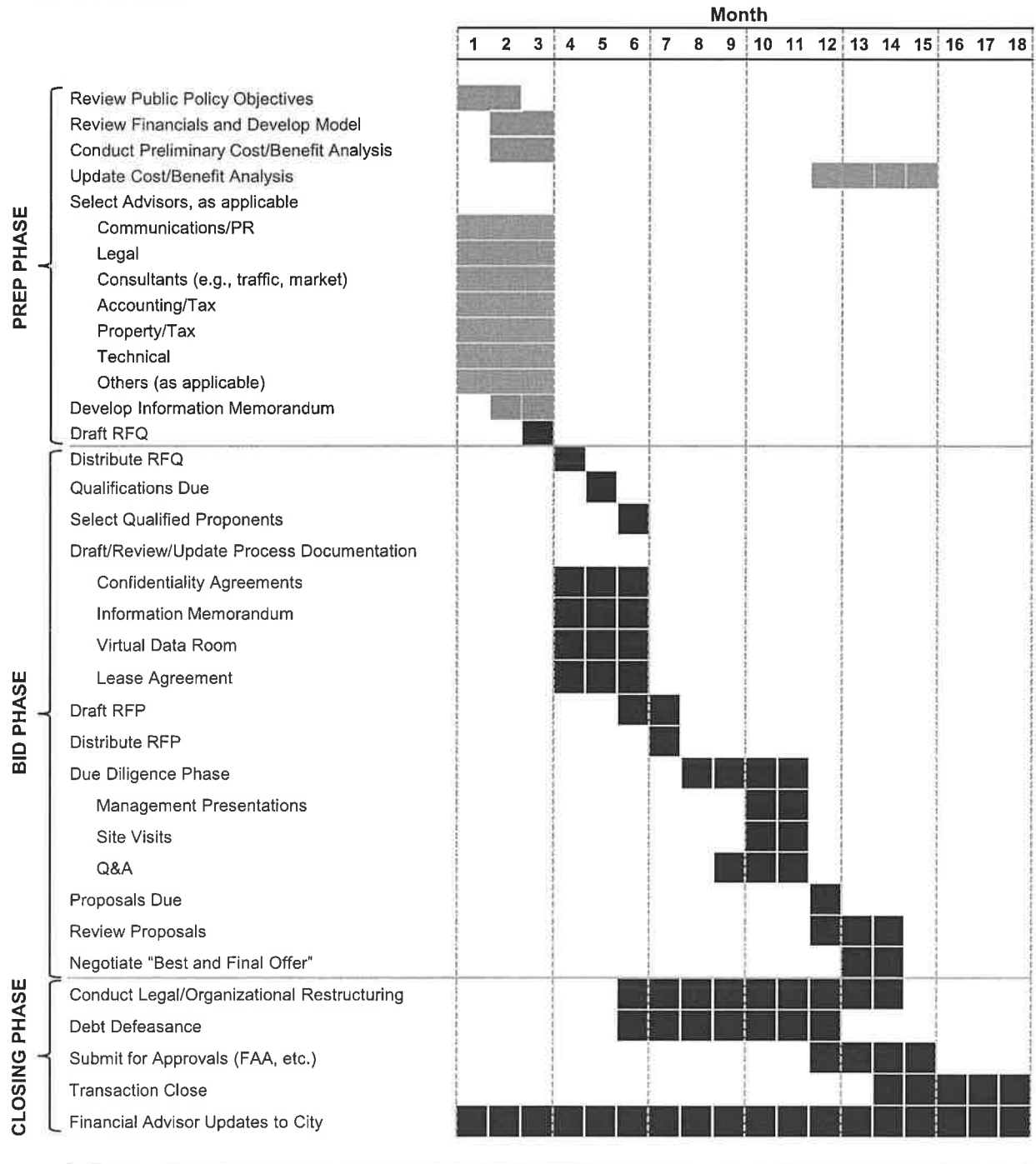
The Lazard Group has extensive experience executing bid review and negotiations and assisting with obtaining regulatory approval and is well equipped to support the City and its officials in ensuring that the process results in the best outcome for the City and key stakeholders

EVALUATE PROPOSALS	<ul style="list-style-type: none">• Bids to be evaluated on<ul style="list-style-type: none">– Financial analysis: Net proceeds to the City could include both up-front proceeds and proceeds over time (revenue share/royalty payments)– Expected cost savings from operational and productivity improvements– Expected additional revenue from additional airlines expected to use the Airport based on relationship and experience of bidder consortiums– Technical Review: Plan for developing the Airport and for proposed capital improvement programs (via subcontracted Airport A&E/planning firm)– Proposed terms, including lease, airline user agreements, any other agreements
NEGOTIATION	<ul style="list-style-type: none">• Each contractual term will have some value associated with it; the City will find that as it negotiates a definitive contract with a potential buyer, the ultimate price paid will be significantly influenced by the contract terms:<ul style="list-style-type: none">– Level of risk transferred to private operator– Cost elements that could/should be treated as “pass-through”– Infrastructure risk– Uncontrollable circumstances– Rate regime– Lease/concession length• Lazard has demonstrated significant strength and expertise in its ability to negotiate complex issues for infrastructure transactions, including concession and lease agreements, among others, bringing transactions to successful and expeditious closings
REGULATORY APPROVAL ¹	<ul style="list-style-type: none">• FAA Approval:<ul style="list-style-type: none">– Prepare and submit the Final Application to the FAA, in concert with the lessee selected via the procurement process– Support response to any relevant FAA comments and questions• Manage approval by City’s required governing bodies• Other, as required



Preliminary and Illustrative Timeline

Lazard envisions the below timeline for the proposed Transaction, and would work with the City to revise the timeline and present it to the FAA within 30 days post selection of the advisory team



CONFIDENTIAL



III Disclosures & Certifications



Disclosure of Conflicts of Interest

- Lazard is not aware of any officer, director or employee who is also an employee of the City.
- Nor is Lazard aware of any City officer, employee or elected official who owns, directly or indirectly, an interest of one percent or more in Lazard or any member of the Lazard Group.

