

ANNUAL REPORT FOR
5050 MAIN COMMUNITY IMPROVEMENT DISTRICT ("CID")
FISCAL YEAR ENDING APRIL 30, 2025

SECTION I

DATE OF REPORT SUBMITTAL: August 26 2025
CID POINT OF CONTACT NAME: BRIAN ENGEL
POINT OF CONTACT PHONE AND EMAIL: 816753-9200; bengel@rousepc.com

SECTION II

CURRENT BOARD MEMBERS, CONTACT INFORMATION, TERM DATES:

NAME	EMAIL	TERM START DATE	TERM END DATE
LEAH FITZGERALD	Leah.fitzgerald@cbre.com	2024	2028
ALEK JOYCE	Alek.joyce@cbre.com	2024	2028
STEPHANIE THOMPSON	sthompson@justus.net	2024	2028
ALYSSA OZBURN	aozburn@justus.net	2022	2026
PAIGE PHILLIPPE	pphilippe@justus.net	2022	2026

SECTION III

SERVICES PROVIDED DURING THE CURRENT FISCAL YEAR

CID formed for purpose of facilitating development, paying costs of eligible services, financing, and imposing a sales tax. Eligible services include but are not limited to: (a) capital improvements/maintenance; (b) administration/operations; (c) maintenance; and (d) additional improvements/services authorized by the formation petition approved by City Council and statute. All infrastructure and interior improvements were completed prior to Ord. 210565.

SECTION IV

DATE PROPOSED BUDGET SUBMITTED: 1/28/2025
DATE ANNUAL BUDGET ADOPTED: 1/28/2025
DATE ANNUAL REPORT SUBMITTED: 8/26/2025

SECTION V

RESOLUTIONS APPROVED DURING FISCAL YEAR (ATTACH COPIES)

2025-01	Select Interim Directors
2025-02	Approve Budget for Fiscal Year May 1 2025-April 30 2026
2025-03	Authorize Preparation of FYE Annual Report

BOARD RESOLUTIONS: ATTACHED: X NONE APPROVED

CID BYLAW AMENDMENTS: ATTACHED: NONE APPROVED: X

SECTION VI
REVENUES & EXPENSES

REVENUE		
Sales/Use Tax Collections	38,760.00	
Developer Advances	92,499.00	
TOTAL REVENUES	131,259.00	
EXPENSES		
Public Infrastructure Improvements		
Interior Improvements		
Insurance	1,200.00	Annual Insurance Policy
Legal	\$2,959.00	Legal Fees
Services	1,000.00	KCMO Submission Fee
Other Expenses	126,110.00	interest
TOTAL EXPENSES	131,259.00	
TOTAL REVENUE	131,259.00	
LESS TOTAL EXPENSES	131,259.00	
BEGINNING BALANCE	0	
BALANCE	0	

RELEVANT AGENCY CONTACT INFORMATION:

Missouri Department of Economic Development redvelopment@ded.mo.gov
Kansas City MO City Clerk clerk@kcmo.org

5050 MAIN COMMUNITY IMPROVEMENT DISTRICT

Resolution 2025-01

Select Interim Directors and Related Actions

Adopted January 28, 2025

WHEREAS, by Ord. No. 130204, adopted March 28, 2013, and pursuant to the Community Improvement District Act, Sections 67.1401 *et seq.*, RSMo, as amended ("Act"), the City Council of the City of Kansas City MO ("City") approved a Petition for Establishment of 5050 Main Community Improvement District ("Petition") to create the 5050 Main Community Improvement District ("District"); and

WHEREAS, the current appointed directors are:

1. Leah FitzGerald – four-year term expiring in 2028
2. Jeff Stingley – four-year term expiring in 2028
3. Stephanie Thompson – four-term term expiring in 2028
4. Rachel White – four-year term expiring in 2026
5. Daniel Christopher – two-year term expiring in 2026

WHEREAS, the District desires to elect the following persons as interim directors to fulfill unexpired terms:

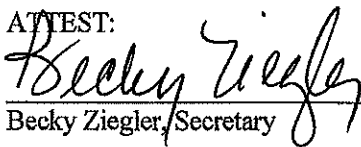
1. Alyssa Ozburn – term expiring in 2026
2. Paige Phillippe – term expiring in 2026
3. Alek Joyce - term expiring in 2028

THEREFORE, BE IT RESOLVED, that Alyssa Ozburn, Paige Phillippe, and Alek Joyce, are hereby elected as interim directors.



