

Duane M. Blythe, VP & Division Manager
Linda S. Stewart, Asst. Trust Officer
Dustin Stull, Trust Officer
Amy Thompson, Operations
Matthew Jones, Investments

Michael Hammersmith, Trust Officer
Rebecca Miller, Trust Officer
Joseph Karnes, Trust Officer
Troy Arment, Trust Officer



Wealth Management and Trust Services Division

September 20, 2011

Junction City Commissioners

Re: Helland Property 58.4 Acres

Central National Bank represents the Helland Trust, a trust that distributed land to the City of Junction City back in 2007. The land has special covenants that were reviewed with the City Commissioners prior to their acceptance of the gift 12/18/2007, represented by resolution #2423. Attached is some of the information that was reviewed with the commission at those meetings.

Since that time there has been 100% turnover at the City management level and the City Commission. In addition, there are notable changes to the financial landscape in the community. With that said, it is probably a good time to review the City's commitment to this property.

A year ago, Central National Bank, Mr. Richard Pinaire, attorney for the Helland Trust and Jerry Vernon visited about this property. At that time we were told that there would be a study completed by KSU and it would be available for review in the spring of 2012. As far as I know that study was not completed.

Central National Bank continues to have an interest in this property, as trustee and wants to remind the City that should they not have an interest in the property the trust would than sell the property with the proceeds divided among 7 local charities. It should be noted that a certified appraisal completed around Mrs. Helland's demise valued the property at \$700,000. Should you have any questions please do not hesitate to let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Duane M. Blythe", is written over a faint, larger version of the signature.

Duane M. Blythe, CTFA, CFP®
VP & Trust Division Manager

Enc: As stated..

Cors2011/helland 092011.doc

Member F.D.I.C.

PO Box 700, Junction City, KS 66441-0700
Phone 800-701-9757 Fax 785-238-6299

**HOOVER, SCHERMERHORN,
EDWARDS, PINAIRE & ROMBOLD**

Attorneys at Law

811 North Washington Street
Junction City, KS 66441

Telephone (785) 238-3126
Fax (785) 238-1717

Author: Richard A. Pinaire
E-mail: Pinaire@hooverlawfirm.com

October 5, 2010

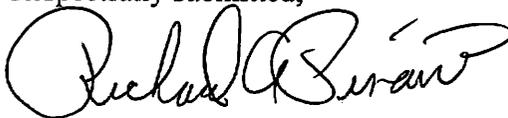
Mr. Gerry Vernon
City Manager
Municipal Building
PO Box 287
Junction City, Kansas

Dear Mr. Vernon:

Pursuant to our discussion in August, and now that you have completed the City budget for 2011, I would like to ask if Duane Blythe, the Trust Division Manager for the Central National Bank in Junction City and myself could meet with you to discuss the City's objectives with regard to planning for the Helland Park. I know you have been busy with many other things however, I would like to know if we could meet with you on October 20 or 21 to discuss this matter. We would like to discuss the details of your thoughts to develop a comprehensive and phased in plan for this property so that it can be used for its intended purpose, consistent with the transfer that was made to the City by way of a Deed on December 20, 2007, by the Central National Bank as Trustee of the Helland Trust.

Thank you very much.

Respectfully submitted,



Richard A. Pinaire

RAP:rf

cc: Duane Blythe, Vice President and Trust Division Manager
Central National Bank (*Hand Delivered*)

DP:Helland.Vernon.le2

**Gerry Vernon
City Manager**



P. O Box 287
Municipal Building
Junction City, KS 66441
(785) 238-3103 ext.300

CITY MANAGER'S OFFICE

August 16, 2010

Mr. Duane Blythe
Trust Division Manager
Central National Bank
802 North Washington St
Junction City, KS 66441

Dear Mr. Blythe:

This letter is a request to meet and discuss the status of the Helland Property Trust. Your recent letter to Mr. Pinaire was the first time that I was made aware of this property that was deeded to the City.

I have visited the property and believe that it would be a great asset to our citizens and it should be assimilated into the City's park system. While Junction City doesn't immediately have the financial wherewithal to convert this area to a major park, with some time to develop a comprehensive and "phased in" plan, it ultimately could be utilized as intended by Mr. and Mrs. Helland.

I am currently finalizing the City budget for 2011 as it has to be filed with the County Clerk on August 25, 2010. My calendar clears after the Labor Day holiday. I would offer to meet with you and possibly Mr. Pinaire on or after September 7th at a time and place of your choosing. I can be reached at (785) 223-7779. Thank you.

A handwritten signature in black ink, appearing to read "Gerry Vernon", written in a cursive style.

Gerry Vernon
City Manager

cc: Catherine P. Logan, City Attorney
Richard Pinaire, Attorney at Law

11 Duane Blythe

From: 11 Duane Blythe
Sent: Monday, July 26, 2010 2:38 PM
To: 'pinaire@hooverlawfirm.com'
Subject: Helland

Richard, received a call from the assistant city engineer, Clarence Mahieu inquiring about the letter that I copied to you last week. They were wanting a copy of the original trust and amendments. I am comfortable authorizing you to give them copies of the pertinent pages not sure if they need full copies. I will let you use your discretion there.. As I recall when we made the announcement a few years ago after Mrs. Helland passed away 4/27/07 we gave the City Council copies at the Marriot meeting. Thanks in advance. duane

Duane M. Blythe, CTFA, CFP
VP & Trust Division Manager
Central National Bank
802 N. Washington
P.O. Box # 700
Junction City, KS 66441
Toll free: 800 701 9757 ext 2917
PH# 785 238 4114
fax # 785 238 6299

Duane M. Blythe, VP & Division Manager
Dustin Stull, Trust Officer
John H. Wachter, Trust Officer
Linda S. Stewart, Asst. Trust Officer
Rebecca Miller, Administration



John Hartmann, Trust Officer
Joseph Karnes, Trust Officer
Matthew Jones, Investments
Amy Thompson, Operations

Wealth Management and Trust Services Division

July 19, 2010

Mr. Richard Pinaire
Attorney at Law
811 N. Washington
Junction City, KS 66441

Re: E.O. and A.I. Helland Trust
Real Estate #58.4 acres Junction City, KS

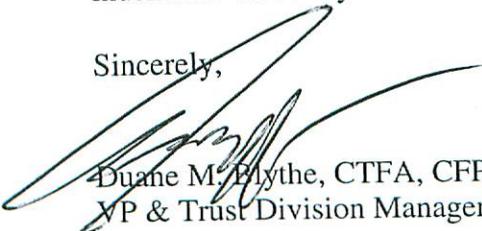
Dear Mr. Pinaire:

Please reference the trust instrument for the Helland Family that names Central National Bank as trustee. As you may recall - your firm drafted the final amendment - it *specifically* outlines the conditions for the usage and final disposition of the 58.4 acres of real estate located on the edge of Junction City.