The following have been identified as potential conflicts of interest, or situations where there could be the appearance of a conflict of interest, associated with Lazard providing services pursuant to the City's RFP:

- Lazard provides advisory and other services to a broad range of clients, which may include those in the Infrastructure and Government Advisory industries and other potential transaction partners for the types of strategic options or transactions that it would be investigating for the City. Lazard will not, however, communicate any non-public information of the City received in connection with this project to third parties, without the prior consent of the City. Similarly, Lazard will not disclose non-public information of its other clients to the City.
- Individuals employed by or associated with Lazard and involved in the provision of services under the contract related to the RFP may own, in their personal accounts, securities issued by entities in the Airports industry and by other potential transaction partners for the types of strategic options or transactions that Lazard would be investigating for the City. Individuals employed by or associated with Lazard that receive non-public information of the City in connection with this project will not be permitted to use such information in making investments. Lazard's compliance department will take reasonable steps to monitor and restrict investments by such individuals.
- Lazard has affiliates that engage in "asset management" activities. These affiliates may act as investment advisor or trade securities (including in discretionary client accounts and through the management and operation of hedge funds, mutual funds and private funds), for a broad range of clients, which may include clients in the Airports industry and other potential transaction partners for the types of strategic options or transactions that Lazard would be investigating for the City and Lazard and our employees. Some of the accounts and funds managed by Lazard's asset management affiliates may now or in the future hold securities of clients in the Airports industry and other potential transaction partners for the types of strategic options or transactions that Lazard would be investigating for the City. Non-public information of the City received in connection with this project will not be made available to those professionals engaged in asset management activities. Lazard maintains information barrier policies and controls that are designed to restrict the dissemination, availability and sharing of non-public information received by Lazard's financial advisory business with employees of its asset management affiliates.

In addition, notwithstanding anything to the contrary in the RFP, due to confidentiality reasons, other than the publicly-disclosed engagements listed in the qualifications section, Lazard is unable to identify confidential past, current or future engagements with potential buyers or lessees.



Criminal Background Disclosure

For the five-year period preceding the date of the RFP, there are no judicial or administrative proceedings that are material to the subject matter of the RFP or that could interfere with Lazard's performance of the work requested by the RFP. Lazard is involved from time to time in judicial, regulatory and arbitration proceedings and inquiries concerning matters arising in connection with the conduct of its business. Based on currently available information, Lazard believes that the results of any pending matters, in the aggregate, will not have a material effect on its business or financial capability. Given the variation in Lazard's revenue on a quarterly basis, the results of any pending matter or matters could be significant when compared to Lazard's revenues in any particular quarter.



Affirmative Action

Please find below the relevant excerpted Lazard hiring policies:

EQUAL EMPLOYMENT OPPORTUNITY

It is and will continue to be the policy and practice of Lazard not to discriminate against any applicant, employee or Managing Director because of race, color, creed, religion, sex, age, national origin, citizenship status, disability, sexual orientation, pregnancy, marital status, status as a disabled veteran or a veteran of the Vietnam Era or any other protected characteristic as established by law. This policy extends to every phase of the employment process and to all terms and conditions of employment, including: recruiting, hiring, training, promotion, compensation, benefits, transfers, layoffs, recalls, termination and Lazard-sponsored programs.

All employment and promotion decisions are made on the basis of job-related criteria, recognizing the principle of equal employment opportunity.

It is the primary responsibility of the Director of Human Resources for monitoring the equal employment opportunity policy. If you have any questions or concerns about any type of discrimination in the workplace, you are encouraged to bring these issues to the attention of your supervisor or Managing Director, the Director of Human Resources or the General Counsel. Concerns and reports can be raised without any fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action up to and including termination.

The need for full and active support for the Lazard's equal employment opportunity policy from all Managing Directors and employees is required.



Non-Collusion

By signing the proposal, Lazard hereby warrants and represents that any ensuing agreement has not been solicited, secured or prepared, directly or indirectly, in a manner contrary to the laws of the State of Missouri and the City and that said laws have not been violated and shall not be violated as they relate to the procurement or the performance of the contract by any conduct, including the paying or the giving of any fee, commission, compensation, gift, gratuity or consideration of any kind, directly or indirectly, to any City employee, officer or official.



Proposer Certification

The undersigned agrees and understands that this proposal and all attachments, additional information, etc. submitted herewith constitute merely an offer to negotiate with the City and is NOT A BID. Submission of this proposal, attachments and additional information shall not obligate or entitle the proposing entity to enter into a service contract with the City for the required services. The undersigned agrees and understands that the City is not obligated to respond to this proposal nor is it legally bound in any manner whatsoever by the submission of same. Further, the undersigned agrees and understands that any and all proposals and negotiations shall not be binding or valid against the City, its directors, officers, employees or agents unless a contract is signed by a duly authorized officer of the City Counselor's Office.

It is understood and agreed that the City reserves the right to reject consideration of any and all proposals including, but not limited to, proposals which are conditional or incomplete. It is further understood and agreed that the City reserves all rights specified in the Request for Proposals.