Leah FitzGerald, Chairperson

ATTEST:



Becky Ziegler, Secretary

5050 MAIN COMMUNITY IMPROVEMENT DISTRICT

Resolution 2025-02

Approve Budget for Fiscal Year May 1, 2025–April 30, 2026

Adopted January 28, 2025

WHEREAS, by Ordinance No. 130204, adopted March 28, 2013, and pursuant to the Community Improvement District Act, §§67.1401 *et seq.*, RSMo (“Act”), as amended, the City Council of the City of Kansas City, MO approved Petition for Establishment of the 5050 Main Community Improvement District, and created 5050 Main Community Improvement District (“District”); and

WHEREAS, in conformance with its obligations and powers pursuant to the Act, the District shall adopt an annual budget for its fiscal year;

THEREFORE, BE IT RESOLVED THAT:

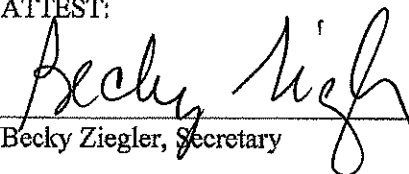
1. The District’s proposed annual budget for fiscal year May 1, 2025 to April 30, 2026, in substantially the form attached hereto, is approved.
2. Counsel shall submit the proposed Budget to City of Kansas City, MO (“City”) and MO State Auditor, pursuant to §67.1471(2) RSMo.
3. The Board will consider any written comments received from City to the proposed budget and make amendments if necessary. If no written comments from the City are received, the action taken by this resolution shall be final.

APPROVED:



Leah FitzGerald, Chairperson

ATTEST:



Becky Ziegler, Secretary

THE 5050 MAIN COMMUNITY IMPROVEMENT DISTRICT

BUDGET - FISCAL YEAR ENDING APRIL 30, 2026

	<i>FY 2025-2026 Budget</i>
REVENUE	
Advances from Developer	\$ 106,670
CID 1.0% Sales and Use Tax Revenues	\$ 35,000
TOTAL REVENUES	<u>\$ 141,670</u>
EXPENDITURES	
Administrative	
Management Fee	\$ -
Legal Fees	\$ 8,000
Administrative, Accounting & Audit Fees	\$ 1,000
Insurance Costs	\$ 1,000
Services	
Ongoing Services	\$ -
Onsite Capital Improvements	
Electrical Utility Relocation	\$ -
Telecom & Cable Relocation	\$ -
Sewer Relocation	\$ -
Stormwater Detention	\$ -
New Street Lights	\$ -
New Streetscape/Sidewalks/Landscaping	\$ -
Street Repairs	\$ -
Intersection Improvements	\$ -
Environmental Abatement	\$ -
Other	
Developer Reimbursement	\$ -
Interest Carry on Developer Advances	\$ 131,670
TOTAL EXPENDITURES	<u>\$ 141,670</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ -</u>

General Notes

The District is obligated to repay Developer's advances in the approximate amount of \$1,631,340, which includes start up and formation costs in the amount of \$50,000. Interest payments are calculated at 6% annually for any unreimbursed Developer advances.

