

## DISTRICT PROJECT AGREEMENT

**THIS DISTRICT PROJECT AGREEMENT** (this “Agreement”) is made and entered into as of February 3, 2025, by and among the **CITY OF BERKELEY, MISSOURI**, a constitutional home rule city and political subdivision of the State of Missouri (the “City”), the **NATURAL BRIDGE SL COMMUNITY IMPROVEMENT DISTRICT**, a community improvement district and political subdivision of the State of Missouri (the “District”) and **NATURAL BRIDGE SL REALTY, LLC**, a Missouri limited liability company (the “Developer” and, together with the City and the District, the “Parties”).

### RECITALS:

1. The District was established pursuant to Ordinance No. \_\_\_\_\_ passed on February 3, 2025 (the “Formation Ordinance”) by the City Council of the City and the Community Improvement District Act, Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri (the “CID Act”).

2. Pursuant to the Formation Ordinance, the City found and declared that the District is a “blighted area,” as defined in Section 67.1401.2 of the CID Act.

3. The District was created to assist in funding a “District Project” consisting of certain improvements and services in connection with the rehabilitation and renovation of property and improvements located at 9600 Natural Bridge in the City (the “Development”).

4. The Parties desire to enter into this Agreement to set forth their respective rights and responsibilities regarding the construction and financing of the District Project.

5. The City hereby finds and determines that the action to be taken pursuant to this Agreement is reasonably anticipated to remediate the blighting conditions within the District and will serve a public purpose and that the District Project is necessary and advisable and in the best interest of the City and of its inhabitants in order to promote the public interest.

### AGREEMENT:

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained in this Agreement, the Parties agree as follows:

**Section 1. Authority of the City.** The City has the full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by all necessary City proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the City, enforceable in accordance with its terms.

**Section 2. Authority of the District.** The District has the full constitutional and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by all necessary District proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the District, enforceable in accordance with its terms.

**Section 3. Authority of the Developer.** The Developer has full corporate and lawful right, power and authority, under current applicable law, to execute and deliver and perform the terms and obligations of this Agreement, and the Agreement has been duly and validly authorized and approved by

all necessary corporate proceedings, findings and actions. Accordingly, this Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable in accordance with its terms.

**Section 4. District Sales Tax.** Following the approval of this Agreement by the District's Board of Directors, the District shall adopt a resolution to impose a community improvement district sales tax (the "District Sales Tax"). The Board of Directors and the District shall submit a ballot proposition to the Developer, in its capacity as a qualified voter, for approval to cause the District Sales Tax to be levied at the rate of one percent (1.0%). Upon approval by the Developer as the qualified voter, the District shall promptly notify the Missouri Department of Revenue of the imposition of the District Sales Tax. The District Sales Tax shall be imposed pursuant to the terms of the CID Act and any other applicable laws and shall not be terminated so long as any Project Obligations (as defined in **Section 9**) remain outstanding.

**Section 5. Continuing Existence of the District.** Neither the District nor the Developer will take any action to dissolve the District or reduce the rate of the District Sales Tax until the funding and construction of the District Project are completed, including the retirement of the hereinafter-defined Project Obligations or any bonds, notes or other obligations issued to refund or refinance the Project Obligations.

**Section 6. Governance of the District.**

(a) The Parties acknowledge that under the terms of the Formation Ordinance and the CID Act, the District will be governed by a Board of Directors made up of five representatives of the owners of real property or businesses operating within the real property, who will be appointed by the Mayor of the City with the consent of the City Council. At least one director shall satisfy the requirements of Section 67.1451.2(3) of the CID Act.

(b) The District shall employ or engage an administrator or legal counsel with experience managing special taxing districts to ensure that the District complies with this Agreement and all applicable laws and regulations.

**Section 7. Construction of the District Project.** The District Project shall be constructed and maintained pursuant to all applicable City and state of Missouri laws, regulations and permits. The Developer shall be reimbursed for the costs of constructing the District Project from the proceeds of the Project Obligations as described in **Section 9**. The District Project shall be completed no later than March 1, 2027. Completion shall be deemed to have occurred when the Developer submits a written certification of completion to the District and the City.