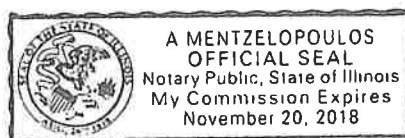
It is represented and warranted by those submitting this proposal that except as disclosed in the proposal, no officer or employee of the City is directly or indirectly a party to or in any other manner interested in this proposal or any subsequent service agreement that may be entered into.

Lazard Frères & Co. LLC

By [Signature]
Name: George Bilicic
Title: Vice Chairman

STATE OF Illinois)
) ss.:
COUNTY OF Cook)

On this day of October 20, 2017 before me, the undersigned, a Notary Public in and for said State, George Bilicic, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as a Managing Director of Lazard Frères & Co. LLC, the Limited Liability Company described in and which executed the within instrument and acknowledged that he/she signed the within instrument on behalf of said Limited Liability Company.



LAZARD

[Signature]
Notary Public



Certificate of Authority

I, Steven Pearl, certify that I am Chief Compliance Officer and Deputy General Counsel of Lazard Frères & Co. LLC (the "LLC") duly organized under the Laws of the State of New York; that George Bilicic who signed said Agreement on behalf of the LLC was, at the time of execution, a Managing Director of the LLC; that said Agreement was duly signed for and on behalf of said LLC and as the act of said LLC for the purposes therein mentioned.

Lazard Frères & Co. LLC

By Steven Pearl

Name: Steven Pearl

Title: Chief Compliance Officer
and Deputy General Counsel

STATE OF New York)
) ss.:
COUNTY OF Queens)

On this day of October 19, 2017, before me, the undersigned, a Notary Public in and for said State, Steven Pearl, personally known to me or proved to me on the basis of satisfactory evidence to be the individual who executed the above certificate in his capacity as the Chief Compliance Officer and Deputy General Counsel of Lazard Frères & Co. LLC, the Limited Liability Company, that he is duly authorized to execute said certificate on behalf of said Limited Liability Company, and that he signed his name thereto pursuant to such authority.

IRENE M MONTERO
NOTARY PUBLIC-STATE OF NEW YORK
No. 01MO6270607
Qualified in Queens County
My Commission Expires 10-22-2020

Irene M Montero

Notary Public

CONFIDENTIAL



Appendix

CONFIDENTIAL



**B Airport, Government Advisory,
Infrastructure and M&A Credentials**



Selected Lazard Group Airports & Airlines Advisory Credentials

The Lazard Group has significant experience advising airports and airlines in various matters of strategic importance, including privatizations/public-private partnerships, restructurings and capital markets assignments

N/A advisory on periodic price renegotiations with airlines Ongoing	£400 million financing and capital structure advisory Ongoing	N/A advisory for 25-year concession of Pending	\$23.3 Billion restructuring of its debt Pending	\$1.5 Billion AVIALLIANCE on the extension of a 20-year concession for Athens international airport 2017
€557 Million The Greek Government on the privatization of 2017	€1.2 Billion on acquiring a stake in 2016	N/A on a potential acquisition of stake in 2016	N/A advisor to the Benetton Family to and other matters 2015	€12 Billion on restructuring of €12bn debt and privatization through IPO & Anchor Investors 2015
€160 Million on its IPO 2015	N/A on potential acquisition of stake in 2015	N/A A UK Airport on Infrastructure debt financing of an airport acquisition 2014	\$11.0 Billion on the merger of AA and 2013	\$6.0 Billion on the purchase of 60 narrow bodied Boeing 737 Max aircraft 2013
\$648 Million on the sale of 2013	\$526 Million on the acquisition of 4.7% of the capital of 2013	\$365 Million on its sale of a minority stake in AIR NEW ZEALAND 2013	\$100 Million AIRFRANCE KLM on a strategic partnership with 2013	\$330 Million on the sale of ADR Retail to 2012
\$101 Million Alaco SI on the private placement of convertible stock of VOLOTEA 2012	Confidential on its new structure regarding Air Navigation Act 2012	Confidential on its restructuring 2012	Confidential on its restructuring 2012	N/A Heathrow Advised infrastructure investor on potential 10% investment 2011/Terminated
\$258 Million on the restructuring of its jet fuel hedging portfolio 2010	Confidential Continental Airlines on the merger with UNITED 2010	\$871 Million AIRFRANCE KLM convertible bonds issue 2009	A\$850 Million on refinancing on its term facility 2009	A\$750 Million refinancing 2009
\$430 Million AIRFRANCE KLM on a strategic partnership with Alitalia 2009	\$223 Million on the sale of OLYMPIC to MARFIN 2009	Confidential AIRFRANCE KLM on the acquisition of AMM Maintenance Group 2009	\$1.1 Billion clickair on its merger with vueling 2008	A\$530 Million privatization of Queensland airport 2008



Selected Lazard Group Airports & Airlines Advisory Credentials (cont'd)