5050 MAIN COMMUNITY IMPROVEMENT DISTRICT

Resolution 2025-03

Authorize Preparation of FYE Annual Report and Related Actions

Adopted January 28, 2025

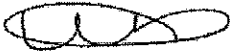
WHEREAS, by Ordinance No. 130204, adopted March 28, 2013, and pursuant to the Community Improvement District Act, §§67.1401 *et seq.*, RSMo ("Act"), as amended, the City Council of the City of Kansas City, MO approved Petition for Establishment of the 5050 Main Community Improvement District, and created 5050 Main Community Improvement District ("District"); and

WHEREAS, §67.1471.4 RSMo requires the District to prepare an annual report ("Annual Report") providing, among other things, services provided, revenues collected, and expenditures made during the past fiscal year, and submit the Annual Report to the City, MO Department of Economic Development ("DED"), and MO State Auditor ("Auditor");

THEREFORE, BE IT RESOLVED, that the District authorizes Counsel to prepare and deliver an Annual Report for fiscal year ending April 30, 2025, to the City, DED, and Auditor; and

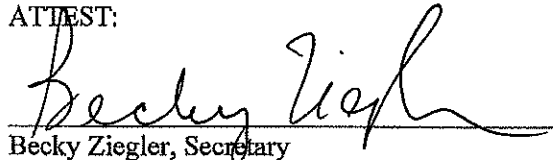
RESOLVED FURTHER, that the appropriate officers, collectively and individually, are authorized to take all actions necessary to carry out the actions contemplated by and the intent of this Resolution.

APPROVED:



Leah FitzGerald, Chairperson

ATTEST:



Becky Ziegler, Secretary

**5050 MAIN COMMUNITY IMPROVEMENT DISTRICT
AMENDED AND RESTATED BYLAWS
Adopted by the Board of Directors on November 18, 2021**

Article I: Defined Terms

- Section 1.1 District. The 5050 Main Center Community Improvement District, a political subdivision created pursuant to Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri ("RSMo") and formed by the City Council of the City ("City Council") by Ordinance No. 130204 passed March 28, 2013.
- Section 1.2 Board. The Board of Directors of the District, which is the governing body of the District.
- Section 1.3 City. The City of Kansas City, Missouri.
- Section 1.4 Director. Members of the Board of Directors individually or collectively as the context may provide.
- Section 1.5 CID Act. Sections 67.1401 to 67.1571, RSMo, as amended.
- Section 1.6 Initial Directors. The Initial Directors set forth in City's Ordinance No. 130204.
- Section 1.7 Operator. An owner of a business operating within the District.
- Section 1.8 Owner. An owner of real property within the District or a legally authorized representative of such owner.
- Section 1.9 Resident. A registered voter residing within the District.
- Section 1.10 Petition. That certain Petition to Establish the 5050 Main Community Improvement District, as approved by the City through passage of Ordinance No. 130204.
- Section 1.11 Sunshine Law. Section 610.010 to 610.200, RSMo, governing meetings of public governmental bodies including the Board, as now or hereafter amended.
- Section 1.12 Undefined Terms. Any term undefined by this Article shall have the same meaning as such term is given under the CID Act, if defined therein.

Article II: Offices and Records

- Section 2.1 Principal Office. The principal office of the District shall be located at 4510 Belleview, Suite 300, Kansas City, Missouri 64111 or at such other place or places as may be designated by the Board.
- Section 2.2 Records. The District shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board. The District shall keep at its principal office a record of the name and address of each Director.

Article III: Board of Directors

- Section 3.1 General Powers. The business and affairs of the District shall be managed by, or under the direction of, the Board, and the District shall have all of the powers set forth in the CID Act, except as may be limited by the Petition or Ordinance No. 130204, to supervise, control, direct and manage the property, affairs and activities of the District, to determine the policies of the District, to do or cause to be done any and all lawful things for and on behalf of the District, to exercise or cause to be exercised any or all of its powers, privileges or franchises, and to seek the effectuation of its objects and purposes.
- Section 3.2 Number. The Board shall consist of five (5) Directors.
- Section 3.3 Qualifications. Each Director shall meet the following requirements:
- A. Be at least 18 years of age;
 - B. Be and must declare to be either an Owner or an authorized representative of an Owner, an Operator, or a Resident;

- C. Be and have been a resident of the State of Missouri for at least one year immediately preceding the date upon which he or she takes office in accordance with Article VII, Section 8 of the Missouri Constitution; and
- D. Except for the initial directors named in the Petition, be appointed as a successor director in accordance with paragraph 3.5 of this Article III or elected to fill a vacancy in accordance with paragraph

Section 3.4 Terms. The initial Directors named in the Petition shall serve for the terms set out opposite their names or until their successor is elected or appointed in accordance with the Petition and the CID Act, whichever occurs later, and their successors shall serve for four-year terms or until their successor is elected or appointed in accordance with the Petition and these Bylaws, whichever occurs later.

