

DONATION AGREEMENT

This Donation Agreement (“Agreement”) is made as of October 20, 2025 (“Effective Date”), by and between **JOHN DANIELS, an individual, and the CHELSEA ATHLETIC BOOSTERS**, a Michigan non-profit corporation, whose address is : PO Box 428 Chelsea, MI 48118 (collectively the “Donors”) and the **CHELSEA SCHOOL DISTRICT**, a Michigan general powers school district organized and operating under the provisions of the Revised School Code, MCL 380.1, *et seq.*, as amended, whose address is 500 Washington St., Chelsea, Michigan 48118 (the “District”) (individually, a “Party” and collectively, the “Parties”).

WHEREAS, the Donors desires to donate funds to the District to finance a portion of the design, construction, and equipping of an athletic fieldhouse (the “Athletic Fieldhouse”) for the benefit of the District’s students; and

WHEREAS, the District anticipates that the total cost of the Athletic Fieldhouse will be approximately \$2,500,000 and the District will rely on the Donors’ monetary donations, and other available District resources, to complete the Athletic Fieldhouse; and

WHEREAS, the District is willing to accept the Donors’ monetary donation, as permitted by Michigan law, MCL 123.905(2), as well as District Board Policy 3303; and

WHEREAS, the District will honor the Donors’ specific intent under the following terms and conditions.

NOW, THEREFORE, the Parties agree as follows:

1. Donation of Funds. The Donors hereby agree to transfer to the District via check or wire transfer the amounts listed below (collectively the “Donated Funds”) for the Athletic Fieldhouse.

Donation Schedule

- **First Payment:** November 7, 2025 – Estimated \$669,000 in available funds not currently held in CDs.
- **Second Payment:** May 29, 2026 – Proceeds from one (1) CD maturing at Edward Jones in May 2026 and any additional new funds received since the first payment.
- **Third Payment:** August 31, 2026 – Proceeds from the remaining three (3) CDs maturing at Edward Jones in August 2026 and any new funds received since the third payment.
- **Ongoing Payments:** By December 31 and May 31 of each subsequent year not to exceed May 31, 2028.
- **Fund Payment Schedule:** Total donations received at the conclusion of the payment schedule will be an estimated **\$1,715,000**.

The Donors shall deliver the Donated Funds in accordance with written instructions provided by the District, with disbursements commencing on November 7, 2025, and concluding no later than May 31, 2028.

2. Use of Donated Funds. The Donated Funds are considered a specific intent donation and must be used for financing a portion of the cost to construct the Athletic Fieldhouse, including, but not limited to expenses related to design, permitting, construction, equipping, and other expenses that

the District may incur related to the Athletic Fieldhouse project. The District will honor that specific intent, subject to its legal limitations. The District anticipates starting the construction preparation process for the Athletic Fieldhouse in November 2025 with construction commencing during the Spring of 2026. It is the District's goal to have the Athletic Fieldhouse completed by the Fall of 2026, and the District will use commercially reasonable efforts to meet that goal. Nothing herein shall create for the Donors the right or ability to approve any particular plans, specifications, schedule, labor, or usage plans related to the Athletic Fieldhouse, so long as the District's use of the Donated Funds complies with this Agreement and is consistent with applicable law. Donors further recognize that the District will be the decision-maker for all decisions related to the Athletic Fieldhouse, including its design and construction. Allocations of funds to specific expenses will be made by the District at its sole discretion. Upon request, the District will provide the Donors with information related to the use of the Donated Funds and cost of the Athletic Fieldhouse in an format and in an timeframe convenient for the District. If for any reason the District does not commence construction of the Athletic Fieldhouse by May 31, 2028, then the District will return any unspent Donated Funds to the Donors, unless the Donors and District mutual agree to an extension of the timelines associated with the Athletic Fieldhouse project.

3. Reliance. The Parties acknowledge that the District will materially rely on full and timely payment of the Donated Funds and the use of Donated Funds to complete the Athletic Fieldhouse. Except as noted above, the District will have no obligation to return the Donated Funds as it is undertaking the Athletic Fieldhouse project relying on the Donated Funds.

4. Board Ratification. This Agreement is subject to ratification by the District's Board of Education on October 20, 2025. In the event the District fails to obtain Board approval, this Agreement will become null and void.

5. Tax Consequences. The Parties acknowledge that the District is a tax-exempt organization that may receive charitable contributions under Internal Revenue Service Code Section 170(c)(1), and is not a tax-exempt organization under Section 501(c)(3). The District makes no representations as to tax deductions. For information on tax deductions related to the Donated Funds, the Donors are encouraged to consult with a tax professional and/or their legal counsel. The District shall reasonably cooperate, sign and provide the Donors with reasonable and customary tax forms substantiating the Donated Funds.

6. Miscellaneous.

6.1 *Voluntariness; Consultation; Waiver.* The Parties, by their signatures, acknowledge that they are of sound mind to execute this Agreement. The Parties further acknowledge that they have entered into this Agreement of their own free will and accord and have had an opportunity to consult with legal counsel of their choice, and that their acceptance of this Agreement has been fairly and knowingly made and is not made as a result of duress, coercion, or mistake. The failure of the District to insist upon strict performance of any covenants or conditions of this Agreement or to exercise any option herein conferred in any one or more instances shall not be construed as a waiver or relinquishment of any such covenants, conditions, or options, but the same shall be and remain in full force and effect. No covenant, term or condition of this Agreement shall be deemed to have been waived by the District, unless such waiver be in writing by the District.

6.2 *Necessary Documentation.* The Parties agree to execute any and all documents necessary or required to complete the donation, upon the other party's reasonable request.

6.3 *Governing Law.* This Agreement will be governed, construed, and enforced in accordance with the laws of the State of Michigan.

6.4 *Counterparts; Electronic Transmission.* This Agreement may be executed in counterpart originals, each of which when duly executed and delivered will be deemed an original and all of which when taken together will constitute one instrument. This Agreement may be executed by facsimile or electronic PDF signatures and delivered by electronic mail or facsimile.

6.5 *Entire Agreement.* This Agreement sets forth all covenants, promises, agreements, conditions, and understandings between the Parties concerning the Donated Funds, and supersedes any and all other covenants, promises, agreements, conditions, or understandings, either oral or written, between the Parties regarding the Donated Funds. By mutual written consent of the District and the Donors, the Donors' legally or duly appointed agent or attorney-in-fact, or the Trustee or personal representative of the Donors' estates, any provision of this Agreement may be amended, modified, or deleted.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties have caused this Donation Agreement to be signed on the day and year indicated below.

DONORS:

JOHN DANIELS, an individual

Dated: _____

**CHELSEA ATHLETIC BOOSTERS, a
Michigan non-profit corporation**

By: _____

Its: _____

Dated: _____

DISTRICT:

**CHELSEA SCHOOL DISTRICT,
a Michigan general powers school district**

By: _____

Michael J. Kapolka

Its: Superintendent of Schools

Dated: _____