<p>A\$351 Million</p>  <p>privatization of  2008</p>	<p>A\$289 Million</p>  <p>sale of minority stake in  2008</p>	<p>A\$208 Million</p>  <p>on the sale of its 100% stake  2008</p>	<p>N/A</p>  <p>advised on the potential concession of Chicago O'Hare Airport Parking Assets 2008</p>	<p>N/A</p> <p>buyside advisor to a financial consortium on the proposed acquisition of  2008/Terminated</p>
<p>N/A</p> <p>buyside advisor to a financial consortium on the proposed acquisition of Prague Airport 2008/Terminated</p>	<p>N/A</p> <p>buyside advisor to a financial consortium on the proposed acquisition of Pulkovo Airport 2008/Terminated</p>	<p>Aborted</p> <p> potential Infrastructure buyer on acquisition 2008</p>	<p>\$699 Million</p> <p> follow-on public offering 2007</p>	<p>\$1.6 Billion</p>  <p>consortium advisor on its acquisition of Delhi Airport 2006</p>
<p>\$300 Million</p>  <p>notes issue 2006</p>	<p>Confidential</p>  <p>advisor to the government of the Netherlands on the privatization of Schiphol Group 2006/Terminated</p>	<p>\$5.8 Billion</p> <p> Wam Acquisition on the acquisition of amadeus 2005</p>	<p>\$1 Billion</p>  <p>advisor to the ATSB on the restructuring of U.S. AIRWAYS 2005</p>	<p>\$500 Million</p>  <p>have sold a 41% stake in their merged business to Ace Aviation, Par Investment, Peninsula Investment and Wellington Management 2005</p>
<p>\$141 Million</p>  <p>advisor to the ATSB on the restructuring of ATA 2005</p>	<p>Confidential</p>  <p>has sold to  2005</p>	<p>N/A</p> <p>advisor to the UK Department for Transport on a financing strategy for the consultation paper on the aero- development in UK 2005</p>	<p>\$13.9 Billion</p>  <p>advisor on bankruptcy process 2005</p>	<p>€4.5 Billion</p> <p>IVG Consortium on its investment in  2000</p>

































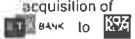









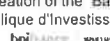













Selected Lazard Group Sovereign Advisory Credentials

The Lazard Group has significant experience advising governments on various matters of strategic importance, including privatizations/public-private partnerships, restructurings and capital markets assignments

N/A Republic of Congo strategic & rating advisory Ongoing	Confidential Republic of Croatia quasi-sovereign debt restructuring Ongoing	Confidential Republic of Zimbabwe debt policy advisory Ongoing	Confidential Kingdom of Bahrain fiscal sustainability framework Ongoing	Confidential Republic of Mozambique debt sustainability issues Ongoing
US\$8 Billion Republic of Azerbaijan financing of the state's equity investments in the southern gas corridor projects Ongoing	N/A Georgia sovereign rating advisory Ongoing	Confidential Republic of Ecuador on the financing and macroeconomic impact assessment of Ongoing	N/A Gabonese Republic strategic macro-financial and debt policy advisory (including rating advisory) Ongoing	Confidential Federal Democratic Republic of Ethiopia investor relations advisory Ongoing
Confidential Gabonese Republic Graine Project financing strategy Ongoing	Confidential Kingdom of Jordan Red Sea Dead Sea Project – phase 1 Ongoing	Confidential Islamic Republic of Mauritania strategic macro-financial and debt policy advisory (including rating) and advisory to Ongoing	US\$12 Billion Democratic Republic of Congo advisory on the Inga III hydro project Ongoing	N/A advisory for 25-year concession of Pending
\$8 Billion Australia advisor on proposed acquisition of 87% stake in Pending	\$24.0 Billion Netherlands advisor to the Ministry of Finance on the acquisition of banking & insurance business of Fortis & Abn-Amro stake Pending	\$22.8 Billion Kingdom of Belgium advisor on asset relief program for Pending	N/A Panama advisor on potential concession of Puerto Corozal Pending	N/A Islamic Republic of Mauritania advisor on financing of high-speed link connecting Mauritania to Europe and West Africa Pending
TBD advisor to the government of Tasmania on the privatization of its retail electricity business Pending	Confidential Panama advisor on the acquisition of Transporte Masivo De Panama Pending	TBD advisor to the government of New South Wales on the privatization of its power & energy assets Pending	TBD Turkey advisor on the privatization of Pending	TBD Iraq advisor on the private participation in and development of oil assets Pending
N/A Republic of France advisor on the sale of an interest in Pending	N/A EDF in its partial sale of 2017	\$45–\$65 Billion State of Alaska Alaska LNG strategic advisor 2014-2017	€13.3 Billion Austria contingent liability restructuring 2016	Confidential Plurinational State of Bolivia financial feasibility study for an interurban transportation system in Santa Cruz 2016
N/A Republic of Nicaragua sovereign rating advisory 2016	N/A Sultanate of Oman optimal budget financing strategy 2016	US\$2.5 Billion Sultanate of Oman international bond issue 2016	US\$15 Billion Ukraine sovereign debt restructuring 2016	\$449 Million Ukraine debt restructuring of sovereign guaranteed loans 2016



Selected Lazard Group Sovereign Advisory Credentials (cont'd)

