

PRELIMINARY FUNDING AGREEMENT

THIS PRELIMINARY FUNDING AGREEMENT (this “Agreement”) is made and entered into as of the ____ day of _____, 2026, by and between the **CITY OF COLUMBIA, MISSOURI** (the “City”) and **NOVELTY CONSTRUCTION INC.** (the “Company”).

RECITALS

A. The Company has advised the City of its desire to develop certain properties located in the City, as further shown on the map attached hereto and incorporated herein by reference as **Exhibit 1** (the “Proposed Project Area”).

B. The Company has further advised the City that developing the Proposed Project Area will not be financially feasible without certain economic development incentives.

C. The City is willing to explore the financial feasibility of financing a portion of the costs of developing the Proposed Project Area through the establishment of a community improvement district (a “CID”) pursuant to Sections 67.1401 to 67.1571 of the Revised Statutes of Missouri, as amended (the “CID Act”), if the Company advances funds to pay the City’s costs of exploring such incentive, which costs may be eligible for reimbursement to the Company in accordance with this Agreement.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Advance of Funds.

(a) The Company shall advance the City the sum of \$10,000 upon execution of this Agreement (the “Preliminary Funds”). The City shall use the Preliminary Funds to pay or reimburse the City for payment of actual out-of-pocket expenses incurred by the City and for the payment of actual costs incurred by the City for such consultants and advisors (including, but not limited to, attorneys, planners and financial consultants) as the City reasonably deems advisable from time to time, and for administrative costs and expenses, associated with the exploration of and implementation of economic development incentives for the Proposed Project Area including, but not limited to, any preparation, facilitation, drafting, and/or review of any studies, analyses, plans, agreements and/or other documents made in connection with the exploration and implementation of a CID (collectively, the “Work Program”). The Work Program shall be performed by the consultants and attorneys selected by the City at their respective regular hourly rates and fees (the “Fees”) and the City shall pay for such work only in accordance with **Section 2** hereof. The parties acknowledge that the amount advanced hereunder is a substantial sum and agree to use their best efforts to work together to reduce the total costs to be paid out of the Preliminary Funds. Notwithstanding anything in this Agreement to the contrary the Fees shall be limited to the Work Program and shall not include reimbursement for food and/or drink.

(b) The City intends to engage the following consultants and attorneys to perform the Work Program: Gilmore & Bell, P.C. (special counsel), and PGAV (planning consultant). The City will provide reasonable prior notice to the Company of any additional consultants engaged to perform the Work Program.

(c) If the parties enter into a written agreement relating to the implementation of any economic development incentives, such agreement may provide for the disbursement of any remaining Preliminary Funds in lieu of **Section 9** hereof.

2. **Disbursement.** Subject to the remaining provisions of this Agreement, the City shall disburse Preliminary Funds for Fees and expenses previously paid by the City in connection with the Proposed Project Area upon receipt of: (a) invoices for work reasonably and actually performed by the selected consultants and attorneys in accordance with the Work Program and for administrative costs and expenses incurred by the City relating to the Work Program; (b) invoices and/or receipts for out-of-pocket expenses incurred by such parties in connection with such work; and (c) such other supporting documentation as may be requested by the City (collectively, a "Disbursement Request"). The City shall use reasonable care in ascertaining that all amounts charged to the City pursuant to each Disbursement Request are fair and reasonable amounts for the work represented on each Disbursement Request.

3. **Copies of Disbursement Requests.** The Company may request copies of all disbursement records detailing costs paid from the Preliminary Funds.

4. **Consideration of Incentives.** Nothing herein shall obligate the City to approve any incentives for the Company's proposed project.

5. **Repayment of Preliminary Funds Expended.** The Preliminary Funds disbursed by the City pursuant to the terms hereof, and any other funds advanced by the Company under this Agreement, may be repaid to the Company as permitted under the CID Act, and to the extent a CID is implemented for the Proposed Project Area, in connection with this Agreement.

6. **Work with PGAV and Petition.** The parties agree that the Company may prepare (or cause to be prepared) a petition for the creation of the CID. The City agrees to review (or cause to be reviewed) the analysis and the petition relating to a CID. Nothing herein shall obligate the City to approve the petition and/or create the CID for all or a portion of the Proposed Project Area.

7. **Company's Right of Termination.** The Company may terminate this Agreement at any time in its sole discretion upon giving the City 10 days' written notice; whereupon 10 days following the Company's delivery of said notice this Agreement shall be deemed terminated. Upon receipt of such notice, the City shall immediately cease incurring expenditures under this Agreement. The City shall pay to the Company, within 30 days after the Company delivers notice of its termination under this Section, all Preliminary Funds remaining after the City's payment of any Disbursement Requests submitted pursuant to this Agreement for work performed through the date of termination.