Section 3.5 Successor Directors. Successor Directors, whether to serve a new term or to fill a vacancy on the Board not filled by an Interim Director, shall be appointed by the mayor of the City, with the consent of the City Council, as provided in the Petition.

Section 3.6 Removal for Cause. In accordance with Section 67.1451.1.7, RSMo, any Director may be removed for cause by a two-thirds vote of the Board. Written notice of the proposed removal shall be given to all Directors prior to action thereon.

Section 3.7 Resignation. Any Director may resign from the Board. Such resignation shall be in writing addressed to the Secretary of the District and shall be effective immediately or upon its acceptance by the Board as such resignation may provide.

Section 3.8 Vacancy. In accordance with Section 67.1451.4, RSMo, in the event of a vacancy on the Board prior to expiration of a Director's terms, the remaining Directors shall elect an interim director ("Interim Director") to fill the vacancy for the unexpired term. At the expiration of the remaining term of the Interim Director, a Successor Director shall be selected as provided in Section 3.5 of these Bylaws.

Section 3.9 Regular Meetings. The Board shall hold regular meetings at such time, date and location as may from time to time be determined by the Directors, one of which regular meeting shall be the District's annual meeting, which shall be held on such days and at such times as shall be fixed from time to time by the Chairman or at such other time or place as may be agreed by a majority of the Board.

Section 3.10 Special Meetings. The Chairman or any two (2) Directors may call special meetings of the Board and may fix the time and place of the holding of such meetings, which shall be held for the purpose of transacting any business designated in the notice of the special meeting, or as permitted by Section 3.9.

Section 3.11 Notices.

A. Notice to Directors.

(1) Annual and Regular Meetings. Written or printed notices of meetings of the Board, whether specifically required by the CID Act, the Sunshine Law or any other Missouri statute regulating meetings of public governmental bodies, the definition of which includes the Board, shall be delivered personally, by mail, by electronic mail, or by fax to each Director at least twenty-four (24) hours prior to each scheduled meeting.

(2) Special Meetings. Notice of a special meeting shall be delivered personally, by mail, by electronic mail, or by fax to each Director at least two (2) days prior to the date of such special meeting. At such special meeting no business shall be considered other than as designated in the notice; however, if all of the Directors are present at a special meeting, any item of business, whether or not designated in the notice, may be transacted with their unanimous consent.

If mailed, the notice of a meeting given to a Director shall be deemed to be delivered when deposited in the United States mail, addressed to the Director at the address on the records of the District, with postage thereon prepaid.

Notwithstanding any of the foregoing, the presence of any Director either in person or by electronic means (e.g., teleconference, telephone, video conference, web cast) shall be deemed as a waiver of any

objection to a lack of notice pursuant to this section, unless such presence is for the sole purpose of raising such objection and any Director may, by mail, fax or electronic mail, waive any notice required hereunder.

B. Notice to the Public Notice of the time, date and place of each meeting of the Board, its tentative agenda, and whether any portion of the meeting will be closed shall be given to the public at least twenty-four (24) hours in advance of the meeting time, exclusive of weekends and holidays, in a manner reasonably calculated to advise the public of the matters to be considered and in compliance with the Sunshine Law. If the Board proposes to hold a closed meeting, closed portion of a public meeting, or closed vote, the notice shall state the reason for holding such closed meeting, closed portion of a public meeting, or closed vote by reference to the specific exception allowed pursuant to the Sunshine Law.