It is Central National Bank's opinion that the property is not currently being utilized by the City in the manner outlined in the trust document. Additionally, it is our opinion that the Country Club of Junction City no longer qualifies as a successor beneficiary of the trust since it no longer exists or functions in the capacity originally intended by the Hellands. As noted in the trust document said property is to revert back to Central National Bank, trustee, to be sold at a public auction with the proceeds distributed to several charitable organizations.

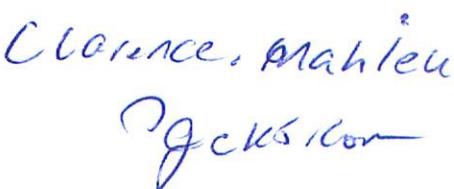
Central National Bank requests that you work with the City and others to have this property deeded back to the Helland Trust so that Central National Bank may dispose of it per the trust indenture. Should you have any questions you may contact me at 238-4114 ext. 2917.

Sincerely,



Duane M. Blythe, CTFA, CFP
VP & Trust Division Manager

Cc: City Manager, Gerry Vernon
Junction City Municipal Building
Junction City, KS 66441



Clarence Mahieu
Jackson

**HOOVER, SCHERMERHORN,
EDWARDS, PINAIRE & ROMBOLD**

Attorneys at Law

811 North Washington Street
Junction City, KS 66441

Telephone (785) 238-3126
Fax (785) 238-1717

Author: Richard A. Pinaire
E-mail: Pinairer@hooverlawfirm.com

COPY
June 13, 2007

Mayor Rhodes and
Junction City Commissioners

Dear Mayor Rhodes and Junction City Commissioners:

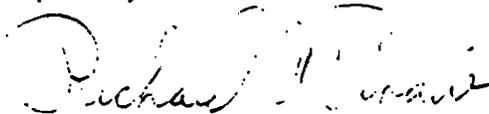
The City of Junction City is a potential beneficiary under The Helland Voluntary Trust of certain acreage now held by the Trustee, the Central National Bank. The tract consists of 58.4 acres. The City is entitled accept whatever portion of that acreage it desires to use as directed in the Second Amendment to the Trust for a public park, and/or for a community center. If the City accepts any portion or all of the real estate, the Second Amendment states that the Deed to the City would contain a reversionary clause, on a condition subsequent, which would state that if the City ceased using the property for the use and benefit of the general public as a public park and/or for a community center, the real estate would revert to the Trustee of the Helland Voluntary Trust, i.e. the Central National Bank. The property would then be disposed of by the Trustee as directed. The City is entitled to lease out portions of the real estate, on an annual basis, to other individuals or entities, pending development of a park or community center. The Deed of Conveyance to whatever real estate is accepted, if any, will request that the City of Junction City, Kansas recognize the individuals who made this gift to the citizens of the City, to wit: Elmer O. and Annetta I. Helland.

In order to determine the City's intention, the City Commission needs to determine what portion of the real estate, if any, that it would like to accept. The City could select 5.496 acres, which is the acreage at the east end, or it could agree to accept more, so long as the selection is made within two (2) years of the date of death of Annetta I. Helland and so long as the City adopts a formal Resolution specifying that portion of the total tract which it desires to accept and that portion, that it declines to accept. If the City declines to accept any portion or all of the real estate then, the Trustee will seek a Quit Claim Deed from the City with respect to the declined portion of the real estate. If the City Commissioners desire a formal presentation at a meeting, to give the City Commission the opportunity to ponder this matter that would be fine. I would request the City's decision within the next two (2) months. Thank you.

June 13, 2007
Mayor Rhodes and
Junction City Commissioners
Page 2

Enclosed is a copy of the Trust documents. The deleted portions refer to named individuals and other entities, other than the City of Junction City.

Respectfully submitted,



Richard A. Pinaire
Attorneys for Trustee

RAP:bb
Dp:helland.mayor@rhodes.net

11 Duane Blythe

From: 11 Duane Blythe
Sent: Monday, November 26, 2007 3:50 PM
To: 'mike.rhodes@jcks.com'; 'terry.heldstab@jcks.com'; 'mick.wunder@jcks.com'; 'ken.talley@jcks.com'; 'jack.taylor@jcks.com'
Cc: 'pinaire@hooverlawfirm.com'; 'rod.barnes@jcks.com'
Subject: Helland Trust Real Estate Gift w/ reversionary clause
Attachments: City Commission 112607.pdf

Good afternoon to you all...

Attached is a letter dated 6/13/07 that was send to you earlier in the year by the Helland Trust Attorney, Richard Pinaire. Visiting with some of you it appears that the City is interested in accepting this property or at least I have not got the feeling that any of you were considering turning it down. In consideration to all, the bank has asked Mr. Pinaire to a prepare a resolution for the City Commission to consider at your next meeting. (Not sure what the procedure is to be on your agenda but we would request this.. via Mr. Pinaire.) The resolution would allow the City to accept all property, some 58.4 acres, valued recently by a certified appraiser for \$700,000. The deed would carry a reversionary clause. The property is known to most by that which lies directly North of the JC Country club.

I believe the acceptance of this property valued at \$700,000 could be a very positive decision by the City. However, at the same time if the City does not want the property it could still be positive for the Community... see below.