8. **City's Right of Termination.** The City may terminate this Agreement upon giving the Company 10 days' written notice if all of the initial Preliminary Funds advanced hereunder have been spent and the Company does not provide additional Preliminary Funds to the City within 14 days after written request from the City. Upon giving such notice under this Section, the City shall cease incurring expenditures under this Agreement. The City shall pay to the Company, within 30 days after the City delivers notice of its termination of this Agreement under this Section, all Preliminary Funds remaining after the City's payment of any Disbursement Requests submitted pursuant to this Agreement for work through the date of termination.

9. **Excess Preliminary Funds.** If the City does not expend all of the Preliminary Funds as provided herein, the City shall immediately return the remainder of the Preliminary Funds to the Company.

10. **No Third Party Beneficiaries.** This Agreement constitutes a contract solely between the City and Company. No third party has any beneficial interest in or derived from this Agreement.

11. Notices. All notices and correspondence hereunder shall be in writing and shall be delivered by hand delivery, email, or first class mail, postage prepaid, to the parties as set forth below:

If to the City:

City of Columbia, Missouri
701 E. Broadway
P.O. Box 6015
Columbia, Missouri 65205
Attention: City Manager
Email: decarlon.seewood@como.gov

Copy to:

City of Columbia, Missouri
701 E. Broadway
P.O. Box 6015
Columbia, Missouri 65205
Attention: City Counselor
Email: nancy.thompson@como.gov

If to the Company:

Novelty Construction Inc.
2475 Broadway Bluffs Drive, Suite 301
Columbia, Missouri 65201
Attention: Vivek Puri
Email: vivek.puri@hilton.com

Copy to:

Armstrong Teasdale LLP
7700 Forsyth Boulevard, Suite 1800
St. Louis, Missouri 63105
Attention: Angela L. Odlum
Email: aodlum@armstrongteasdale.com

or to such other address with respect to either party as that party may, from time to time, designate in writing and forward to the other as provided in this paragraph.

12. Miscellaneous.

a. Severability. If any provision of this Agreement is unenforceable, the remainder of this Agreement shall be enforced as if such provision were not contained herein.

b. No Waiver. Failure of any party hereto to enforce its rights hereunder at any time shall not be deemed a waiver of any such rights.

c. Representations and Warranties. The Company and the City each represent that (i) this Agreement has been duly executed by them or on their behalf, as the case may be, pursuant to due

authorization, and is not in violation of any such party's governing documents, charter or ordinances, as the case may be, (ii) no consents are necessary for the execution, delivery, and performance of this Agreement by such party, and (iii) this Agreement is valid, binding and enforceable against such party in accordance with its terms.

d. **Assignment.** This Agreement may not be assigned by either party without the written consent of the other.

e. **Survival.** Notwithstanding the expiration or termination or breach of this Agreement by either party, the City's obligations with respect to repayment of unexpended Preliminary Funds and copies of Disbursement Requests shall survive expiration, termination or breach of this Agreement by either party.

f. **Counterparts.** This Agreement may be executed simultaneously in several counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

13. **Limitation of Liability.** Notwithstanding any provision hereof to the contrary, the City and its officials, agents, employees and representatives shall not be liable to the Company for damages or otherwise if this Agreement, any prospective adoption of any incentive or plan or agreement relating thereto, is declared invalid or unconstitutional in whole or in part by the final (as to which all rights of appeal have expired or have been exhausted) judgment of any court of competent jurisdiction, and by reason thereof either the City is prevented from performing any of the covenants and agreements herein or the Company is prevented from enjoying the rights and privileges contemplated hereunder.

14. **Governing Law.** This Agreement shall be governed by the laws of the state of Missouri, without giving effect to principles of conflicts of laws.

15. **Anti-Discrimination Against Israel.** In accordance with Section 34.600, Revised Statutes of Missouri (the "Anti-Discrimination Against Israel Act"), the Company hereby certifies and agrees that, as to itself and not to any other party hereto, to the extent the Anti-Discrimination Against Israel Act is applicable to this Agreement, 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 with the State of Israel, in all respects within the meaning of the Anti-Discrimination Against Israel Act. This certification shall not be deemed an admission or agreement that the Anti-Discrimination Against Israel Act is applicable to this Agreement, but the foregoing certification is provided if the Anti-Discrimination Against Israel Act is applicable. If the Anti-Discrimination Against Israel Act is initially deemed or treated as applicable to this Agreement, but is subsequently determined not to apply to this Agreement for any reason, including the repeal or amendment of the Anti-Discrimination Against Israel Act, then the foregoing certification shall cease to be effective.

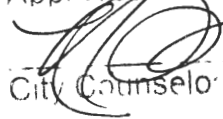
16. **Electronic Transactions.** The transactions described in this Agreement may be conducted and related documents may be sent, received or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Preliminary Funding Agreement to be duly executed as of the date first above written.

CITY OF COLUMBIA, MISSOURI

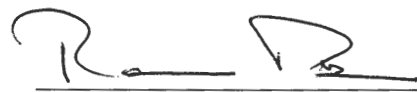
Approved as to form.



City Counselor

By: _____
City Manager

NOVELTY CONSTRUCTION INC.

By: 

Name: Dr. Raman Puri
Title: President & CEO

Exhibit 1

Map