<div>\$500 Million</div> <div> Ukraine debt reprofiling Ukrzaliznytsia 2016</div>	<div>Confidential</div> <div> United Kingdom sale of King's Cross Central 2016</div>	<div>\$449 Million</div> <div> Ukraine – City of Kyiv debt restructuring 2015</div>	<div>\$2.8 Billion</div> <div> Ukraine debt reprofiling 2015</div>	<div>\$250 Million</div> <div> Republic of Slovenia privatization of  2015</div>
<div>\$500 Million</div> <div> Gabonese Republic international bond issue 2015</div>	<div>\$750 Million</div> <div> Cameroon Republic advising in the structuration of a currency hedging instrument for their inaugural bond issue 2015</div>	<div>N/A</div> <div> Hellenic Republic strategic macro-financial policy advisory 2015</div>	<div>N/A</div> <div> WORLD BANK GROUP Eastern Caribbean Central Bank domestic banking sector financial assessment and business plan economic modeling for the world bank 2015</div>	<div>N/A</div> <div> Ukraine financial advisory for the Deposit Guarantee Fund (DGF) 2015</div>
<div>N/A</div> <div> Republic of Haiti feasibility study to create a system-wide development fund 2015</div>	<div>\$3.7 Billion</div> <div> Republic of Italy IPO of Posteitaliane 2015</div>	<div>N/A</div> <div> Hellenic Republic advisor to the Hellenic Financial Stability Fund 2014–15</div>	<div>N/A</div> <div> Arab Republic of Egypt design of an economic recovery plan & coordination of a high level Economic and Investment Promotion Conference (EEDC) 2014–15</div>	<div>\$4.0 Billion</div> <div> advisor to the government of New Zealand on its privatization program 2013–14</div>
<div>\$1.9 Billion</div> <div>City of Philadelphia on its sale of  to  2014/Terminated</div>	<div>N/A</div> <div> strategic advisor 2014</div>	<div>\$1 Billion</div> <div> Federal Democratic Republic of Ethiopia inaugural international bond issue 2014</div>	<div>\$1.2 Billion</div> <div> Alliance Bank Republic of Kazakhstan debt restructuring 2014</div>	<div>N/A</div> <div> Government of Australia on privatization of  2014</div>
<div>\$1 Billion</div> <div> Republic of Kazakhstan fairness opinion on the acquisition of  to  2014</div>	<div>N/A</div> <div> Republic of Cyprus strategic financial advisory for the Cypriot banking system and the state's return to capital markets 2014</div>	<div>N/A</div> <div> WORLD BANK GROUP strategic review for the future of the Debt Reduction Facility (DRF) 2014</div>	<div>£230 Million</div> <div> United Kingdom on the sale of its 80% stake in Plasma Resources U.K. to Bain Capital 2013</div>	<div>N/A</div> <div> Proliance on the sale of its 80% stake in Proliance to  2013</div>
<div>N/A</div> <div> New York Power Authority strategic alternatives advisor for the Long Island T&D system 2013</div>	<div>N/A</div> <div> Federal Democratic Republic of Ethiopia sovereign rating advisory 2013–Ongoing</div>	<div>N/A</div> <div> Republic of France creation of the "Banque Publique d'Investissement"  2013</div>	<div>\$3.2 Billion</div> <div> United Kingdom IPO of  2013</div>	<div>\$1.5 Billion</div> <div> Gabonese Republic international bond issue and liability management exercise 2013</div>
<div>N/A</div> <div> strategic advisory on the restructuring and recapitalization of the Spanish banking system 2012–13</div>	<div>N/A</div> <div> strategic advisory on the restructuring, deleveraging and recapitalization of the Irish banking system 2011–13</div>	<div>N/A</div> <div> Republic of Guinea project structuration for the South Simandou mining project 2012–13</div>	<div>N/A</div> <div> Islamic Republic of Mauritania strategic macro-financial advisory 2010–13</div>	<div>N/A</div> <div> City of San Diego strategic advisor 2012</div>
<div>N/A</div> <div>City of Philadelphia advisor on its strategic assessment of  2012</div>	<div>\$11.1 Billion</div> <div> Republic of Kazakhstan debt restructuring  2012</div>	<div>\$670 Million</div> <div> Republic of Trinidad and Tobago advising on structuring of project and sale of a 60% stake of eC 2012</div>	<div>N/A</div> <div> Central Bank of Portugal strategic advisory on the recapitalization of the Portuguese banking sector 2012</div>	<div>N/A</div> <div>National Association of Letter Carriers strategic advisor on the restructuring of the U.S. Postal Service 2012</div>



Selected Lazard Group Infrastructure Advisory Credentials

The Lazard Group has executed a broad range of successful strategic and financial advisory assignments for its Infrastructure clients, ranging from capital raises to M&A and in-depth strategic analysis