Some questions that I have fielded by a few of you..

What is the upkeep cost on this property?

Currently there is only one rental house on the property. It is located at the bottom Rucker road. We have not put much money in the property over the years as we knew someday we would either be selling or gifting it away. The same renter has been there for some time with very few if any issues. The main residence of the Helland's was professionally demolished and debris hauled away by Harold Glessner. This course of action occurred after a fire by a tenant left the house in bad condition. Farm ground is currently rented by the Stein fort's. As I recall there is some 10 acres and it leased on a cash lease at \$0.00.. The Stein fort's help maintain the property and get 100% of any govt payments.. So to answer this question.. other than insurance and taxes there is very little to maintain or be concerned about.

Questions about surveys, easements and ect..

We have had the property surveyed by Kaw Valley, via Leon Osbourne. Recently, (the last couple year), an easement for a sewer extension was approved. This work I believe has been completed.

Can the City lease the property out while it determines what to do with the property?

Yes, according to Mr. Pinaire's analysis and documented in his 6/13/07 letter this opportunity does exist. It is possible for the City to accept the property and maintain it for sometime..... as long as the original resolution is accepted acknowledging the intent for approved purposes.

What happens to the property if the City does not accept the gift or should use if for something other than that which would be outlined by the trust?

The property would revert back to the trustee, CNB, and the property would be sold to the highest bidder. The proceeds would come back to the JC community in the way of charitable gifts. Since the trust is a private document I can not give you the names, however I will share with you that there are seven and they are all an important part of our community.

Anticipating you may have other questions please direct them to myself or Mr. Pinaire. Thanks, duane

11/26/2007

**HOOVER, SCHERMERHORN,
EDWARDS, PINAIRE & ROMBOLD**

Attorneys at Law

811 North Washington Street
Junction City, KS 66441

Telephone (785) 238-3126
Fax (785) 238-1717

Author: Richard A. Pinaire
E-mail: Pinaire@hooverlawfirm.com

MEMO

DATE: November 29, 2007
TO: City of Junction City
FROM: Richard A. Pinaire, Attorney for the Helland Trustee
RE: Helland Trust

Elmer O. Helland and Annetta I. Helland created a trust by way of an instrument dated April 28, 1975. The original document has been since twice amended by Annetta I. Helland after the death of her husband, once on March 6, 1991 and again on August 2, 1999. The Second Amendment directs that the Trustee offer 58.4 acres of property, or any portion thereof, to the City of Junction City, Kansas. According to that amendment, the City may accept the entire acreage or any portion thereof or the City also has the option of declining the entire acreage or any portion thereof.

If the City accepts the gift of property, according to the Second Amendment, the deed from the Trustee will contain a reversionary clause whereby the property reverts back to the Trustee if the City does not use the property for the use and benefit of the general public for a public park and/or community center.

Below is a list of questions and my answers to those questions:

What are the City's options with regard to the 58.4 acre tract?

According to the Second Amendment, the City may elect to accept the property, in its entirety or any portion thereof. The City may decline to accept any portion or all of the property.

Is there a time period for the City's action?

According to the Second Amendment, the City has two (2) years from the date of Mrs. Helland's death within which to select that portion of the acreage that it desires, so long as the City adopts a formal Resolution specifying that portion of the total tract that it desires to accept and that portion, if any, that it declines to accept.

Item 3A

How long does the City have to develop the property?

The Second Amendment does not set a time restriction as to how long the City has to develop the property for the use and benefit of the general public as a public park and/or community center. According to the Second Amendment, pending development for that purpose, the City is authorized to lease out the property to others so long as the lease(s) is limited to one (1) year at a time. The property currently has one house on it which is rented out on a monthly basis and there is also a farm lease on a few acres. The City is free to determine what to do about those leases if it accepts that portion of the property upon which those leases are located.

What use can be made of the property?

The property can be used as a public park and/or a community center. The City could establish several types of public park uses, including but not limited to, a dog park, an outdoor amphitheater, a nature park, horse trails, camping areas, a retreat center, etc.

What is the reversionary clause?

The reversionary clause in the Second Amendment states that the property will revert to the Trustee if the City ceases to use the real estate for the use and benefit of the general public as a public park and/or community center. The property would then be sold by the Trustee, pursuant to the terms of the Second Amendment, and the proceeds distributed to various charitable entities.

How does this reversionary clause work?

The reversionary clause is described in the draft Resolution accepting the property as well as in the deed. A copy of the Deed is attached to the Resolution of Acceptance.

What if the City chooses to decline the gift?

If the City chooses to decline any portion or all of the gift, the Second Amendment directs that the City should adopt a Resolution, declining the gift, or any portion thereof, and further directs that a Quit Claim Deed to that declined portion would be given to the Trustee, free of any obligation under the Trust from the City.

What are the costs to maintain the property at the present time?

November 29, 2007
City of Junction City
Page 3

The house on the property brings in \$275 per month. The tenant has resided there for several years. With regard to the farm ground, it is on a cash lease to a local farmer. No money is exchanged at the present time because of the location of the field in the middle of town. All of the government paperwork is currently completed.

As originally drafted and as originally amended there was no reversionary clause in the Trust, however, given the various public discussions by local officials and given the sale of certain public property in the past, it was determined to Amend the Trust as per the Second Amendment to give the City the option to accept or decline the gift and further to cause it to revert to the Trustee if it was not going to be used for the specified public purpose, i.e. a public park and/or community center.

If you have any other questions I will be available after Duane Blythe, of the Central National Bank, as Trustee of the Trust, makes a presentation to you at your retreat. I am providing this information to you as the attorney representing the Trustee in this matter. Thank you very much.

Hoover, Schermerhorn,
Edwards, Pinaire & Rombold

By: Richard A. Pinaire

Dp:helland.trust.memo

24-225-5

53-13

DISSOLUTION BY STOCKHOLDERS' MEETING

We, LEON OSBOURN, President, and SUE WAECHTER, Secretary of JUNCTION CITY COUNTRY CLUB, INC., a corporation organized under the laws of the State of Kansas, do hereby certify that a meeting of the Board of Directors of said corporation was called for the purpose of considering the dissolution of the corporation, all directors having notice thereof. At said meeting, the Board of Directors by a majority vote thereof, adopted a resolution declaring in their judgment, and for the benefit of the corporation that it should be dissolved. The dissolution of the corporation was previously approved and directed by the corporation's stockholders at a duly convened meeting, notice of which was mailed not less than 10 days and not more than 60 days prior to the date of the stockholders' meeting, to each voting stockholder entitled to vote on the adoption of the proposed sale and liquidation of the corporation's assets and dissolution of the corporation. Proper notice having been given, the meeting of the stockholders having voting power was held and a majority of the outstanding stock of the corporation voted in favor of the proposed dissolution.

The following is a list of the names and residence addresses of the directors of said corporation:

DIRECTORS:

Leon Osbourn, 1240 Miller Drive, Junction City, KS 66441
 Sue Waechter, 604 Country Club Terrace, Junction City, KS 66441
 Steve Locke, PO Box 1661, Junction City, KS 66441
 Russell Gaston, 3016 Rolling Hills Drive, Milford, KS 66514
 David Bruce, 620 Country Club Terrace, Junction City, KS 66441

The following is a list of the names and residence addresses of the officers of said corporation:

OFFICERS:

Leon Osbourn, 1240 Miller Drive, Junction City, KS 66441, President
 Sue Waechter, 604 Country Club Terrace, Junction City, KS 66441, Secretary/Treasurer

I, Leon Osbourne, declare under penalty of perjury that I am the President of Junction City Country Club, Inc., that the above consent has been signed by or on behalf of all stockholders entitled to vote on the dissolution, and that the foregoing is true and correct.

FILED
 SECRETARY OF STATE
 JUNCTION CITY, KANSAS

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00724581

MEMO

Dated: 11/30/07

From: Central National Bank Trustee FBO E.O. and A. I. Helland Trust

To: City of Junction City

Re: Elmer O. Helland and Annetta "Nettie" I. Helland

The trustee requests the City of Junction City, Kansas recognize the individuals who made this gift to the City of Junction City, Kansas to wit: Elmer O. Helland and Annetta I. Helland. Below is some information about the Hellands. This information was provided by Nettie's sister, Laverne Moritz.

Nettie was born in 1907 in the Walla Walla school area, West of Junction City. She attended Junction City schools through the eighth grade. She received her teaching certificate from Emporia Teachers College and began her teaching career in Newton where she taught 4th grade. Elmer was born in 1903. His family was from Montana. He joined the US Army in 1920 at age 17 as a warrant officer.

Elmer and Nettie met when Nettie accompanied Marie Hauserman Peterson to visit Fern and Pete Peterson while Pete was stationed in New York. He kept in touch with Nettie and they were married in 1941/1942. She quit teaching full-time after they married. Being a military wife, she moved frequently. Elmer was stationed at Ft. Riley in the late 1940's and they moved to Junction City. Their first house was located near the 6th and Eisenhower area. Nettie did not like all of the noise so they moved to the country.

Nettie occasionally substituted at Ft. Riley schools. Elmer was in the Army for approximately 40 years, and was a major when he retired. While stationed at Ft. Riley, he organized the Officers Bridge Club. After retirement Elmer played golf daily, driving his golf cart across the street to the Junction City Country Club. He was on the Country Club board and cared for the greens and the course.

They purchased the land and farmhouse in the early 1950's for \$15,000.00. They later built the little house north of the farm house to have some extra income. Nettie was a talented artist and turned the "chicken house" into an art studio where she had many paintings and other art projects. Even though they never had any children of their own, they opened up their home to the many neighborhood children who frequently visited, especially in the winter time to go sledding down "Helland's Hill" located northwest of the house. They offered hot chocolate and a place to warm up to the children. Elmer and Nettie decided together to offer their land to the City of Junction City to be used as a public park or for the development of a community center. They wanted their "gift" to be utilized by the whole community.

Elmer died June 12, 1977. Nettie continued to live in their house until her health failed, when she moved to the Alterra-Sterling House. After continued decline in her health, she moved to the Valley View Estates and then to Valley View Nursing Home until her death 04/27/07.



THE LAND

The Elmer & Annetta Helland Homestead:

Legal Description:

Beginning at the Southeast corner of Section Three (3), Township Twelve (12), Range Five (5), thence West on the Section line 264.4 feet to Quarter stone; thence North said Section Three (3) 2395 feet to the center of the Township Road; thence South Thirty-four degrees Thirty-six minutes (34°36') East down the center of the road 250 feet; thence South Thirty-eight degrees Twenty-one minutes (38°21') East down the center of the road 1,500 feet; thence South Seventy-five degrees Twenty-one minutes (75°21') East down the center of the road 125 feet; thence South Fifty-seven degrees Thirty-four minutes (57°34') East down the center of the concrete slab 891.75 feet; thence South Forty-two degrees Forty-three minutes (42°43') East down the center of the concrete slab 600 feet to the point of beginning, except the following described tract of land in the Southeast Quarter (SE $\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East of the Sixth Principal Meridian, to-wit: Beginning at a point 271.4 feet South of the Northwest corner of the Southeast Quarter (SE $\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East, said point of beginning being on the North and South Quarter-Section line in the center of the now traveled public road; thence South Thirty-seven degrees Forty-one minutes (37°41') East along the center of the now traveled public road 957.7 feet; thence South Seventy-nine degrees Nineteen minutes (79°19') West 720.34 feet to the North and South Quarter-Section line of said Section Three (3); thence North Seven degrees Fifty-four minutes (7°54') East along said North and South Quarter-Section line 900 feet to the point of beginning, containing seven (7) acres, more or less. Comprising 58.4 acres more or less.

Current Tenants:

- 1) Rental House 1501 Rucker Road- William Brattan occupant since 2004. House is in poor to fair shape. It is a small 2 bedroom ranch home with an attached 1 car garage. Current Rent \$275.00
- 2) Farm Ground- Approximately 9.6 acres of dry bottom land located off Rucker Road. Current tenant is Mike Steinfors and his son Chester. Zero Cash Lease, Steinfors maintain property, and apply government payments.

2006 Taxes:

County ID 031-112-03-0-40-08-002.00

\$673.52

INTEREST VALUED: Fee Simple (Source: Dictionary of Real Estate Appraisal, Third Edition)

EFFECTIVE DATE OF VALUE: July 18, 2007

DATE PROPERTY VIEWED: July 18, 2007

CONCLUDED MARKET VALUE: \$700,000.00

ZONING: Rural Residential District

FLOOD PLAIN: The majority of the subject is not in the flood plain. However, an intermittent stream bed transits the property and is in the 100-year flood plain.

COUNTY VALUATION AND PROPERTY TAXES: The property taxes for 2006 and the current appraised values by Geary County are shown below. The taxes are all general.

County ID	031-112-03-0-40-08-002.00
County Valuation	
Land	\$ 4,220
Improvement	\$ 52,087
Total	\$ 56,307
Real Estate Taxes	
General	\$ 673.52
Personal Property	\$ -
Total	\$ 673.52

The taxes and valuation included a small residence and farmstead located on Rucker Road. As per instructions, these improvements have not been included in the valuation.

SITE DESCRIPTION: The site is triangular in shape between Highway K-18 and Rucker Road. It is rolling terrain with some steep slopes and contains 58.4 acres, including the residential site. The County information indicates there are 9.69 acres of cropland in the bottom area along the creek bed, 43.44 acres of rolling grassland and one acre for the residential site for a total of 54.13 acres. In this appraisal we have used the legally described acreage of 58.4 acres. There is frontage on both Highway K-18 and Rucker Road. Both are paved two-lane roads with grader ditches on both sides. The subject is located across from the Country Club

with frontage on both K-18 and Rucker Road. It is located in the County but is "ripe" for annexation according to real estate brokers.

REAL ESTATE APPRAISED: The subject is vacant land and is described in the addendum as 58.4 acres, more or less.

HIGHEST & BEST USE:

Highest and best use as though vacant: Residential development.

Highest and best use as improved: Residential development

THREE YEAR SALES HISTORY: None

VALUATION: The Sales Comparison Approach is the adjustment of known sales of similar type properties to the subject. Adjustments are made, where necessary, for condition of sale, time, location, age and building and site size.

The land value is developed by the Sales Comparison Approach. It is the adjustment of known sales of similar properties. Adjustments are made, where necessary, for date of sale, location, size, topography and conditions of sale. Those sales considered are synopsisized below with sale details following the adjustment grid in the addendum.

ID	Date	Location	Price	Acres	\$/Acre	Imprvd	Use	Utilities
3347	Apr-04	Rucker Road	\$700,000	52.00	\$13,462	No	Residential	Yes
3348	Oct-05	Spring Valley Rd	\$769,900	74.79	\$10,294	No	Apartments	Yes
3465	Mar-06	Spring Valley Rd	\$380,000	33.12	\$11,473	No	Residential	Yes
3466	Mar-06	Spring Valley Rd	\$550,000	65.74	\$8,366	No	Residential	Yes
3722	Dec-06	Spring Valley Rd	\$230,000	14.80	\$15,541	No	Residential	Yes
Mean			\$525,980	48.09	\$10,937			
Median			\$550,000	\$52.00	\$11,473			

All of the sales are for single family and/or duplex zoning except Sales #3348 was purchased for multifamily development. All of the properties had utilities available or were purchased with the understanding that they would be available. There is no time adjustment reflected in the market from the sequence of sales. It is evident that the smaller tracts sell for a higher price per acre. No time adjustment has been considered. Based on sales #3347 and #3466 there may be a slight reduction for time.

The City purchased 25 acres for additional park land from The Bluff Development Company for \$1,680,000.00 "as improved" with roads, lighting, grading, landscaping and park equipment. We concluded it was not arms-length. This is located approximately one mile south of the subject near the interchange with I-70 and indicates a price per acre of \$67,200.00. In consideration of the subject location and the existing residential areas adjacent, it is our opinion the property is prime for development and is generally superior in location to the comparables. The range in sales indicates a median and mean price at \$11,473.00 per acre for land west and generally north of the subject. We have adjusted the five sales to the subject for location, size, topography, improvements, access and other contract commitments. The adjustment grid, location map and sale details are included in the addendum. The adjusted range is \$643,287.00 to \$708,783.00 with a mean of \$669,812.00. The weighted mean, that considers the number and magnitude of the adjustments, is \$698,654.00. We have concluded a final value from the weighted mean rounded to \$700,000.00.

CONCLUDED MARKET VALUE: \$700,000.00

ESTIMATED MARKETING TIME: A marketing period is a function of time, price and use. It is not an isolated estimate of time alone. Consideration must be given to market supply and demand. The value estimates are based on an exposure and marketing time of six to twelve months, if aggressively marketed at the appraised value and assuming a continued stable operation. Exposure time is time prior to the date of appraisal during which it is assumed the property has been professionally marketed at a market clearing price, while marketing time is the estimated time it would take to market the property after the date of the appraisal.

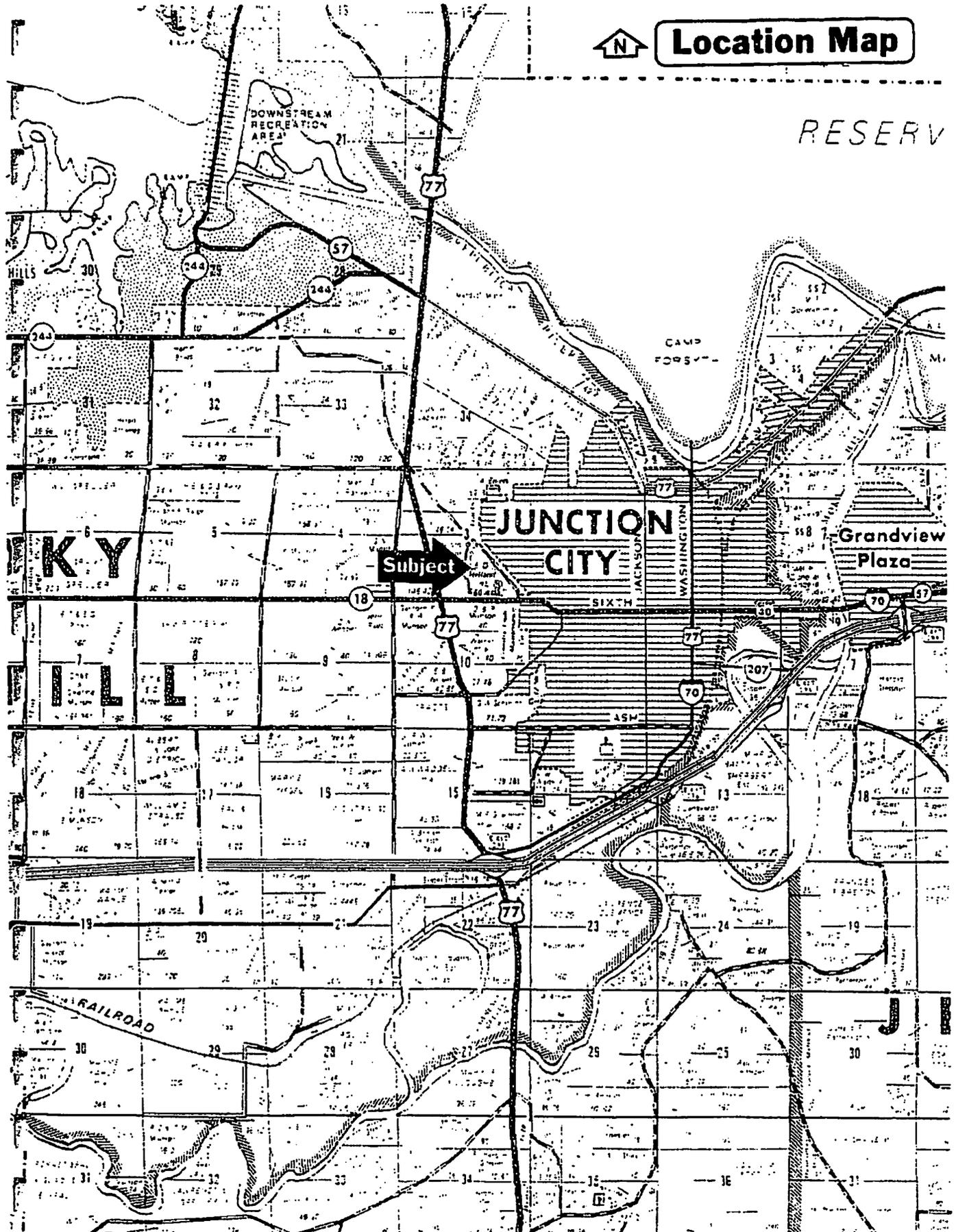
ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2 of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does not include discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraisers are not responsible for unauthorized use of this report.

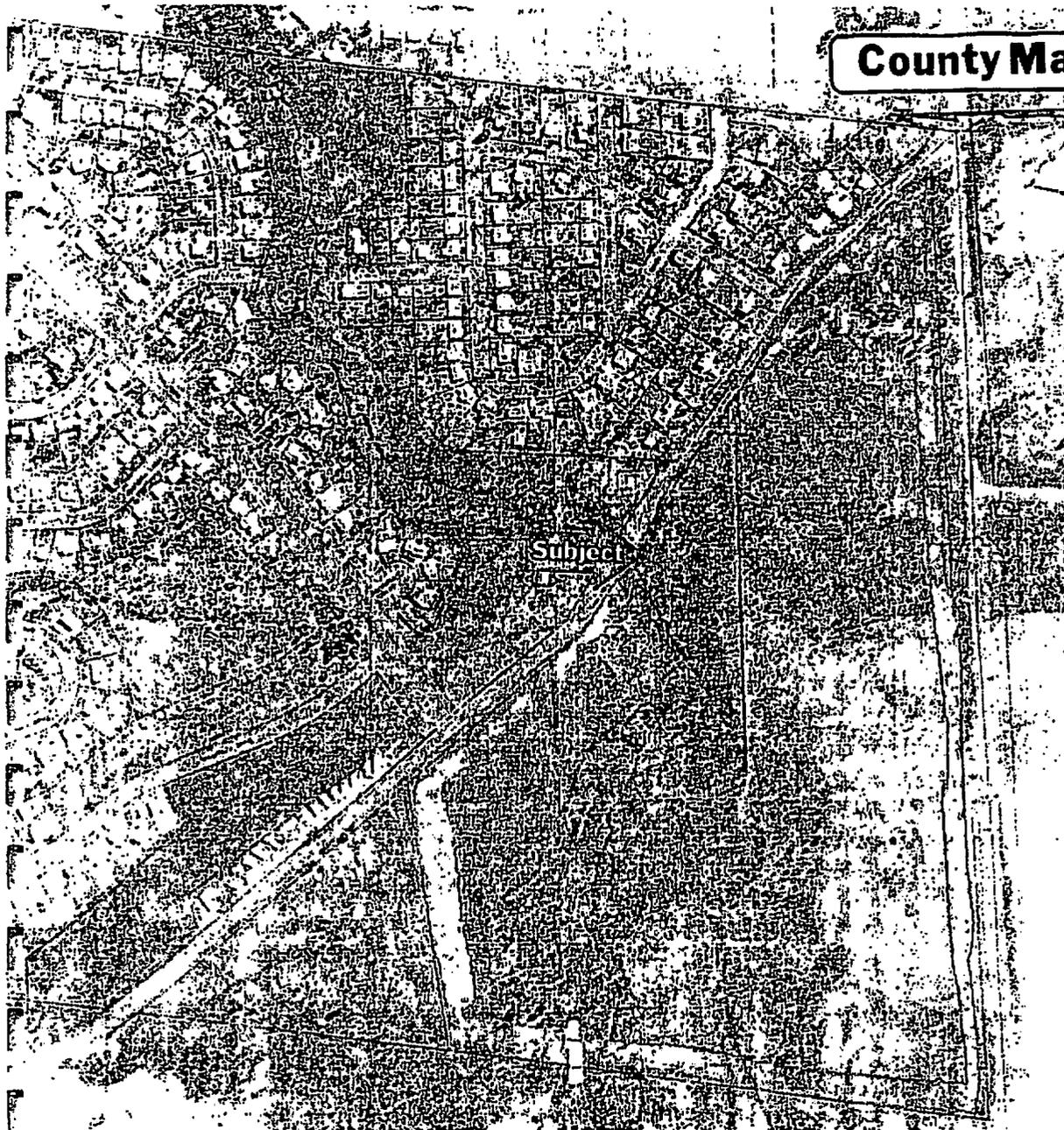


Location Map

RESERV



County Map



01 1902 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

**RESOLUTION OF THE CITY OF JUNCTION CITY, KANSAS
RESOLUTION NO. 2423**

WHEREAS, the City of Junction City is a municipal corporation organized and existing under the laws of the State of Kansas; and

WHEREAS, the City of Junction City, Kansas has authority to accept gifts; and

WHEREAS, the City of Junction City, Kansas has been offered a gift of land consisting of 58.4 acres, more or less, as described in Exhibit A attached hereto, subject to certain conditions; and

WHEREAS, the Central National Bank of Junction City, Kansas, a banking corporation organized and existing under the laws of the United States of America, as the Trustee under a Voluntary Trust Agreement dated April 28, 1975, executed by Elmer O. Helland and Annetta I. Helland, as Settlers, and as thereafter amended by an Amendment to Voluntary Trust Agreement dated March 6, 1991, executed by the then sole surviving Settlor, Annetta I. Helland, and as thereafter amended further by a Second Amendment to Voluntary Trust Agreement dated August 2, 1999, executed by the then sole surviving Settlor Annetta I. Helland has offered to gift said 58.4 acres, more or less, or any portion thereof, to the City of Junction City, Kansas pursuant to the same and the City of Junction City, Kansas desires to accept the same, subject to the following language in the deed of conveyance, all as required in the Second Amendment to said Voluntary Trust Agreement, which language is a reversionary clause upon a condition subsequent, to wit:

The real estate described in this deed shall be owned and used by the City of Junction City, Kansas for the use and benefit of the general public as a public park and/or community center. In the event that the Grantee ceases to use said real estate in a manner consistent herewith, then, in that event, the real estate described herein shall revert to the Trustee of the Elmer O. Helland and Annetta I. Helland Voluntary Trust, PROVIDED, HOWEVER, that nothing herein shall be construed to preclude the Grantee from leasing any portion or all of the real estate described herein to another individual and/or entity pending development of the same by the Grantee consistent with the purposes herein expressed, PROVIDED FURTHER, HOWEVER, no such lease shall be for a term of more than one (1) year at a time and further, that nothing herein shall be construed to prohibit the Grantee from granting any easements in, over and upon said real estate if such is deemed appropriate by the City of Junction City, Kansas.

NOW, THEREFORE, BE IT RESOLVED that the City of Junction City, Kansas, acting by and through its governing body, that being the City Commission of Junction City, Kansas, hereby accepts the real estate consisting of 58.4 acres, more or less, described in Exhibit A attached hereto, subject to the foregoing reversionary clause, on a condition subsequent. A copy of the unexecuted deed to be executed by the Trustee

RESOLUTION NO. 2423

-2-

and delivered to the City of Junction City, Kansas, for filing, upon the adoption of this Resolution is attached hereto as Exhibit B.

ADOPTED this 18th day of December, 2007.

THE CITY OF JUNCTION CITY, KANSAS,
A MUNICIPAL CORPORATION,
ORGANIZED AND EXISTING UNDER THE
LAWS OF THE STATE OF KANSAS

By Michael Rhodes
Michael Rhodes, Mayor of the
City of Junction City, Kansas

ATTEST: Lucia Brown
City Clerk

Dp:holland.resolution

EXHIBIT A

Beginning at the Southeast corner of Section Three (3), Township Twelve (12), Range Five (5), thence West on the Section line 2644 feet to Quarter stone; thence North Seven degrees Fifty-four minutes ($7^{\circ}54'$) East on the North and South Center line of said Section Three (3) 2395 feet to the center of the Township Road; thence South Thirty-four degrees Thirty-six minutes ($34^{\circ}36'$) East down the center of the road 250 feet; thence South Thirty-eight degrees Twenty-one minutes ($38^{\circ}21'$) East down the center of the road 1,500 feet; thence South Seventy-five degrees Twenty-one minutes ($75^{\circ}21'$) East down the center of the road 125 feet; thence South Fifty-seven degrees Thirty-four minutes ($57^{\circ}34'$) East down the center of the concrete slab 891.75 feet; thence South Forty-two degrees Forty-three minutes ($42^{\circ}43'$) East down the center of the concrete slab 600 feet to the point of beginning, except the following described tract of land in the Southeast Quarter ($SE\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East of the Sixth Principal Meridian, to-wit: Beginning at a point 271.4 feet South of the Northwest corner of the Southeast Quarter ($SE\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East, said point of beginning being on the North and South Quarter-Section line in the center of the now traveled public road; thence South Thirty-seven degrees Forty-one minutes ($37^{\circ}41'$) East along the center of the now traveled public road 957.7 feet; thence South Seventy-nine degrees Nineteen minutes ($79^{\circ}19'$) West 720.34 feet to the North and South Quarter-Section line of said Section Three (3); thence North Seven degrees Fifty-four minutes ($7^{\circ}54'$) East along said North and South Quarter-Section line 900 feet to the point of beginning, containing seven (7) acres, more or less, comprising 58.4 acres, more or less.

COPY

"B"

DRAFT

DEED--GENERAL WARRANTY

THIS DEED, made this ____ day of December, 2007, between THE CENTRAL NATIONAL BANK of Junction City, Kansas, Trustee, Elmer O. Helland and Annetta I. Helland Trust, under the Voluntary Trust Agreement dated April 28, 1975, as thereafter amended by the then sole surviving Settlor, Annetta I. Helland by an Amendment to Voluntary Trust Agreement dated March 6, 1991 and as thereafter amended further by the then sole surviving Settlor, Annetta I. Helland, by a Second Amendment to Voluntary Trust Agreement dated August 2, 1999, Grantor, and The City of Junction City, Kansas, a municipal corporation organized and existing under the laws of the State of Kansas, Grantee.

WITNESSETH, the Grantor, in consideration of the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, does by these presents, convey and warrant unto said Grantee, all the following described real estate situated in the County of Geary and State of Kansas, to-wit:

See Exhibit A, attached hereto, consisting of 58.4 acres, more or less, subject to easements, reservations and restrictions of record and subject to the following reversionary clause, upon a condition subsequent, to wit:

The real estate described in this deed shall be owned and used by the City of Junction City, Kansas, for the use and benefit of the general public as a public park and/or community center. In the event that the Grantee ceases to use said real estate in a manner consistent herewith, then, in that event, the real estate described herein shall revert to the Trustee of the Elmer O. Helland and Annetta I. Helland Voluntary Trust, PROVIDED, HOWEVER, nothing herein shall be construed to preclude the Grantee from leasing any portion or all of the real estate described herein to another individual(s) and/or entity(s) pending development of the same by the Grantee consistent with the purposes herein expressed, PROVIDED FURTHER, HOWEVER, no such lease shall be for a term of more than one (1) year at a time and further, that nothing herein shall be construed to prohibit the Grantee from granting any easements in, over, and upon said real estate if such is deemed appropriate by the City of Junction City, Kansas; and

Subject to the following precatory language, to wit:

The Trustee requests that the City of Junction City, Kansas, recognize the individuals who made this gift to the City of Junction City, Kansas, to-wit: Elmer O. Helland and Annetta I. Helland.

TO HAVE AND TO HOLD THE SAME, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, forever, subject to the foregoing reversionary clause, upon a condition subsequent.

Grantor, for itself and its successors does hereby covenant, promise and agree to and with Grantee that at the delivery of these presents it is lawfully seized, in its own right, of an absolute and indefeasible estate of inheritance, in fee simple, of and in all and singular the above granted and described premises, with the appurtenances; that the same are free, clear, discharged and unencumbered of and from all former and other grants, titles, charges, estates, judgments, taxes, assessments and incumbrances of what nature or kind soever, except:

Subject to easements, reservations and restrictions of record and subject to the aforesaid reversionary clause in favor of the Trustee under the aforesaid Voluntary Trust Agreement, the aforesaid Amendment to Voluntary Trust Agreement, and the aforesaid Second Amendment to Voluntary Trust Agreement, and that it will warrant and forever defend the same unto Grantee, its successors and assigns, Grantor, and all and every person or persons whomever, subject only to the terms thereof.

IN WITNESS WHEREOF, Grantor has hereunto subscribed its name the day and year first above written.

The Central National Bank of Junction City, Kansas

By _____
Duane M. Blythe, Vice President and Trust Division Manager, Trustee of the
Elmer O. and Annetta I. Helland Trust under the Voluntary Trust Agreement
dated April 28, 1975, as thereafter amended on March 6, 1991, and as thereafter
amended further on August 2, 1999

STATE OF KANSAS, GEARY COUNTY, ss:

BE IT REMEMBERED, that on this ____ day of December, 2007, in and for the County and State aforesaid, came before me the undersigned, a Notary Public in and for the County and State aforesaid, came **Duane M. Blythe, Vice President and Trust Division Manager, on behalf of Grantee, THE CENTRAL NATIONAL BANK of Junction City, Kansas, Trustee, of the Elmer O. and Annetta I. Helland Trust, under the certain trust indenture dated April 28, 1975, as amended thereafter on March 6, 1991 and as amended thereafter further on August 2, 1999** who is personally known to me to be the same person who executed the foregoing deed, and duly acknowledged the execution of the same.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my official seal on the day and year last above written.

Notary Public

My Appointment Expires: _____
DP: Helland, City, Warranty, Deed

EXHIBIT A

Beginning at the Southeast corner of Section Three (3), Township Twelve (12), Range Five (5), thence West on the Section line 2644 feet to Quarter stone; thence North Seven degrees Fifty-four minutes ($7^{\circ}54'$) East on the North and South Center line of said Section Three (3) 2395 feet to the center of the Township Road; thence South Thirty-four degrees Thirty-six minutes ($34^{\circ}36'$) East down the center of the road 250 feet; thence South Thirty-eight degrees Twenty-one minutes ($38^{\circ}21'$) East down the center of the road 1,500 feet; thence South Seventy-five degrees Twenty-one minutes ($75^{\circ}21'$) East down the center of the road 125 feet; thence South Fifty-seven degrees Thirty-four minutes ($57^{\circ}34'$) East down the center of the concrete slab 891.75 feet; thence South Forty-two degrees Forty-three minutes ($42^{\circ}43'$) East down the center of the concrete slab 600 feet to the point of beginning, except the following described tract of land in the Southeast Quarter ($SE\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East of the Sixth Principal Meridian, to-wit: Beginning at a point 271.4 feet South of the Northwest corner of the Southeast Quarter ($SE\frac{1}{4}$) of Section Three (3), Township Twelve (12) South, Range Five (5) East, said point of beginning being on the North and South Quarter-Section line in the center of the now traveled public road; thence South Thirty-seven degrees Forty-one minutes ($37^{\circ}41'$) East along the center of the now traveled public road 957.7 feet; thence South Seventy-nine degrees Nineteen minutes ($79^{\circ}19'$) West 720.34 feet to the North and South Quarter-Section line of said Section Three (3); thence North Seven degrees Fifty-four minutes ($7^{\circ}54'$) East along said North and South Quarter-Section line 900 feet to the point of beginning, containing seven (7) acres, more or less, comprising 58.4 acres, more or less.