Section 3.12 Special Circumstances. When it is necessary to hold a meeting of the Board on less than twenty-four (24) hours notice, at a place that is not reasonably accessible to the public, or at a time that is not reasonably convenient to the public, the nature of the good cause justifying departure from the normal requirements shall be stated at the beginning of the meeting and records in the minutes.

Section 3.13 Quorum. A majority of the members of Directors serving at the time of any meeting shall constitute a quorum for the transaction of business at such meeting. If a quorum shall not be present at any such meeting, a majority of the Directors then present shall have the power to adjourn the meeting, without notice other than announcement at the meeting, to a specified date. At any such adjourned meeting at which a quorum shall be present any business may be transacted which could have been transacted at the original session of the meeting.

Section 3.14 Procedural Rules and Action. All meetings and proceedings of the District shall be in accordance with Robert's Rules of Order, except as otherwise directed by these Bylaws. The concurrence of the majority of the Directors present in any meeting at which a quorum is present shall bind the District.

Section 3.15 Telephone/Electronic Participation in Meetings. To the extent permitted by the Sunshine Law, Directors may participate in any Board meeting by telephone or other electronic means so long as all persons participating in the meeting can hear one another, and a location has been identified in the notice of the meeting at which members of the public shall be allowed to observe and attend the public meeting so that the requirements of the Sunshine Law are met. Participation by a Director in Board meetings by telephone or other electronic means shall constitute the Director's presence in person at the meeting and any Director participating in this manner shall be entitled to vote and will count for the purpose of determining whether a quorum is present.

Section 3.16 Manner of Voting. Votes by the Board shall be by voice vote unless the presiding officer shall direct or any Director shall demand a vote by roll call or by ballot, provided, however, that any votes taken during a closed meeting shall be taken by roll call. In the case of an abstention or a nay vote, the Director so abstaining or voting nay may be identified in the minutes of such meeting.

Section 3.17 Compensation. No Director shall receive compensation from the District for any services performed; provided, however, upon approval of the Board, Directors may receive reimbursement of actual and necessary expenses incurred by them on behalf of the District.

Article IV: Officers

Section 4.1 Officers. The officers of the District shall consist of Chairman, Vice Chairman, Secretary, Treasurer, and such other offices as may from time to time be established by the Board. One or more offices may be filled by the same person.

Section 4.2 Election and Term of Office. At the meeting of the Board at which these Bylaws are adopted, the Board shall elect a Chairman, Vice Chairman, Secretary and Treasurer, who shall serve until such time as a new officer is elected by the Board. Such election shall occur upon the motion of any Director at or prior to any regular or special meeting, provided that, in the event no such election is called or conducted, all previously elected officers shall continue to hold their respective offices and the annual election shall be held as soon thereafter as convenient to the Board. Any officer duly elected may succeed himself. Each officer shall hold office until his successor shall be elected and qualified or until his death, resignation or removal as provided by these Bylaws. Other than the Chairman and Vice Chairman, no officer need be a member of the Board.

Section 4.3 Removal. Any officer or agent elected or appointed by the Board may be removed by it whenever, in its judgment, the best interests of the District will be served thereby. If for any reason any officer who is also a Director ceases to be a Director, then such officer shall be deemed automatically removed office in the District.

Section 4.4 Vacancies. A vacancy in any office for any reason shall be filled by the Board at any meeting for the unexpired portion of the term of such officer.

Section 4.5 General Powers. The officers of the District shall have such powers as are usual and proper in the case of, and incident to, such offices, except insofar as such power and control is limited by these Bylaws, the Petition, by resolution of the Board or by the CID Act.

Section 4.6 Presiding Officer. The Chairman shall preside at all Board meetings, and in his absence, the Vice Chairman shall preside and in the absence of both, the Secretary shall preside.

Section 4.7 Duties of Officers.

A. Chairman. The Chairman shall have the following duties and powers:

(1) To execute contracts, agreements or other documents to the extent such documents are authorized by the Board.

(2) To direct and manage the day-to-day affairs of the District including, but not limited to, the conduct, management, hiring or termination of any employees, experts, consultants or professionals; and

(3) To perform any and all tasks necessary or incidental to the office of the Chairman or the effective management of the District.