<p>\$30.0 Billion</p> <p>on its asset sale program</p> <p>Pending</p>	<p>N/A</p> <p>Queensland Ports & Power Generators</p> <p>on the potential sale of select infrastructure assets</p> <p>Pending</p>	<p>£450 Million</p> <p>on its acquisition of</p> <p>Pending</p>	<p>€302 Million</p> <p>on its stake held by</p> <p>Pending</p>	<p>€227 Million</p> <p>on its acquisition of a 5% stake in</p> <p>Pending</p>
<p>\$45-65 Billion</p> <p>Alaska LNG strategic advisor</p> <p>2014 - 2017</p>	<p>€1.5 Billion</p> <p>AVIALLIANCE</p> <p>on its 20-year extension of the Athens International Airport concession agreement from</p> <p>2017</p>	<p>€415 Million</p> <p>Interconnector Italia S.p.A. on its agreement with</p> <p>for the construction and operation of the private portion of the 320 kV DC Italy-France Interconnector Project</p> <p>2017</p>	<p>\$196 Million</p> <p>BLACKROCK</p> <p>on its acquisition of</p> <p>gas natural inc.</p> <p>2017</p>	<p>Confidential</p> <p>THE CARLYLE GROUP</p> <p>on its sale of</p> <p>2017</p>
<p>Confidential</p> <p>Invenergy</p> <p>on its capital raise for Lackawanna Energy Center with</p> <p>2017</p>	<p>N/A</p> <p>ARDIAN</p> <p>on its acquisition of a 44% stake in Société du Pipeline Méditerranée Rhône</p> <p>from</p> <p>2017</p>	<p>€392 Million</p> <p>on its acquisition of a 49% stake in a wind portfolio from</p> <p>2016</p>	<p>€369 Million</p> <p>on its acquisition of 67% of</p> <p>Piraeus Port Authority</p> <p>2016</p>	<p>Confidential</p> <p>THE CARLYLE GROUP</p> <p>on its sale of Connecticut rest stops to</p> <p>JLIF</p> <p>2016</p>
<p>\$16.9 Billion</p> <p>on its acquisition of</p> <p>ALSTOM Power & Grid</p> <p>2015</p>	<p>\$1.1 Billion</p> <p>restructure of</p> <p>Royal North Shore Hospital</p> <p>2015</p>	<p>\$862 Million</p> <p>Corporate Governance committee of</p> <p>on its acquisition of the operating assets of</p> <p>2015</p>	<p>A\$800 Million</p> <p>Northern Territory of Australia on selecting</p> <p>to construct a gas pipeline</p> <p>2015</p>	<p>\$7.1 Billion</p> <p>transurban</p> <p>acquisition of</p> <p>2014</p>
<p>€2.6 Billion</p> <p>on its sale of a 33% stake to</p> <p>KKR</p> <p>2014</p>	<p>A\$1.5 Billion</p> <p>on its acquisition of</p> <p>Macquarie Generation Assets</p> <p>2014</p>	<p>\$1.0 Billion</p> <p>on its acquisition of the remaining 50% stake in</p> <p>IMTT</p> <p>2014</p>	<p>\$678 Million</p> <p>New Zealand Government</p> <p>partial privatization of</p> <p>2014</p>	<p>\$299 Million</p> <p>integrity</p> <p>on its sale of UPPCo to</p> <p>Balfour Beatty</p> <p>2014</p>
<p>N/A</p> <p>THE CARLYLE GROUP</p> <p>on its partnership with</p> <p>as majority shareholders in</p> <p>2014</p>	<p>N/A</p> <p>Icon Infrastructure & PSP</p> <p>on the sale of its 15% stake in</p> <p>to</p> <p>2014</p>	<p>N/A</p> <p>strategic advisor</p> <p>2014</p>	<p>\$5.2 Billion</p> <p>NSW Ports</p> <p>acquisition of</p> <p>Port Kembla and Port Botany 99-year lease</p> <p>2013</p>	<p>\$1.0 Billion</p> <p>EQT</p> <p>on sale of Equitable Gas and asset exchange with</p> <p>2013</p>
<p>N/A</p> <p>strategic alternatives advisor for the Long Island T&D system</p> <p>2013</p>	<p>\$702 Million</p> <p>on sale to</p> <p>2012</p>	<p>€230 Million</p> <p>on sale of its 45% stake in</p> <p>to Brookfield</p> <p>2012</p>	<p>Confidential</p> <p>Andis Infrastructure Partners</p> <p>on its acquisition of</p> <p>2011</p>	<p>\$10.3 Billion</p> <p>transurban</p> <p>takeover defense advisor to Transurban on the proposed tender offer by CPPIB and OTPP consortium</p> <p>2010</p>



Selected Lazard Group M&A Advisory Credentials

The Lazard Group has executed a broad range of successful strategic and financial advisory assignments for its clients across industries, ranging from capital raises to M&A and in-depth strategic analysis

<p>\$130 Billion</p> <p>Dow on its merger with DUPONT 2017</p>	<p>\$97 Billion</p> <p>RAK on the sale of the remaining 58% not already owned to British American Tobacco 2017</p>	<p>\$30 Billion</p> <p>Johnson & Johnson on its acquisition of ACTELION 2017</p>	<p>\$27 Million</p> <p>DEUTSCHE BÖRSE GROUP on its merger with London Stock Exchange Blocked</p>	<p>\$122 Billion</p> <p>ABInBev on its acquisition of SAB MILER 2016</p>
<p>\$31 Billion</p> <p>ARM on the recommended offer by SoftBank 2016</p>	<p>\$31 Billion</p> <p>DELTAIR on its merger with Ahold 2016</p>	<p>\$29 Billion</p> <p>tyco on its merger with Johnson Controls 2016</p>	<p>\$13 Billion</p> <p>Columbia Pipeline Group on its sale to TransCanada 2016</p>	<p>\$12 Billion</p> <p>pepco on its sale to Exelon 2016</p>
<p>\$115 Billion</p> <p>Heinz on its combination with Kraft 2015</p>	<p>\$67 Billion</p> <p>at&t on its acquisition of DIRECTV 2015</p>	<p>\$27/\$7/\$5 Billion</p> <p>RAK on its acquisition of Leitold and related transactions involving 2015</p>	<p>\$16 Billion / \$7 Billion / N/A</p> <p>gsk on its three-part transaction with NOVARTIS 2015</p>	<p>\$22 Million</p> <p>NiSource on its spin-off of Columbia Pipeline Group and formation of an MLP 2015</p>
<p>\$21 Billion</p> <p>RockTenn on its merger with MeadWestvaco 2015</p>	<p>\$17 Billion</p> <p>GE on its acquisition of Alstom's Thermal, Renewables, and Grid Businesses 2015</p>	<p>\$17 Billion</p> <p>Pfizer on its acquisition of Hospira 2015</p>	<p>\$37 Billion</p> <p>Walgreens on its acquisition of the remaining 55% of Alliance Boots 2014</p>	<p>\$16 Billion</p> <p>BURGER KING on its combination with Tim Hortons 2014</p>
<p>\$46 Billion</p> <p>ASX on the merger of GLENCORE and XSTRATA 2013</p>	<p>\$32 Billion</p> <p>ABInBev on its acquisition of the 49.7% stake it did not already own in 2013</p>	<p>\$29 Million</p> <p>Deutsche Telekom on the combination of T-Mobile USA with metroPCS 2013</p>	<p>\$28 Billion</p> <p>BERKSHIRE HATHAWAY INC. and 3G Capital on their acquisition of Heinz 2013</p>	<p>\$25 Billion</p> <p>Microsoft on its role in Dell's going- private transaction 2013</p>
<p>\$34 Billion</p> <p>medco on its merger with EXPRESS SCRIPTS 2012</p>	<p>\$32 Billion</p> <p>Progress Energy on its merger with Duke Energy 2012</p>	<p>\$23 Billion</p> <p>tyco on its separation into three independent companies 2012</p>	<p>\$18 Billion</p> <p>Northeast Utilities on its merger with NSTAR 2012</p>	<p>\$13 Billion</p> <p>GDF SUEZ on its acquisition of the remaining stake in 2012</p>
<p>\$12 Billion</p> <p>Google on its acquisition of MOTOROLA MOBILITY 2012</p>	<p>\$22 Billion</p> <p>Qwest on its merger with CenturyLink 2011</p>	<p>\$22 Billion</p> <p>Weather Investments on its merger with VimpelCom 2011</p>	<p>\$15 Billion</p> <p>Special Independent Committee of vivo on its merger with Telefonica (TELESP) 2011</p>	<p>\$15 Billion</p> <p>vodafone on the sale of its 44% stake in SFR to vivendi 2011</p>

