

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

SECTION I

DATE OF REPORT SUBMITTAL: 8/28/25

DISTRICT POINT OF CONTACT NAME: Patricia R. Jensen

POINT OF CONTACT PHONE AND EMAIL: 816-753-9200; [pjensen@rousepc.com](mailto:pjensen@rousepc.com)

SECTION II

CURRENT BOARD MEMBERS, CONTACT INFORMATION, AND TERM DATES:

NAME	EMAIL	TERM START DATE	TERM END DATE
Paul Nagaoka	<a href="mailto:paul@syndicatekansascity.com">paul@syndicatekansascity.com</a>	2024	2028
Jennifer Nagaoka	<a href="mailto:jnagaoka@syndicatekansascity.com">jnagaoka@syndicatekansascity.com</a>	2024	2028
Daniel Bonebright	<a href="mailto:daniel@syndicatekansascity.com">daniel@syndicatekansascity.com</a>	2023	2026
TWO VACANCIES			2026

SECTION III

SERVICES PROVIDED DURING THE CURRENT FISCAL YEAR:

Provide revenue to reimburse/finance costs associated with CID's improvements set forth in formation petition. Infrastructure and interior improvements completed prior to Ord. 210565.

SECTION IV

DATE PROPOSED BUDGET WAS SUBMITTED: 1/27/2025

DATE ANNUAL BUDGET WAS ADOPTED: 1/27/2025

DATE ANNUAL REPORT WAS SUBMITTED: 8/28/25

SECTION V

RESOLUTIONS APPROVED DURING FISCAL YEAR (ATTACH COPIES)

2025-01	Successor Directors
2025-02	Budget for FY May 1 2025-April 30 2026

BOARD RESOLUTIONS:	ATTACHED X	NONE APPROVED
CID BYLAW AMENDMENTS:	ATTACHED	NONE APPROVED X

SECTION VI

REVENUE AND EXPENSES

BALANCE FROM PRIOR YR	3,865	
REVENUE		
Sales/Use Tax Collections	5,403	
TOTAL REVENUE	5,403	
EXPENSES		
Public Infrastructure Improvements		
Interior Improvements		
Exterior Improvements		
Services		
Other Expenses (Insurance; Legal)	1,489	
TOTAL EXPENSES	1,490	
BALANCE FROM PRIOR YR	3,865	
TOTAL REVENUE	5,403	
LESS TOTAL EXPENSES	1,489	
BALANCE	7,779	

RELEVANT AGENCY CONTACT INFO: MO DED: [redvelopment@ded.mo.gov](mailto:redvelopment@ded.mo.gov); KCMO: [clerk@kcmo.org](mailto:clerk@kcmo.org)

**31 STREET COMMUNITY IMPROVEMENT DISTRICT ("District")**

**Resolution 2025:01**

***Nominate and Confirm Slate of Successor Directors***

**Adopted January 27, 2025**

WHEREAS, the District was formed by Ordinance No. 191022 adopted by the City Council of the City of Kansas City, Missouri as a public body created under the authority of the Missouri Community Improvement District Act, Section 67.1401 *et seq.*, RSMo, as amended (the "Act"), and is transacting business and exercising powers granted by the Act; and

WHEREAS, the Petition authorizes the Board of Directors to select qualified individuals to serve as Successor Directors in accordance with the qualifications set forth in the Petition; and

WHEREAS, on January 26, 2023, Daniel Bonebright was elected to serve a four-term (expiring in 2026) as a Successor Director; and

WHEREAS, the terms of Paul Nagaoka and Jennifer Nagaoka expired at the end of 2024; and

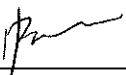
WHEREAS, the Board wishes to reappoint Paul Nagaoka and Jennifer Nagaoka for four-year terms (expiring in 2028); and

WHEREAS, the Petition authorizes the Board to submit to the Mayor, with the consent of the City Council, a slate of individuals nominated to serve as Successor Directors in accordance with the qualifications set forth in the Petition.

THEREFORE, BE IT RESOLVED THAT:

1. The Board confirms the appointment of Daniel Bonebright to serve a four-year term expiring in 2026.
2. The Board appoints Paul Nagaoka and Jennifer Nagaoka as Successor Directors to serve four-year terms expiring in 2028.

APPROVED:

  
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**31 STREET COMMUNITY IMPROVEMENT DISTRICT**

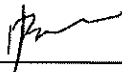
**Resolution 2025:02  
Approve Proposed Budget for FY May 1, 2025–April 30, 2026  
Adopted January 27, 2025**

WHEREAS, in conformance with its obligations and powers pursuant to RSMo §§67.1401 *et seq.*, the District shall adopt a budget for FY May 1, 2025-April 30, 2026;

THEREFORE, BE IT RESOLVED THAT:

1. The proposed budget for FY May 1, 2025-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.
3. The Board will consider any written comments received from City and make amendments if necessary. If no written comments from City are received, the action taken by this resolution shall be final.

APPROVED:

  
\_\_\_\_\_

**31 STREET  
COMMUNITY IMPROVEMENT DISTRICT**

**FISCAL YEAR  
MAY 1, 2025 - APRIL 30, 2026  
BUDGET**

# **31 STREET COMMUNITY IMPROVEMENT DISTRICT**

**FISCAL YEAR MAY 1, 2025 - APRIL 30, 2026 BUDGET**

## ***BUDGET MESSAGE***

The 31 Street Community Improvement District ("District") was declared established by Ordinance No. 191022 of the City Council of Kansas City, Missouri on February 27, 2020. The District desires to fund, or assist in the funding of, certain services and improvements as allowed by Sections 67.1401 to 67.1571 RSMo.

On April 3, 2020, the District's Board of Directors passed Resolution No. 2020:03 which imposed, upon approval of the qualified voters of the District, a one percent (1%) sales tax on retail sales in the District for the life of the district. The sales tax became effective January 1, 2021.

The District has entered into a Reimbursement Agreement with Syndicate Property Holdings I, LLC, which will provide for formation costs, administration costs, public services and improvements within the District Project and related reimbursement.

The District has adopted a fiscal year beginning May 1 and ending April 30 of each year.

# 31 STREET COMMUNITY IMPROVEMENT DISTRICT

## PROPOSED BUDGET FISCAL YEAR MAY 1, 2025 - APRIL 30, 2026

	<i>Proposed Budget</i>				<i>Previously Approved Budget</i>	<i>Actual (unaudited)</i>	<i>Actual (unaudited)</i>
	Operating Fund Budget	Debt Service Budget	Project Funds Budget	Fiscal Year Ending April 30, 2026	Fiscal Year Ending April 30, 2025	Fiscal Year Ending April 30, 2024	Fiscal Year Ending April 30, 2023
<b>REVENUES:</b>							
<b>Debt Service Funds:</b>							
Advances from developer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Revenue Funds:</b>							
CID Sales and Use Tax Revenues	10,000	-	-	10,000	10,000	5,239	5,031
<b>TOTAL REVENUES</b>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>5,239</u>	<u>5,031</u>
<b>EXPENDITURES:</b>							
<b>Project expenditures:</b>							
CID public improvements	-	-	-	-	-	-	-
Formation Costs	-	-	-	-	-	-	-
* Repayment of debt on advances	-	-	-	-	-	7,800	-
<b>Operating expenditures:</b>							
Accounting fees	3,250	-	-	3,250	3,250	-	-
Bank service charges	-	-	-	-	-	20	-
KCMO annual review fee	1,000	-	-	1,000	1,000	-	-
Legal fees	4,550	-	-	4,550	4,550	-	-
Insurance costs	1,200	-	-	1,200	1,200	-	-
Other operating costs of the district	-	-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>7,820</u>	<u>-</u>
<b>TRANSFERS TO/(FROM) OTHER FUNDS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES AND TRANSFERS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,581)</u>	<u>\$ 5,031</u>

\* Current year repayments of previously certified costs, including principal and interest.

**31 STREET  
COMMUNITY IMPROVEMENT DISTRICT**

**FISCAL YEAR MAY 1, 2025 - APRIL 30, 2026 BUDGET**

***BUDGET SUMMARY***

The District budget is presented in accordance with the requirements of Missouri statute on a cash basis.

**31 STREET COMMUNITY IMPROVEMENT DISTRICT  
BYLAWS**

**ARTICLE I: DEFINED TERMS**

- Sec. 1.1 Board. The Board of Directors of the District, the governing body of the District.
- Sec. 1.2 CID Act. Sec. 67.1401 to 67.1571, RSMo, as may be amended from time to time.
- Sec. 1.3 City. The City of Kansas City, Missouri.
- Sec. 1.4 City Clerk. The Clerk of the City.
- Sec. 1.5 City Council. The City Council of the City, the governing body of the City.
- Sec. 1.6 Director. Members of the Board of Directors individually or collectively as the context may provide.
- Sec. 1.7 District. The 31 Street Community Improvement District, a political subdivision created pursuant to Sec. 67.1401 to 67.1571 of the Revised Statutes of Missouri ("RSMo"), and formed by the City of Kansas City, Missouri by Ordinance No. 191022 passed on February 27, 2020.
- Sec. 1.8 Initial Directors. The initial Directors set forth in the Petition.
- Sec. 1.9 Mayor. The Mayor of the City.
- Sec. 1.10 Operator. An owner of a business operating within the District or a legally authorized representative of such owner.
- Sec. 1.11 Owner. An owner of real property within the District or a legally authorized representative of such owner.
- Sec. 1.12 Petition. That certain Petition to Establish the 31 Street Community Improvement District, as approved by the City through passage of Committee Substitute for Ordinance No. 191022.
- Sec. 1.13 Sunshine Law. Sec. 610.010 to 610.200, RSMo, governing meetings of public governmental bodies including the Board, as now or hereafter amended.
- Sec. 1.14 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**

- Sec. 2.1 Principal Office. The principal office of the District shall be located at Rouse Frets White Goss Gentile Rhodes, P.C., 4510 Belleview, Suite 300, Kansas City, MO 64111. The District may have such other offices as the business of the District may require from time to time, located at such place or places as may be designated by the Board.
- Sec. 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**

- Sec. 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. 191022.
- Sec. 3.2 Number. The Board shall consist of five (5) Directors.
- Sec. 3.3 Qualifications. Each Director shall meet the following requirements:
- A. Be at least 18 years of age; and
  - B. Be a Missouri resident for at least one year prior to taking office and as long as required by the Missouri Constitution or by state statute; and
  - C. Be either an Owner or an Operator; and
  - D. Except for the Initial Directors named in the Petition, be nominated according to a slate submitted by the Board to the Mayor and the City Council according to the nominating process set forth in the Petition.
- Sec. 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, 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") as provided in the CID Act.
- Sec. 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 with the consent of the City Council by resolution from a slate of candidates submitted by the Board to the City Clerk for four-year terms.
- Sec. 3.6 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 during the month of May and 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.
- Sec. 3.7 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 Sec. 3.6.
- Sec. 3.8 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, 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.

Sec. 3.9 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.

Sec. 3.10 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.

Sec. 3.11 Action. The concurrence of the majority of the Directors present in any meeting at which a quorum is present shall bind the District.

Sec. 3.12 Telephone/Electronic Participation in Meetings. To the extent permitted by the Sunshine Law, Directors may participate in a 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.

Sec. 3.13 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.

Sec. 3.14 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 reasonable and actual expenses incurred in the performance of their official duties as may be permitted by the CID Act.

#### ARTICLE IV: OFFICERS

Sec. 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.

Sec. 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.

Sec. 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.

Sec. 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.

Sec. 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.

Sec. 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 unless the Secretary is not a Director and in which case the Treasurer shall preside.

Sec. 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; and  
(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; and  
(2) Assure that all notices are properly given, in accordance with these Bylaws, the CID Act and as required by law; and  
(3) Be custodian of the seal of the District, if any; and  
(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; and  
(5) Maintain the address and telephone number of each Director whose address and telephone number shall be furnished to the Secretary by such Director; and  
(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; and  
(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; and  
(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; and  
(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; and  
(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.

Sec. 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, upon approval of the Board, may be reimbursed for reasonable and actual expenses incurred in the performance of their official duties as may be permitted by the CID Act.

Sec. 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.

Sec. 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, upon approval by the Board, the Executive Director may be reimbursed for reasonable and actual expenses incurred in the performance of its official duties as may be permitted by the CID Act.

#### ARTICLE V: CONTRACTS, CHECKS AND DEPOSITS

Sec. 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.

Sec. 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.

Sec. 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.

#### ARTICLE VI: FISCAL YEAR

The fiscal year of the District shall be 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 or persons 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**

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.