B. Vice Chairman. The Vice Chairman shall have the following duties and powers:

(1) To assist, advise and consult with the Chairman as to the management of the day-to-day affairs of the District, and to carry out such management including but not limited to, the conduct, management, hiring or termination of any employees, experts, consultants or professionals;

(2) To execute contracts, agreements or other documents to the extent authorized by the Board;

(3) To perform any and all tasks necessary or incidental to the office of the Vice Chairman or the effective management of the District, and

(4) To perform the duties and carry out the powers of the Chairman when the Chairman is unavailable.

C. Secretary. The Secretary shall have the following powers and duties:

(1) Keep the minutes for the meetings of the Board as provided by law in one or more books provided for that purpose;

(2) Assure that all notices are properly given, in accordance with these Bylaws, the CID Act and as required by law;

(3) Be custodian of the seal of the District, if any;

(4) When necessary, assure that the seal of the District, if any, is affixed to all documents duly authorized for execution under seal on behalf of the District;

(5) Maintain the address and telephone number of each Director whose address and telephone number shall be furnished to the Secretary by such Director;

(6) Perform all duties incidental to the office of Secretary and such other duties as may be assigned to the Secretary by the Chairman or the Board; and

(7) Exercise such other duties as are from time to time delegated by the Board by resolution.

D. Treasurer. The Treasurer shall have the following powers and duties:

(1) Cause all money paid to the District from all sources whatsoever to be properly received;

(2) Cause all funds of the District to be deposited in such banks, trust companies or other depositories as shall be selected by the Board;

(3) Authorize, pursuant to Board direction, all orders and checks for the payment of money and shall cause the District's money to be paid out as directed by the Board;

(4) Assure that regular books of accounts are kept showing receipts and expenditures, and render to the Board, at each regular meeting (or more often when requested) an account of the District's transactions and also of the financial condition of the District;

(5) Perform all duties incidental to the office of Treasurer and such other duties as may be assigned to the Treasurer by the Chairman or the Board; and

(6) If required by the Board, the Treasurer shall give bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. The costs, if any, of such bonds shall be paid by the District.

E. Additional Officers. The powers and duties of any additional officers shall be determined by the Board when creating such offices.

Section 4.8 Compensation. No officer who is a member of the Board shall receive any salary or other compensation for services rendered unless the same shall first be set by the Board and is in accordance with the CID Act or any other applicable law, provided that officers may be reimbursed for reimbursable and necessary expenses incurred on behalf of the District.

Section 4.9 Employees and Independent Contractors. The District may employ, or contract with any service provider for the services of technical experts and such other officers, agents and employees, permanent and temporary, as the District may require, and shall determine their qualifications and duties and, if they are employees of the District, their compensation. For such legal services as it may require, the District may retain its own counsel. The District may delegate to one or more of its agents or employees such powers or duties as it may deem proper.

Section 4.10 Executive Director. The District may employ an Executive Director to serve as the agent of the District to carry out and administer all administrative and contractual obligations of the District, including but not limited to, preparing and submitting the annual report pursuant to the CID Act and executing all other day-to-day functions of the District. The Executive Director may serve with or without compensation as the Board may determine, provided that the Executive Director shall be reimbursed for all reasonable and necessary expenses it claims.

Article V: Contracts, Checks and Deposits

Section 5.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the District, and such District may be general or confined to specific instances. No loans shall be contracted on behalf of the District and no evidence of any financial obligation shall be issued in its name unless authorized by resolutions of the Board.

Section 5.2 Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the District shall require one signature, such signature being that of the Chairman, the Vice Chairman, the Secretary or the Treasurer, or such other officers, agent or agents of the District as shall from time to time be determined by resolution of the Board.

Section 5.3 Deposits. All funds of the District not otherwise employed shall be deposited from time to time to the credit of the District in such bank, trust companies or other depositories as the Board may select. The District shall not make any loan to any Director or officer of the District.