CONFIDENTIAL



C Proposed Letter of Engagement



Proposed Letter of Engagement

October 20, 2017

Mr. Michael Garvin
City Counselor's Office
1200 Market Street
Room 314
St. Louis, MO 63103

Ladies and Gentlemen:

This letter confirms the retention of **Lazard Frères & Co. LLC** ("Lazard") to act as investment banker to **The City of St. Louis, Missouri** (the "City" or the "Lessor") in connection with a lease of the St. Louis Lambert International Airport (the "Airport") in accordance with the FAA Airport Privatization Pilot Program (49 U.S.C. § 47134) for the City of St. Louis, Missouri to one or more corporations or business or governmental entities or persons (each, a "Lessee") (a "Transaction"). By signing this letter, Lazard hereby accepts our appointment as the City's investment banker under the terms hereof.

We will act with respect to the foregoing subject to the following conditions:

1. We will assist the City as necessary and requested to analyze the business and financial condition of the Airport, to formulate strategy and structural alternatives, and in connection with negotiations and the consummation of a Transaction.
2. We will act as a management entity to assemble and lead a team of advisors that will provide expert privatization, financial, advisory and consulting services with regard to preparing a Request for Qualification ("RFQ") and a Request for Proposal ("RFP"), evaluating proposals received, providing legal counsel in submitting application materials to the Federal Aviation Administration ("FAA"), and providing legal counsel in negotiating a lease with the successful proposer, as set forth in the Scope of Services in the City's Request for Proposals for a Lease of the St. Louis Lambert International Airport in Accordance with the FAA Airport Privatization Pilot Program (49 U.S.C. § 47134) for the City of St. Louis, Missouri (the "Request for Proposals"). Such advisors may include, but are not limited to, registered municipal advisors, architects, engineers, attorneys, financial advisors, and other airport related advisors. For the avoidance of doubt, the City will engage such advisors directly and Lazard will not be responsible for and will not be deemed to have provided any tax, accounting, actuarial, legal, engineering or other specialist advice.
3. In connection with our engagement, the City will furnish or cause to be furnished to us such current and historical financial information and other information regarding the business of the Airport as we may request. The City represents and warrants to us that all of the foregoing information will be accurate and complete at the time it is furnished, and the City agrees to keep us advised of all material developments affecting the Airport, the City or the financial position of the Airport or the City. The City also agrees to use all reasonable efforts to cause each potential Lessee to provide us with such information concerning such potential Lessee as we deem necessary for our financial review and analysis.

Lazard shall be entitled to rely upon information furnished to it by the City and any Lessee and information that is publicly available, may assume the accuracy and completeness of such information and shall not assume any responsibility for independent verification of any such information. Lazard will not undertake any appraisal of any of the assets or liabilities of the City or of any third party, or give advice on any issues of solvency.



4. In consideration of our services, the City agrees to pay us a fee equal to \$8,000,000 plus the amount of all reasonably incurred out-of-pocket expenses, payable upon closing of the Transaction, which, for the avoidance of doubt, will not occur until the City receives approval from the FAA of the privatization of St. Louis Lambert International Airport and all requisite local approvals.
5. No fee payable to any third party, by the City or any other person or entity in connection with the subject matter of this engagement, shall reduce or otherwise affect any fee payable hereunder.
6. In addition to the terms set forth herein, the City is agreeing that the indemnification terms set forth in Appendix 1 attached hereto (the "Indemnification Agreement") shall apply to this engagement. The Indemnification Agreement shall survive any termination or expiration of this engagement.
7. Our engagement hereunder will continue until the earliest of:
 - (a) the City signs a lease which is approved by the FAA for the Airport Privatization Pilot Program; or
 - (b) the City decides to terminate the Airport Lease RFP process; or
 - (c) the engagement is terminated by the City or us upon written notice to the other party at any time.

There shall be no liability or continuing obligation to the City or us following any termination or expiration, except that we shall remain entitled to any fees and expenses accrued pursuant to paragraph 4 but not yet paid prior to such termination or expiration, as the case may be. In addition, in the case of termination by the City, we shall remain entitled to full payment of all fees contemplated by paragraph 4 hereof in respect of any Transaction announced or resulting from negotiations occurring during the period from the date hereof until twenty-four months following such termination, as the case may be.