**Section 8. Funding of the District Project and District Operating Costs.**

(a) No later than August 1, 2025, the Developer shall submit to the City Manager and the District a project budget identifying the improvements, property and the applicable costs thereof to be funded by the District in connection with the rehabilitation and renovation of the Development (the "District Project Budget"). If requested by the City Manager or the District, within 30 days of submission of the District Project Budget, representatives of the City, the District and the Developer shall meet to review District Project Budget and make such modifications as necessary to comply with the CID Act, this Agreement and the Petition.

(b) At any time after the City Manager's approval of the District Project Budget, the Developer may submit Certificates of Reimbursable District Project Costs in substantially the form of **Exhibit A** attached hereto to the City and the District evidencing costs incurred by the Developer in the construction of the District Project. The City and the District shall review each Certificate of Reimbursable District Project Costs and provide written objections, if any, to the Developer within 45 days from receipt thereof.

If any objections are provided, the Developer shall cure such objections and resubmit the Certificate of Reimbursable District Project Costs. The maximum amount of costs that may be included in approved Certificates of Reimbursable District Project Costs shall not exceed the amount set forth in the approved District Project Budget.

(c) The District shall establish the District Trust Fund. All District Sales Tax revenues received by the District in each Fiscal Year shall be used as follows:

- (1) First, to pay the District's operating costs (legal, administrative, insurance, etc.);  
and
- (2) Second, to pay Project Obligations, as described below.

(d) The Developer agrees, upon written request of the District, to promptly pay any operating costs in excess of the moneys available under (c)(1) above if the District's revenues are insufficient for that purpose. Any such moneys paid by the Developer may be reimbursed by the District when sufficient funding is available.

(d) The District shall use money available under (c)(2) to reimburse the Developer for any amounts advanced certified pursuant to subsection (b) and identified in all approved Certificates of Reimbursable District Project Costs (including interest accruing on District Project costs that have not yet been reimbursed but approved pursuant to one or more Certificate of Reimbursable District Project Costs at an annual rate of 8.00%, calculated using the 30/360 method and compounding semi-annually). The District shall, subject to annual appropriation, make payments to the Developer from the District Trust Fund at least semi-annually to the extent (1) the District has money in the District Trust Fund not needed for operating costs and (2) the Developer has not yet been reimbursed by the District for the District Project costs identified in all approved Certificates of Reimbursable District Project Costs.

(e) Notwithstanding anything to the contrary contained herein, the District may issue, or cause to be issued, notes, bonds or other obligations (the "Project Obligations") and use the proceeds thereof to reimburse the Developer for the District Project costs identified in all approved Certificates of Reimbursable District Project Costs. The District shall notify the City Manager in writing prior to issuing any notes, bonds or other obligations and shall not issue any tax-exempt notes, bonds or other obligations without the City Manager's written consent; provided, however, that the City Manager's consent shall not be required if the Project Obligations are issued in such a manner that the Project Obligations do not cause the City, in the opinion of Gilmore & Bell, P.C., or another an attorney or firm of attorneys having nationally recognized standing in the field of tax-exempt municipal bonds approved by the City, to lose its ability to issue "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code, for the applicable calendar year.

**Section 9. Federal Work Authorization Program.** Simultaneously with the execution of this Agreement, the Developer shall provide the District with an affidavit and documentation meeting the requirements of Section 285.530 of the Revised Statutes of Missouri, as amended.

**Section 10. Insurance; Indemnification.** The District will maintain reasonable levels of insurance throughout its existence. The Developer shall maintain commercially reasonable levels of insurance on the District Project, and shall name the City and the District as additional insureds thereon. The Developer and the District hereby release from and covenant and agree that the City, its governing body members, officers, employees, agents and independent contractors shall not be liable for, and agree to hold harmless and indemnify the City, its governing body members, officers, employees, agents and independent contractors, from and against all suits, claims, costs of defense, damages, injuries, liabilities, costs and/or expenses, including court costs and attorneys' fees and expenses, resulting from, arising out

of, or in any way connected with: (1) the creation of the District, (2) declaring the District a “blighted area,” (3) the imposition and/or application of the District Sales Tax, (4) the District Project, (5) the negligence or willful misconduct of the Developer, its employees, agents or independent contractors in connection with the design, management, development, redevelopment and construction of the District Project or the maintenance of the Development, (6) the negligence or willful misconduct of the District, its directors, employees, agents or independent contractors in connection with the design, management, development, redevelopment and construction of the District Project and (7) the District’s or the Developer’s failure to comply with any applicable State, federal or local laws, regulations and ordinances as applicable to the property within the boundaries of the District and/or the District Project; provided, however, that the foregoing release and indemnification shall not apply in the case of such liability arising directly out of the gross negligence or willful misconduct of the City or its authorized governing body members, officers, employees, agents and independent contractors.

