

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

SECTION I

DATE OF REPORT SUBMITTAL: 8/27/25

DISTRICT POINT OF CONTACT NAME: Sean Anderson

POINT OF CONTACT PHONE AND EMAIL: 402-320-7646

sean@waldokc.org

SECTION II

CURRENT BOARD MEMBERS, CONTACT INFORMATION, AND TERM DATES:

NAME:	EMAIL:	TERM START DATE:	TERM END DATE:
Diane Botwin	dbotwin@botwinrealestate.com	05/01/2022	04/30/2026
Tom Turgeon	tom@turgeon.com	05/01/2022	4/30/2026
Zach Moores	zach@crowscoffee.com	01/23/2023	01/23/2027
Andrew Ganahl	andrew@andkc.com	010/8/2024	01/07/2028
Kevin Ryan	governorstumpys@gmail.com	05/01/2022	04/30/2026
Howard Turley	theturl07@gmail.com	02/28/2025	02/28/2029
Michael Funaro	michael.funaro@westpacwealth.com	01/01/2024	12/31/2025
Alan Ramseyer	alan@collarsdogresort.com	08/25/2025	08/25/2029

SECTION III

SERVICES PROVIDED DURING THE CURRENT FISCAL YEAR:

The Waldo CID provided a wide-array of services during FY2025. These include:

-Provision of security coverage to the District. The Waldo CID again partnered with Chesley Brown International in FY2025 to deliver unarmed security services to the District. At times during the summer last year, we had to inflate to 24/7 coverage in order to support businesses through the crime wave we saw in South KC. The Waldo CID exceeded its security budget as a result.

-Provision of street cleaning services through Moonlight Sweeping. The Waldo CID continues to partner with Moonlight Sweeping to provide cleaning services to the District. Three full-time cleaners are utilized each week to keep trash, road debris and more free from the District. We have also utilized these crews to clean houseless camps from the Trolley Track Trail and to mitigate graffiti in the area.

-The Waldo CID also partnered with KES Studio in FY 2025 to provide marketing and advertising services to the District. We have a full-time marketing expert who helps us run social media, paid print, radio and tv advertising. Our reach was phenomenal in FY 2025 as a result of this partnership.

-The Waldo CID likewise operates a Storefront Improvement Grant Program. This opportunity can be applied for once every ten years by businesses operating in parcels within the Waldo CID. This year, we folded our security grant underneath the program in order to provide larger grant amounts for security systems, etc. Eight businesses applied and were selected with help from our Property Committee for matching funds worth up to \$7,500.00.

-The Waldo CID funds staff for the Waldo Area Business Association, including, an Executive Director (Sean Anderson) who also operates as the District Manager of the Waldo CID, a Director of Operations (Natalie Nelson) and Community Engagement Manager (Cenyeaa Williams). WABA supports businesses both inside of the Waldo CID and out and puts on several signature events each year which also benefit from CID dollars.

-The Waldo CID now maintains many public spaces within the District, including, Gregory Blvd from Main-Oak St., the Waldo monument at Gregory/Wornall Rd., landscaping within the 74th Street parking lots, and the Waldo monuments at 75th/Wornall Rd. and 85th/Wornall Rd.

-The Waldo CID District Manager advocated alongside the KC CID Alliance for many small business-related needs throughout the year.

SECTION IV

For this section provide the date of budget and report submittal that occurred during the fiscal year this report is regarding.

DATE PROPOSED BUDGET WAS SUBMITTED: January 31, 2025

DATE ANNUAL BUDGET WAS ADOPTED: January 31, 2025

DATE ANNUAL REPORT WAS SUBMITTED:

08/27/2024

SECTION V

RESOLUTIONS APPROVED DURING FISCAL YEAR (ATTACH COPIES):

RESOLUTION NUMBER	RESOLUTION TITLE
2025-01	FY2026 BUDGET
2025-02	NOMINATING SUCCESSOR DIRECTORS.
2025-03	APPOINTING OFFICERS
2025-04	APPROVING LEVY OF SPECIAL ASSESSMENT
2025-05	NOMINATING SUCCESSOR DIRECTORS

BOARD RESOLUTIONS:

☒ ATTACHED

☐ NONE APPROVED

CID BYLAW AMENDMENTS:

☐ ATTACHED

☐ NONE APPROVED

SECTION VI

REVENUE AND EXPENSES:

BALANCE FROM PRIOR FY:		\$ 164,397.75
REVENUE:		
a) Sales/Use Tax Collections	\$ 816,060.79	
b) Special Assessment Collections	\$ 32,245.53	
c) CD Interest	\$ 13,356.67	
d) Other Interest	\$ 1,465.34	
e) Grants	\$ 21,500	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
TOTAL REVENUE:		\$ 884,628.33
EXPENSES:		
I. Public Infrastructure Improvements:		
a) Monument Revitalization	\$ 22,785.20	
b) Gregory Blvd. Landscaping	\$ 47,767.00	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 70,552.20
II. Interior Improvements:		
a) WABA Office Expansion/Remodel	\$ 75,073.20	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 75,073.20

SECTION VI CONTINUED

REVENUE AND EXPENSES CONTINUED:

III. Exterior Improvements		
a) Storefront Improvement Program	\$ 46,207.14	
b)	\$	
c)	\$	
d)	\$	
e)	\$	
f)	\$	
g)	\$	
h)	\$	
i)	\$	
j)	\$	
SUB-TOTAL:		\$ 46,207.14
IV. Services:		
a) Moonlight Sweeping	\$ 144,000.00	
b) Chesley Brown Intl. Security	\$ 268,133.98	
c) Landscape Maintenance	\$ 12,705.30	
d) Holiday Display	\$ 4,095.20	
e) Administration Services	\$ 297,444.00	
f) Member/Office Services	\$ 34,416.72	
g) Event Grants	\$ 3,522.00	
h) Paint Program	\$ 500.00	
i) Fountain Maintenance	\$ 210.05	
j)	\$	
SUB-TOTAL:		\$ 765,027.25
V. Other Expenses		
a) Marketing Consultant	\$ 43,200.00	
b) Promotions/Marketing Expenses	\$ 16,665.50	
c) Sponsorships	\$ \$5,000.00	
d) Website	\$ \$4990.00	
e) Insurance	\$ \$5682.00	
f) Sales Tax Reports	\$ 1,160.50	
g) Accounting	\$ 3,326.25	
h) Bank Fees	\$ 127.03	
i) Equipment (Security/Cleaning)	\$ 1,500.00	
j) Vehicle Maintenance	\$ 9,579.90	
SUB-TOTAL:	\$92,166.18	

k) Legal

EXPENSES SUB-TOTAL:		
I. Public Infrastructure Improvements	\$ 70,552.20	
II. Interior Improvements	\$ 75,073.20	
III. Exterior Improvements	\$ 46,207.14	
IV. Services	\$ 765,027.25	
V. Other Expenses	\$ 92,166.18	
TOTAL EXPENSES:		\$ 1,049,025.97
BALANCE FROM PRIOR FY:		
		\$ 164,397.75
TOTAL REVENUE:		\$ 884,628.33
LESS TOTAL EXPENSES:		\$ 1,049,025.97
BALANCE:		\$ 0

RELEVANT AGENCY CONTACT INFORMATION:

Missouri Dept. of Economic Development
Attn: CID Annual Report
P. O. Box 1157
Jefferson City, MO 65102
Phone: 573-522-8004
Email: reddevelopment@ded.mo.gov

City Clerk
25th Floor, City Hall
414 E. 12th Street
Kansas City, MO 64106
Phone: 816-513-6401
Email: clerk@kcmo.org

Missouri Dept. of Revenue
Attn: CID Annual Report
P.O. Box 3380
Jefferson City, MO 65105-3380
Phone: 573-751-4876
Email: localgov@dor.mo.gov

Missouri State Auditor
Attn: CID Annual Report
P.O. Box 869
Jefferson City, MO 65102
Phone: 573-751-4213
Email: moaudit@auditor.mo.gov

**BY-LAWS
OF
THE WALDO COMMUNITY IMPROVEMENT DISTRICT**

ARTICLE I

Defined Terms

Section 1.1 District.

The Waldo 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 Kansas City, Missouri, by Ordinance Number 081242 adopted on December ___, 2008.

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 City Clerk.

The City Clerk of the City.

Section 1.5 City Council.

The City Council of the City.

Section 1.6 Directors.

Members of the Board of Directors.

Section 1.7 Community Improvement District Act.

Sections 67.1401 to 67.1571, RSMo.

Section 1.8 Initial Directors.

The initial directors set forth in the Petition.

Section 1.9 Operator.

An owner of a business operating within the District or a legally authorized representative of such owner.

Section 1.10 Owner.

An owner of real property within the District or a legally authorized representative of such owner.

Section 1.11 Petition.

The petition forming the District and approved by the City.

Section 1.12 Resident.

A registered voter residing within the District.

Section 1.13 Sunshine Law.

Section 610.010 to 610.200, RSMo, governing meetings of public governmental bodies including the Board, as now or hereafter amended.

Section 1.14 Undefined Terms.

Any term undefined by this Article shall have the same meaning as such term is given under the Community Improvement District Act, if defined therein, otherwise as defined by the Sunshine Law, or other Missouri statute or case law.

ARTICLE II

Offices and Records

Section 2.1 Principal Office.

The principal office of the District shall be located at 7222 Wornall Rd, Kansas City, MO 64114. The District may have such other offices within Kansas City, Missouri, as the business of the District may require from time to time, located at such places 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, and each committee having any of the District 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 District of, the Board.

Section 3.2 Number, Term of Office and Qualifications.

The Board shall consist of seven (7) Directors and the current WABA President

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, an Operator or a Resident; and
- C. Except for the Initial Directors named in the Petition, and subject to the provisions of the Petition, each Director may be nominated according to a slate submitted by the Board to the Mayor of the City and the City Council according to the nominating procedures set out below.

Section 3.4 Board Representation.

In order to ensure a fair representation of the District, the Board representation shall meet the following requirements:

- A. At least three of the Directors shall be Owners; and
- B. At least three of the Directors shall be Operators.

The failure of the Board to meet the preceding representation requirements shall not affect the Board's authority to hold meetings, exercise any of the District's powers or take any action otherwise lawful.

Section 3.5 Terms.

The initial Directors named in the Petition shall serve for the terms set out opposite their names or until their successor is appointed in accordance with the Petition, whichever occurs

later, and their successors shall serve for four-year terms or until their successor is appointed in accordance with the Petition, whichever occurs later.

In the event for any reason a Director is not able to serve his or her full term ("Exiting Director"), any vacancy to the Board shall be filled by appointment of a director ("Interim Director") by a majority vote of the Board. Any Interim Director shall be of the same type and from the same area as the existing Director.

Section 3.6

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 by resolution according to a slate submitted to the City Clerk by the Board. The City Clerk shall immediately deliver the slate to the Mayor and the City Council. Not later than 30 days following the date the slate is submitted to the City Clerk:

- A. the Mayor shall appoint the successor Directors according to the slate submitted and the City Council shall consent by resolution to the appointment; or
- B. the Mayor or the City Council may reject the slate submitted and request in writing with written reasons for rejection of the slate that the Board submit an alternate slate. If no action is completed within the 30-day period, the successor Directors shall be deemed to have been appointed by the Mayor with the consent of the City Council according to the slate submitted as of the expiration of the 30-day period.

If an alternate slate is requested, the Board shall within 10 days following receipt of the written request submit an alternate slate to the City Clerk. The City Clerk shall immediately deliver the alternate slate to the Mayor and the City Council. Not later than 15 days following the date the alternate slate is submitted to the City Clerk:

- A. the Mayor shall appoint the successor Directors according to the alternate slate submitted and the City Council shall consent by resolution to the appointment; or
- B. the Mayor or the City Council may reject the alternate slate submitted and request in writing with written reasons for rejection of the alternate slate that the Board submit another alternate slate. If no action is completed within the 15-day period, the successor Directors shall be deemed to have been appointed by the Mayor with the consent of the City Council according to the alternate slate submitted as of the expiration of the 15-day period.

The procedure described above shall continue until the successor Directors are appointed or deemed to be appointed by the Mayor with the consent of the City Council; provided however, the time period for action by the Mayor and the City Council following the submission of each alternate slate shall be reduced to 10 days.

The Board shall select the slate as follows:

- A. Individuals meeting the qualifications set out in this Petition must be nominated by two sitting Directors;
- B. The Directors shall then vote for a slate of nominees who shall consist of the number needed to fill vacancies and the seats of expiring terms; and
- C. The slate shall consist of the nominees classified so that the Board will meet the representation requirements set out in Section 3 of this Article.

Section 3.7 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 meetings shall be the District's annual meeting, which shall be held during the month of January each year or a such other time as may be agreed by a majority of the Board.

Section 3.8 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 3.7.

Section 3.9 Notices.

- A. Notice to Directors.
 - (1) Annual and Regular Meetings. Written or printed notices of meetings of the Board, whether specifically required by the Community Improvement District 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.

- 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. Copies of this notice shall be posted on a bulletin board or other prominent place which is easily accessible to the public and clearly designated for that purpose at the principal office of the District. Copies of such notice shall at the same time be provided to any representative of the news media who requests notice of meetings of the District. In addition to the above requirements, 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 3.10

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 recorded in the minutes.

Section 3.11

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 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 3.12

Action.

The concurrence of the majority of the Directors present in any meeting at which a quorum is present shall bind the District.

Section 3.13 Telephone/Electronic Participation in Meetings.

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 3.14 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. However, when any Director is participating in a Board meeting by conference telephone or other similar communications equipment, the presiding officer of the meeting shall take all votes by roll call.

Section 3.15 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, District Manager, Secretary, Treasurer and such other offices as may from time to time be established by the Board.

Section 4.2 Election and Term of Office.

- A. Chairman and Vice Chairman. At each annual meeting, the Board shall elect from its membership a Chairman and a Vice Chairman to serve for the ensuing year or until the next annual meeting.

- B. Other Officers. All other officers, except the District Manager, of the District shall be elected annually by the Board at the annual meeting of the District. If the annual election of officers shall not be held at such meeting, 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 duly elected and qualified or until his death, resignation or removal as provided by these By-Laws. Other than the Chairman and Vice Chairman, no officer need be a member of the Board. The District Manager shall be selected, and the term of office set, by separate act 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.

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 and control in the District and management of the business and affairs of the District as is usual and proper in the case of, and incident to, such offices, except insofar as such power and control is limited by these By-Laws, by resolution of the Board or by the Community Improvement District Act.

Section 4.6 Duties of Chairman and Vice Chairman.

The Chairman shall preside at all Board meetings, and in his absence, the Vice Chairman shall preside.

Section 4.7 Duties of Other Officers.

- A. District Manager. The District Manager shall be the principal executive officer of the District and, subject to the control of the Board, shall in general supervise and control the business and affairs of the District. Unless otherwise directed by these By-Laws or by the Board, the District Manager shall supervise the business and affairs of the District and shall sign and deliver all agreements, documents and instruments executed in the name of the District.
- B. 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 By-Laws and as required by law;
- (3) Be custodian of the records and seal of the District;
- (4) When necessary, assure that the seal of the District is affixed to all documents duly authorized for execution under seal on behalf of the District;
- (5) Keep a register which includes the address and telephone number of each Director whose address and telephone number shall be furnished to the Secretary by the 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 is from time to time delegated by the Board by resolution.

C. 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 receipted;
- (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, or such bonds shall be paid by the District.
- D. 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 Community Improvement District Act or any other applicable law.

Section 4.9 Employees and Independent Contractors.

The District may employ, or contract with any service provider for the services of, a District Manager, 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.

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.

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 two signatures, such signatures being that of the Chairman, District Manager and the Treasurer, or such other officers, agent or agents of the District an in such manner as shall from time to time be determined by resolution of the Board. Provided, however, that the District Manager shall be authorized to issue checks, drafts or other orders for the payment of money, without a second signature in amounts not to exceed \$5,000.00 where such expenditures are in compliance with the budget of the District.

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 banks, trust companies or other depositories as the Board may select.

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, or in accordance with such other period approved by Board pursuant to the Community Improvement District Act.

ARTICLE VII

Seal

The form of the corporate seal of the District shall be prescribed by the Board.

ARTICLE VIII

Waiver of Notice

Whenever any notice whatsoever is required to be given under the provisions of these By-Laws, waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the times stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE IX

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 X

Conflict of Interest

No officer, agent or employee of the District shall have or shall require any interest, direct or indirect, in any project which the District is promoting, or in any contract or proposed contract for materials or services in any lease, mortgage, sale, or contract or any nature whatsoever relating to any such project or the District without forthwith making written disclosure to the District of the nature and extent of his interest, and such disclosure shall be entered in writing upon the minute book of the District.

ARTICLE XI

Amendments

From time to time these By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board after ten (10) days' written notice of the proposed alteration, amendment or change has been given to each Director, 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 XII

Indemnification of Directors

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 judgments, 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 commissioner, 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 person did not meet the standard of conduct required by these By-Laws.

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 not reasonable cause to believe his/her conduct to be unlawful.

Should indemnification be required under these By-Laws in 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 By-Laws 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 By-Laws. If any word, clause, or provision of these By-Laws or any indemnification made under these By-Laws shall for any reason be determined to be invalid, the other provisions of these By-Laws shall not be affected but shall remain in full force and effect.

Adopted this __17th__ day of January 2019

_____, Chairman

ATTEST:

_____, Secretary