8. Any financial advice, written or oral, rendered by us pursuant to our engagement hereunder is intended solely for the benefit and use of the City in considering the matters to which our engagement relates. The City agrees that, notwithstanding any termination or expiration of our engagement, such advice and the terms of our engagement hereunder may not be disclosed publicly or made available to third parties without the prior written consent of Lazard. Notwithstanding the foregoing, nothing herein shall prohibit the City from disclosing to any and all persons the tax treatment and tax structure of a Transaction and the portions of any materials that relate to such tax treatment or tax structure. Lazard will not be responsible for and will not be deemed to have provided any tax, accounting, actuarial, legal or other specialist advice.
9. The provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the City, Lazard and any other person entitled to indemnity under the Indemnification Agreement.
10. Lazard has been retained under this agreement as an independent contractor to the City, and nothing herein is intended to confer any rights or remedies as against Lazard upon any person other than the City. In addition, it is understood and agreed that this agreement and our engagement do not create a fiduciary relationship between Lazard and any person, including the City.
11. The City agrees that upon announcement of a Transaction, the City will include a statement in the press release relating thereto, in a form reasonably acceptable to Lazard, to the effect that Lazard has acted as lead financial advisor to the City in connection with such Transaction.



12. In carrying out services hereunder, Lazard may, as it considers appropriate, draw upon the resources of and involve as agent other members of the Lazard Group. In this agreement, "Lazard Group" means Lazard Ltd and its direct and indirect subsidiaries.
13. The City confirms that it has the full right, power and authority to execute this agreement and the Indemnification Agreement and to perform its obligations hereunder and thereunder. The City further confirms that its has obtained all consents and approvals required to execute and perform this agreement and the Indemnification Agreement. This agreement and the Indemnification Agreement when executed by the City will each constitute valid and legally binding obligations of the City and will be enforceable in accordance with their terms.
14. This agreement and any claim related directly or indirectly to this agreement (including any claim concerning advice provided pursuant to our engagement hereunder) shall be governed and construed in accordance with the laws of the State of Missouri (without giving regard to the conflicts of law provisions thereof). No such claim shall be commenced, prosecuted or continued in any forum other than the state or federal courts located in the City of St. Louis, and each of the parties hereby submits to the jurisdiction of such courts. The City hereby waives on behalf of itself and its successors and assigns any and all right to argue that this choice of forum provision is or has become unreasonable. The City waives all right to trial by jury in any action, proceeding or counterclaim (whether based upon contract, tort or otherwise) related to or arising out of this agreement or the engagement of Lazard pursuant to, or the performance by Lazard of the services contemplated by, this agreement.
15. This agreement and the Indemnification Agreement constitute the entire agreement between the City and us with respect to the matters set forth herein and supersede all prior and contemporaneous discussions, agreements and understandings with respect to the matters covered herein and therein. No waiver, amendment or other modification of this agreement shall be effective unless in writing and signed by each party to be bound thereby.

If the foregoing correctly sets forth the understanding between us, please so indicate on the enclosed signed copy of this letter in the space provided therefor and return it to us, whereupon this letter shall constitute a binding agreement between us.

Very truly yours,

LAZARD FRERES & CO. LLC

By _____
George W. Bilicic
Vice Chairman of U.S. Investment Banking

AGREED TO AND ACCEPTED
as of the date first
above written:
The City of St. Louis, Missouri

By _____
Name:
Title:



Appendix 1

Indemnification Agreement

In connection with the agreement to which this is an appendix (the "Agreement") and matters related thereto, you agree to indemnify and hold harmless Lazard Frères & Co. LLC and each of our affiliates, and each of our and their respective members, directors, officers, agents, employees and controlling persons, if any (collectively, the "Indemnified Parties"), from and against all claims, damages, losses, expenses (including, without limitation, reasonable attorneys' fees and expenses, as and when incurred) and liabilities (collectively, "Losses") related to or arising out of the engagement, except to the extent that any Losses are finally judicially determined to have resulted from such Indemnified Party's gross negligence, bad faith or willful misconduct. You also agree that no Indemnified Party shall have any liability to you, your securityholders or your creditors related to or arising out of the engagement, except to the extent that any Losses are finally judicially determined to have resulted from such Indemnified Party's gross negligence, bad faith or willful misconduct. If the foregoing indemnification were for any reason not to be available other than due to an Indemnified Party's failure to meet the standard of care set forth above, you agree to contribute to the Losses in a proportion that reflects the relationship between the total value paid, or proposed to be paid, or received by you or your securityholders or creditors, as the case may be, pursuant to the transaction for which we have been engaged (whether or not consummated) and the fees paid to us in connection with such engagement (up to the amount of such fees actually paid to us), as well as the relative fault of yourselves and such Indemnified Party with respect to such Losses. Your reimbursement, indemnity and contribution or obligations under this Appendix 1 shall be in addition to any other liability that you may otherwise have.

We agree that, without your prior written consent (which will not be unreasonably withheld), we will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding or investigation in respect of which indemnity or contribution will be sought hereunder. You agree that, without our prior written consent (which will not be unreasonably withheld), you will not settle, compromise or consent to the entry of any judgment in any pending or threatened claim, action, or proceeding or investigation in respect of which indemnification or contribution could be sought hereunder (whether or not we or any other Indemnified Persons are an actual or potential party to such claim, action or proceeding or investigation), unless such settlement, compromise or consent includes an unconditional release of each Indemnified Party from all liability arising out of such claim, action or proceeding or investigation.

The governing law and waiver of jury trials provisions in the Agreement are incorporated herein by reference. The provisions of this Appendix 1 shall survive any termination or expiration of the Agreement.

AGREED TO AND ACCEPTED:
THE CITY OF ST. LOUIS, MISSOURI

By _____
Name:
Title: