

CHARITABLE DONATION AGREEMENT

by and between:

**BOARD OF COUNTY COMMISSIONERS OF SEDGWICK COUNTY, KANSAS
SITTING AS THE GOVERNING BOARD FOR
SEDGWICK COUNTY FIRE DISTRICT NUMBER ONE
and
ALLISTON RESOURCES LIMITED PARTNERSHIP**

This Charitable Donation Agreement ("Agreement") is made and entered into this 13th day of April, 2016, by and between the Board of County Commissioners of Sedgwick County, Kansas, sitting as the governing board of Sedgwick County Fire District Number One, a fire district located within Kansas ("Fire District"), and Alliston Resources Limited Partnership, a Kansas limited partnership ("Owner").

WITNESSETH:

WHEREAS, Owner owns a residence that the Fire District wishes to utilize for training the Fire District employees and also for the purpose of a live fire training exercise; and

WHEREAS, Owner wishes to donate such residence to the Fire District to utilize for training the Fire District employees and also for the purpose of a live fire training exercise; and

WHEREAS, the Owner and the Fire District desire to state the terms and conditions of their understanding in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises contained herein, the parties hereto agree as follows:

1. Contractual Relationship. It is agreed that the legal relationship between the Owner and the Fire District is of a contractual nature. Neither party is agreeing to hire the other party as an employee.

2. Purpose and Scope of the Lease Agreement. Owner owns a residence in the unincorporated area of Sedgwick County, Kansas, located at 5053 N. 143rd Street East, Wichita, Kansas, with a legal description of the real property parcel of approximately 156 acres that includes a residence being as follows:

Northeast Quarter (NE/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Two (2) East, containing 160 acres, more or less, less one acre in the Southeast corner thereof and subject to all easements of record; and

A tract of land described as follows:

Commencing at the southeast corner of the Northeast Quarter (NE/4) of Section Twenty-three (23), Township Twenty-six (26) South, Range Two (2) East of the 6th P.M., thence running North along the East line of said Northeast Quarter 150 feet; thence West 350 feet parallel to the South line of said Northeast

Quarter; thence South 150 feet, more or less, to the South line of said Northeast Quarter; thence East along the South line of said Northeast Quarter 350 feet, more or less, to the place of commencement;

All in Sedgwick County, Kansas.

Said parcel is hereinafter referred to as "Real Property." The principal residence, which is a single-story single family residence located within the southeast quarter of the Real Property, is hereinafter referred to as "Residence." The Residence is identified on the map that is attached and incorporated into this Agreement as Exhibit A. The Owner shall irrevocably donate the Residence, outright and free of encumbrances, to the Fire District ("Charitable Contribution") to utilize for training the Fire District employees and also for the purpose of a live fire training exercise. Outside of the Residence, the Owner does not donate the Real Property, or any other buildings located on the Real Property, to the Fire District. The Fire District may, in its discretion as owner of the Residence, modify the Residence to meet the training needs for its employees. After such modifications have been completed, Fire District employees will train in the building (likely for multiple months) in advance of when the Residence will be burned as part of a live fire training event ("Live Fire Training Event"). The Live Fire Training Event will occur between February 1, 2017, and March 31, 2017, such that the Live Fire Training Event must be concluded by 11:59 P.M. on March 31, 2017. The Residence is being donated to the Fire District "AS IS" without warranty and the Fire District acknowledges that there are inherently dangerous conditions with respect to the Residence, including, but not limited to, mold in the basement of the Residence and a stone fireplace that has partially separated from the Residence.

3. Date of Donation. This effective date of the donation of the Residence from Owner to the Fire District shall be May 1, 2016.

4. No Compensation and Value of Charitable Contribution. The parties agree that no compensation will be provided from either party to the other party under this Agreement. The parties agree that the value of the Owner's Charitable Contribution to the Fire District is ninety-five thousand two hundred forty-five dollars and zero cents (\$95,245.00). This value is described within a letter summarizing an appraisal of the Residence, which is attached and incorporated herein as Exhibit B. Regardless of the value of the Charitable Contribution to the Fire District, the Fire District cannot guarantee how the Internal Revenue Service, the Kansas Department of Revenue, or any other taxing entity may characterize this Agreement. Further, the parties agree that the Owner has received no goods or services in exchange for the Charitable Contribution.

5. Owner's Warranties and Understandings. Owner makes the following warranties and agrees to the following understandings as part of this Agreement:

- A. There are no liens or other encumbrances on the Real Property and the Residence. In the event that a third party has an unrecorded interest in the Real Property or the Residence, Owner agrees to indemnify and hold harmless the Fire District for any claims made by such third party.
- B. The Residence is not being leased to any third party. However, agricultural property on the Real Property is leased to a tenant farmer.
- C. No third party has any ownership interest or access to the Residence.

- D. While the Residence is termed a “residence” in this Agreement for purposes of specifying the correct building, no persons currently reside within the building.
- E. Owner currently has homeowner’s and/or fire insurance coverage that will be cancelled prior to May 1, 2016. A copy of the certificate of insurance cancellation will be provided to the Fire District after that date..
- F. The only parties to hold ownership interests in Owner are the following general and limited partners:
 - (1) Pamela S. Good; and
 - (2) Paula K. Barden.

6. **Access Easement.** Until the conclusion of the Live Fire Training Event, Owner grants the Fire District an access easement onto the Real Property for the purpose of ingress and egress of the Fire District’s vehicles to the area surrounding the Residence. Owner has a tenant farmer for a portion of the Real Property. As a result, the Fire District agrees to keep the access easement open and clear so that the tenant farmer may access the Real Property.

7. **Access to Homestead.** The Fire District is enabled to have access to the Residence twenty-four (24) hours per day during the term of this Agreement. Furthermore, Owner grants the Fire District the ability to park vehicles and to otherwise occupy and utilize in the area encompassing the Residence and the road leading up to, but not including the barn located on the Real Property, consistent with the Fire District’s operations twenty-four (24) hours per day during the term of this Agreement until the conclusion of the Live Fire Training Event. Said area encompassing the Residence and the barn is labeled as “Homestead” on Exhibit A, which is attached and incorporated into this Agreement.

8. **Restricted Access Area.** For purposes of this Agreement, the Restricted Access Area shall encompass all of the Real Property not included within the Homestead on the map that is attached and incorporated herein. Fire District agrees not to enter into the barn located on the Real Property or enter onto any fields, pasture land, and ponds contained on the Real Property (hereinafter “Restricted Access Area”). Owner leases the agricultural ground contained on the Real Property to a tenant farmer, Butch Roths.

9. **Responsibility for Demolition, Infill, and Clean Up.** Owner assumes responsibility for the remnants of the Residence and also the Real Property, regardless of the status, at the conclusion of the fire that burns during the Live Fire Training Event. Owner will be responsible for any required demolition, infill, and debris clean-up. Owner will be required to obtain a wrecking permit from the Metropolitan Area Building and Construction Department, also referred to as Sedgwick County Code Enforcement. All demolition, infill, and debris clean-up will need to be completed within thirty (30) days after the conclusion of the Live Fire Training Event.

10. **Taxation.** Pursuant to Kansas law, for purposes of property tax appraisal—which includes property classification and valuation, the Sedgwick County Appraiser will appraise the Real Property and Residence on the first (1st) day of January of each year. The appraised value as of January 1st, will apply to the property’s value for the entire year. As a result, the January 1, 2016 appraisal will apply even for taxes that will become due after the date this Agreement is entered into. The Fire District makes no guarantees or representations as to what tax consequences may or may not arise as a result of this Agreement and the Live Fire Training Event. Likewise, the Fire District does not accept any responsibility for any taxes on the Residence and the Real Property. Owner shall remain responsible for all taxes due by law on the Residence

and the Real Property. The parties agree that any burning of the Residence during the Live Fire Training Event will not qualify the Owner for a tax abatement pursuant to K.S.A. 79-1613.

11. No Asbestos. The Fire District has had an inspection completed to demonstrate that the Residence is free from any asbestos.

12. Permits. The Fire District is responsible for obtaining any burn permits or other permits regarding the Live Fire Training Event, including but not limited to any such permit required by the Kansas Department of Health and Environment. The Owner agrees to assist the Fire District in obtaining any such permits, should the Owner's permission and/or consent be required.

13. Utilities. Owner will disconnect all utilities to the Residence, including but not limited to electricity, natural gas, and water prior to May 1, 2016. The Fire District is authorized to take necessary measures to disconnect and remove such utilities, and also to ensure such items have been disconnected and remain disconnected during this Agreement.

14. Waiver of Trespass. Owner expressly waives any claim of trespass against the Fire District for entry onto the Real Property until conclusion of the Live Fire Training Event.

15. Waiver of Damages. Owner waives any claim against the Fire District for any modifications or damages to the land within the Homestead area which are not the result of the gross negligence of the Fire District. Owner also waives any claim against the Fire District for any damages that might occur to the two (2) small buildings (not the barn) located near the Residence and within the Homestead Area.

16. Insurance. While, as of May 1, 2016, Owner will not have any homeowner's and/or fire insurance pertaining to the Residence, Owner may still have insurance in place for the remainder of the Real Property. The Fire District is not responsible for any costs of the insurance for the Real Property.

17. Indemnification. The Fire District shall be solely liable for any injury to the Fire District personnel or other persons caused by or as a direct result of Fire District employees training at the Residence and the Live Fire Training Event. The Fire District shall indemnify and hold the Owner harmless against any and all claims by or on behalf of any person or persons arising from the training of Fire District personnel at the Residence and the Live Fire Training Event.

However, the Fire District shall not be liable for any injuries caused by or resulting from the demolition, infill, and clean-up of the debris on the Real Property after the Live Fire Training Event. As a result, to the fullest extent of the law, Owner shall defend, indemnify and hold harmless the Fire District and its elected and appointed officials, officers, managers, members, employees and agents, from any and all claims brought by any third-party person or entity whatsoever, arising from any act, error, or omission of Owner or Owner's contractor regarding the demolition, infill, and clean-up of the debris on the Real Property after the Live Fire Training Event.

This indemnification shall not be affected by other portions of the Agreement relating to insurance requirements.

18. Termination. Either party may terminate this Agreement with a thirty (30) day written notification to the other party at the address listed in Paragraph 19.

19. Notification. Notifications required pursuant to this Agreement shall be made in writing and mailed to the addresses shown below. Such notification shall be deemed complete upon mailing.

Fire District: Sedgwick County Fire District No. 1
7750 N. Wild West Dr.
Park City, KS 67147

and

Sedgwick County Counselor's Office
Attn: Contract Notification
Sedgwick County Courthouse
525 N. Main, Suite 359
Wichita, Kansas 67203-3790

Owner: c/o Pamela S. Good, general partner
2885 Sanford Ave. SW #29051
Grandville, MI 49418

20. Governing Law and Venue. This Agreement shall be interpreted under and governed by the laws of the State of Kansas. The parties agree that any dispute or cause of action that arises in connection with this Agreement will be brought before a court of competent jurisdiction in Sedgwick County, Kansas.

21. Assignment. Neither this Agreement nor any rights or obligations created by it shall be assigned or otherwise transferred by either party without the prior written consent of the other. Any attempted assignment without such consent shall be null and void.

22. Amendments. Neither this Agreement nor any rights or obligations created by it shall be amended by either party without the prior written consent of the other. Any attempted amendment without such consent shall be null and void.

23. Subsequent Liens and Transactions. Until the conclusion of the Live Fire Training Event, if Owner wishes to convey title to Real Property, grant liens against Real Property, or to lease the Real Property including the Homestead, Owner shall provide the Fire District with a sixty (60) day written notice at the addresses listed in Paragraph 19.

24. Cash Basis. The right of the County to enter into this Agreement is subject to the provisions of the Cash Basis Law (K.S.A. 10-1112 and 10-1113), the Budget Law (K.S.A. 79-2935), and all other laws of the State of Kansas. This Agreement shall be construed and interpreted so as to ensure that the County shall at all times stay in conformity with such laws, and as a condition of this Agreement the County reserves the right to unilaterally sever, modify, or terminate this Agreement at any time if, in the opinion of its legal counsel, the Agreement may be deemed to violate the terms of such laws.

25. Charitable Deduction Documentation. The Fire District shall issue such statements and information to the Owner as may be required by the Internal Revenue Service for the Owner to substantiate and document its Charitable Contribution.

26. Tenant Farmer. The aforementioned tenant farmer, Butch Roths, acknowledges the existence of this Agreement and is aware of its terms and conditions, as indicated within the acknowledgment on the signature page of this Agreement.

27. Entire Agreement. This Agreement and the documents incorporated herein contain all the terms and conditions agreed upon by both parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto. Any agreement not contained herein shall not be binding on either party, nor shall it be of any force or effect.

28. Severability Clause. In the event that any provision of this Agreement is held to be unenforceable, the remaining provisions shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

BOARD OF COUNTY COMMISSIONERS
OF SEDGWICK COUNTY, KANSAS,
GOVERNING BODY FOR SEDGWICK
COUNTY FIRE DISTRICT NUMBER ONE

ALLISTON RESOURCES
LIMITED PARTNERSHIP

James M. Howell, Chairman
Commissioner, Fifth District


Pamela S. Good 3/31/2016
General Partner


Paula K. Barden 3/31/16
General Partner

ATTESTED TO:

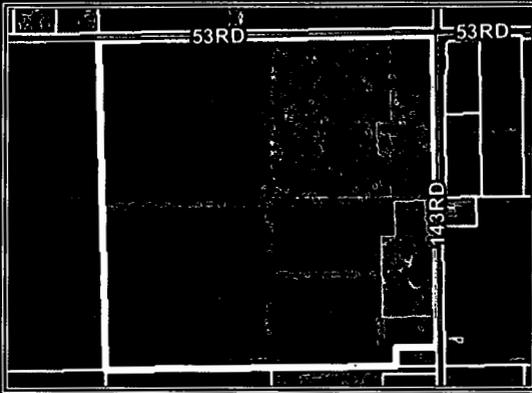
ACKNOWLEDGED:

Kelly B. Arnold
County Clerk

Butch Roths
Tenant Farmer for Real Property

APPROVED AS TO FORM:


Justin M. Waggoner
Assistant County Counselor



Barn

Residence
5053 N 143rd St E

143RD

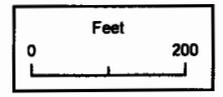
EXHIBIT
A



5053 N 143rd St E

Sedgwick County, Kansas

- Legend**
-  Subject Buildings
 -  Homestead Area



It is understood that the Sedgwick County GIS, Division of Information and Operations, has no indication or reason to believe that there are inaccuracies in information incorporated in the base map.

The GIS personnel make no warranty or representation, either expressed or implied, with respect to the information or the data displayed.



March 15, 2016

Alliston Resources, LP
Ms. Pam Good
1761 S. Butternut St
Wichita, KS 67230-7621

RE: F1401003F, Appraisal of Real Estate known as 5053 N. 143rd St. East, Wichita,
KS 67228

Dear Ms. Good:

On December 24, 2013 I appraised your property at the above referenced address. The appraisal was for land and improvements. The improvements included a single family dwelling with a contributory value of \$95,245. It is my opinion that the contributory value of the dwelling then is the same as of the date of this letter. The dwelling is in similar condition as in 2013 and has had no new improvements.

It is my opinion that the improvements have a current contributory value of \$95,245.

Please let me know if you have questions.

Respectfully submitted,

A handwritten signature in black ink that reads "David L. Sundgren".

David L. Sundgren

SunGroup•David Sundgren & Associates•121 N. Main•El Dorado, Kansas, 67042
david@sungrouprealestate.com•Tel: 316-321-6100•Fax:316-321-6107