**Section 11. Successors and Assigns.** This Agreement may be assigned by the Developer with the written consent of the parties, which shall not be unreasonably withheld.

**Section 12. Severability.** If any term or provision of this Agreement is held to be unenforceable by a court of competent jurisdiction, the remainder shall continue in full force and effect, to the extent the remainder can be given effect without the invalid provision.

**Section 13. Waiver.** The District’s failure at any time hereafter to require strict performance by the Developer of any provision of this Agreement shall not waive, affect or diminish any right of the District thereafter to demand strict compliance and performance therewith.

**Section 14. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same agreement.

**Section 15. Anti-Israel Discrimination.** Pursuant to Section 34.600, RSMo., the Developer certifies it is not currently engaged in and shall not, for the duration of this Agreement, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel.

*[Remainder of Page Intentionally Left Blank]*

**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed in their respective names and attested as to the date first above written.

**CITY OF BERKELEY, MISSOURI**

By: \_\_\_\_\_  
Title: City Manager

(SEAL)

ATTEST:

By: \_\_\_\_\_  
Title: City Clerk

**NATURAL BRIDGE SL COMMUNITY  
IMPROVEMENT DISTRICT**

By: \_\_\_\_\_  
Title: Chairman

ATTEST:

By: \_\_\_\_\_  
Title: Secretary

**NATURAL BRIDGE SL REALTY, LLC**

By: \_\_\_\_\_  
Name: Priti Patel  
Its: Authorized Agent

**EXHIBIT B**

**CERTIFICATE OF REIMBURSABLE PROJECT COSTS**

To: City Manager, City of Berkeley, Missouri  
Chairman, Natural Bridge SL Community Improvement District

Re: Certificate of Reimbursable Project Costs

*Terms not otherwise defined herein shall have the meaning ascribed to such terms in the District Project Agreement dated as of February 3, 2025 (the "Agreement") among the City of Berkeley, Missouri (the "City"), the Natural Bridge SL Community Improvement District (the "District"), and Natural Bridge SL Realty, LLC (the "Developer"). In connection with said Agreement, the undersigned hereby states and certifies that:*

1. Each item listed on **Schedule 1** attached hereto are expenses identified in the District Project Budget and incurred in connection with the District Project (the "Reimbursable Project Costs").
2. These Reimbursable Project Costs have been paid by the Developer and are reimbursable under the Agreement and the CID Act.
3. Each item listed on **Schedule 1** has not previously been paid or reimbursed from money derived from the District Sales Tax, and no part thereof has been included in any other certificate previously filed with the City or the District.
4. There has not been filed with or served upon the Developer any notice of any lien, right of lien or attachment upon or claim affecting the right of any person, firm or corporation to receive payment of the amounts stated in this request, except to the extent any such lien is being contested in good faith.
5. If applicable, all necessary permits and approvals required for the work for which this certificate relates have been issued and are in full force and effect.
6. All work for which payment or reimbursement is requested has been performed in a good and workmanlike manner and in accordance with the Agreement.
7. If any cost item to be reimbursed under this Certificate is deemed not to constitute a Reimbursable Project Cost within the meaning of the Agreement and the CID Act, the Developer shall have the right to substitute other eligible Reimbursable Project Costs for payment hereunder.
8. The Developer is not in default or breach of any term or condition of the Agreement, and no event has occurred and no condition exists which constitutes an event of default by the Developer under the Agreement.
9. All of the Developer's representations set forth in the Agreement remain true and correct as of the date hereof.



Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**NATURAL BRIDGE SL REALTY, LLC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Approved for Payment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_:

**CITY OF BERKELEY, MISSOURI**

By: \_\_\_\_\_  
Title: Authorized City Representative

Approved for Payment this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_:

**NATURAL BRIDGE SL COMMUNITY IMPROVEMENT DISTRICT**

By: \_\_\_\_\_  
Title: Authorized District Representative

**SCHEDULE 1 TO CERTIFICATE OF REIMBURSABLE PROJECT COSTS**

**Itemization of Reimbursable Expenses**