Article VI: Fiscal Year

The fiscal year of the District shall end on the same day as the last day of the fiscal year of the City pursuant to the CID Act. As of the execution of these Bylaws, the fiscal year of the City is May 1 – April 30.

Article VII: Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of these Bylaws, waiver thereof in writing signed by the person(s) entitled to such notice, whether before or after the times stated therein, shall be deemed equivalent to the giving of such notice. Furthermore, attendance at any meeting shall be deemed equivalent to the giving of such notice.

Article VIII: Committees

The Board may from time to time establish such committees and confer upon them such powers as it deems expedient for the conduct of the District's business. The Board may similarly provide that the members of such committees need not all be members of the Board.

Article IX: Amendments

From time to time these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by the Board provided that no alteration, amendment or change shall be made without the affirmative vote of a majority of the total number of Directors voting.

Article X: Annual Report and Audit

The Board shall have prepared and file annual reports as required by the CID Act or any other applicable law, and shall provide for the annual independent audits of the accounts of the District as may be required by law or as it otherwise deems necessary.

Article XI: Indemnification

Section 11.1 Indemnification. Each person (and heirs and legal representatives of such person) who serves or has served as a Director, officer or employee of the District shall be indemnified by the District against all liability and reasonable expense, including but not limited to, attorneys' fees and disbursements and amounts of judgment, fines or penalties, incurred by or imposed upon him/her in connection with any claim, action, suit or proceeding, actual or threatened, whether civil, criminal, administrative or investigative, and appeals in which he/she may become involved as a party or otherwise by reason of acts or omissions in his/her capacity as and while a Director, officer or employee of the District, provided that such person is wholly successful with respect thereto, unless the Board of Directors of the District, in its discretion, shall determine that such persons did not meet the standard of conduct required by these Bylaws.

The term "wholly successful" shall mean termination of any claim, action, suit or proceedings against such person without any finding of liability or guilt against him/her and without any settlement by payment, promise or undertaking by or for such person or the expiration of a reasonable period of time after the making of any claim or threat without action, suit or proceeding having been brought and without any settlement by payment, promise or undertaking by or for such person.

The standard of conduct required shall be that such person acted in good faith for a purpose which he/she reasonably believed to be in the best interest of the District, and that he/she, in addition, in any criminal action or proceeding, had no reasonable cause to believe his/her conduct to be unlawful.

Should indemnification be required under these Bylaws with respect to any claim, action, suit or other proceeding where the person seeking indemnification has not been wholly successful, such indemnification may be made only upon the prior determination by a resolution of a majority of those members of the Board of Directors who are not involved in the claim, action, suit or other proceeding, that such person met the standard of conduct required, or, in the discretion of the Board of Directors, upon the prior determination by non-employee legal counsel, in written opinion, that such person has met such standard and, where a settlement is involved, that the amount of the settlement is reasonable.

Indemnification under these Bylaws shall not include any amount payable by such person to the District in satisfaction of any judgment or settlement, and indemnification shall be reduced by the amount of any such judgment or settlement.

The termination of any claim, action, suit or other proceeding, by judgment, order, settlement (whether with or without court approval) or conviction or upon a plea of guilty or of *nolo contendere*, or its equivalent, shall not of itself create a presumption that such person did not meet the standard of conduct required.

Expenses incurred which are subject to indemnification may be advanced by the District prior to final disposition of the claim, action, suit or other proceeding upon receipt of any undertaking acceptable to the District by or on behalf of the recipient to repay such amount unless it shall ultimately be determined that he/she is entitled to indemnification.

The right of indemnification shall be in addition to other rights to which those to be indemnified may otherwise be entitled by agreement, operation of law or otherwise and shall be available whether or not the claim asserted against such person is based upon matters which antedate the adoption of these Bylaws. If any word, clause or provision of these Bylaws or any indemnification made under these Bylaws shall for any reason be determined to be invalid, the other provisions of these Bylaws shall not be affected but shall remain in full force and effect.

Section 11.2 Absence of Personal Liability. The directors and officers of the District are not individually or personally liable for the debts, liabilities or obligations of the District.

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