

AGREEMENT

THIS AGREEMENT made and enter into this _____ day of _____ 2005, by and between Rural Water District No. 1, Douglas County, Kansas, (hereafter Seller), and the City of Lawrence, Kansas, a municipal corporation (hereafter Buyer).

WHEREAS, Seller is a corporation duly created, organized, and existing pursuant to the authority of K.S.A. 82-601 et seq., as amended;

WHEREAS, the Seller owns and operates a water distribution system in Douglas County, Kansas, essentially for the benefit of its participating members, which said system includes easements, transmission lines, a master meter station, a booster pump station and related equipment, goods and chattels required or used in the operation of said water distribution system; and

WHEREAS, the Seller desires to sell to the Buyer, and the Buyer desires to purchase from the Seller all of the Seller's right, title, interest and ownership in and to that portion of the Seller's water distribution system, including easements, transmission lines and related equipment used in the operation of said water distribution system and specifically located in, upon, over, under, and across the land lying in the real property described in Exhibit A, all in Douglas County, Kansas.

WITNESSETH: That the Seller hereby agrees to sell to the Buyer, and the Buyer hereby agrees to purchase from the Seller all of Seller's right, title, interest and ownership in that portion of Seller's water distribution system, including the easements, transmission lines and related equipment used in the operation of said water distribution system specifically located in, upon, over, under, and across the land lying in the real estate property legally described in Exhibit A, all in Douglas County, Kansas, in and for the consideration of the mutual promises, covenants, and benefits hereinafter provided, the nature and extent of which are deemed sufficient by both parties.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that from and after the closing of this transaction the Seller shall not operate its water distribution system in the real property legally described in Exhibit A.

IT IS FURTHER UNDERSTOOD AND AGREED that in the further consideration of this transaction, the Buyer will provide and sell water service to each of the Seller's participating members who are hooked up to and served by those parts of the Seller's distribution system being purchased by the Buyer (hereafter customers), a list of such customers being attached hereto as Exhibit A which by reference is incorporated herein. The Buyer shall bill the customers for all water consumed by them following the dates of their respective final meter reading by the Seller. The Buyer shall charge such customers no greater rate for such water service than it charges other non-wholesale water customers located inside the City of Lawrence city boundaries.

IT IS FURTHER UNDERSTOOD AND AGREED BY THE PARTIES HERETO that in consideration of the above-described sale by Seller to Buyer, the Buyer agrees as follows:

1. The Buyer will pay to the Seller the amount of \$4018.06 per meter for seven (7) water meters for all of Seller's facilities in the real property described in Exhibit A and B. The Buyer and the Seller agree that the Buyer's payment to the Seller shall be made within thirty (30) days following the City Commission approval of the Agreement.

2. The Buyer will connect each of the customers shown on Exhibit B to the Buyer's water system with same service size and without charge to such customers.

3. The Seller will continue to provide water service until after the connection of a new City waterline is installed and operationally providing potable water supply to the real property described in Exhibit A.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that the Seller, as additional consideration, agrees that it will not, without the prior permission of the Buyer, sell or attempt to sell or provide water to anyone occupying real property in the area described in Exhibit A, in Douglas County, Kansas.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that this agreement has been approved by the Seller's duly elected, qualified and acting board of directors at a legally called and conducted meeting of such directors. Such approval is evidenced by the written minutes of the _____ meeting of said board.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties that attached hereto as Exhibit C is a written inventory of the equipment, goods, and chattels being purchased by the Buyer hereunder, which by reference is incorporated herein. The Seller warrants to the Buyer that it is the lawful owner of and has the legal right to sell all of the property set forth in Exhibit C; that such property is now and will be at the time of closing this transaction free and clear of all liens and encumbrances of any kind; and that Seller will forever defend the title thereto against the lawful claims and demands of all persons whomsoever.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that the Seller will at the time of closing this transaction execute, acknowledge and deliver a written Assignment to the Buyer whereby all of Seller's right, title, and interest in and to the easements it holds for operation of its water distribution system in, upon, over, under, and across the area sold, transferred, and assigned to the Buyer hereby as identified on said written Assignment, a copy of which is attached hereto as Exhibit C and by reference is incorporated herein.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that all of the easements, equipment, materials, chattels, goods, property and rights of every nature being purchased by the Buyer from the Seller hereunder shall be, as of the time of the closing of this transaction, free and clear of all liens and encumbrances whatsoever.

IT IS FURTHER UNDERSTOOD AND AGREED by the parties hereto that the closing of this transaction shall occur immediately upon the execution of this agreement by the parties. It is further understood and agreed that the Seller will deliver to the Buyer at the time of closing any plans, specifications and drawings which Seller has and which relate to that portion of the Seller's water system being purchased by the Buyer hereunder.

This agreement is and shall be binding and obligatory upon the parties hereto, their successors, assigns and trustees.

IN WITNESS WHEREOF, the Seller has caused this agreement to be executed on its behalf by its duly elected, qualified and acting President and attested by its secretary on the ____ day of _____ 2005, and the Buyer has caused this agreement to be executed by its duly elected, qualified and acting Mayor and attested by its City Clerk the day and year first above written.

RURAL WATER DISTRICT NO. 1
DOUGLAS COUNTY, KANSAS

BY: _____
Thomas J. Sloan Chairman

"Seller"

ATTEST:

Secretary

STATE OF KANSAS)
DOUGLAS COUNTY)

BE IT REMEMBERED, that on this ____ day of _____, 2005, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Thomas J. Sloan, Chairman, Rural Water District No. I, Douglas County, Kansas, who is personally known to me to be the same person who executed the above Agreement, and such person duly acknowledged the execution of the same to be their free and voluntary act and deed.

CITY OF LAWRENCE, KANSAS, a
Municipal Corporation

BY: _____
Dennis "Boog" Highberger, Mayor

ATTEST:

Frank S. Reeb, City Clerk

STATE OF KANSAS)
DOUGLAS COUNTY)

BE IT REMEMBERED, that on this _____ day of _____, 2005, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Mayor Dennis "Boog" Highberger and Frank S. Reeb, City Clerk for the City of Lawrence, Kansas, who is personally known to me to be the same person who executed the above Agreement, and such person duly acknowledged the execution of the same to be their free and voluntary act and deed.

Exhibit A: Owners names and addresses of properties where water service will be acquired by the City of Lawrence under this contract from Rural Water District No. 1.

All properties listed are in Douglas County, Kansas.

Owner(s)	Address (7 meters total)
Fall Creek Farms Gene Fritzel P.O. Box 906 Lawrence, KS 66044	3635 Peterson Road
Bob Schulte 3737 Peterson Road Lawrence, KS 66049	3737 Peterson Road
North Stephens LC Thomas Fritzel P.O. Box 906 Lawrence, KS 66044	1727 E 1200 Road
Mike Stultz 2300 Wakarusa Dr. Lawrence, KS 66049	? E 1700 Road
Jeffrey E. Companies P.O. Box 7688 Columbia, MO 65206	1147 N 1700 Road
David Brunfeldt 109 Monterey Way Lawrence, KS 66049	109 Monterey Way
Swan Management 2300 Wakarusa Dr. Lawrence, KS 66049	215 Monterey Way

RWD # 1 Water Patrons

**Peterson Road -
Fall Creek Farms (Gene Fritzel P.O.Box 906, Lawrence, KS. 66044)
3635 Peterson Road
841-6347**

**Bob Schulte
3737 Peterson Road
841-6347**

**North Stephens LC (Thomas Fritzel P.O. Box 906, Lawrence, KS. 66044)
1727 E 1200 Road
843-4311**

**Mike Stultz (2300 Wakarusa Drive, Lawrence, KS. 66049)
??? E 1700 Road
749-1288**

**Jeffrey E. Companies (P. O. Box 7688, Columbia, MO. 65206)
1147 N 1700 Road
No Phone Number on Record**

**Monterey Way -
David Brunfeldt
109 Monterey Way
841-0017**

**Swan Management (2300 Wakarusa Drive, Lawrence, KS. 66049)
215 Monterey Way
749-1288**

Exhibit B

Inventory of Equipment on Peterson Road and Monterey Way

2800' of 2" Waterline

2 - 2" Valves

1 - 2" Flush Out Valve

7 - 5/8" Water Meters

2620' of 4" Waterline

2620' of 6" Waterline

Exhibit C

Written assignment to Buyer. See enclosed Benefit Unit Certificates.

Transferred to the City of Lawrence, Kansas with signed contract.

Gene Fritzel
Bob Schulte
Thomas Fritzel
Mike Stultz
Jeffrey E. Companies
David Brunfeldt
Swan Management

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS****Benefit Unit Certificate**No. 3This Certifies that Fall Creek FarmsLawrence, KS.

the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas Co., Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and the execution and approval as provided on the back of this Form completed.

This Benefit Unit entitles the owner thereof to not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

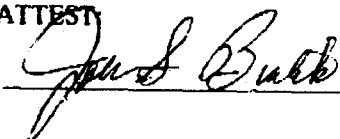
This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

3635 Peterson Road
Lawrence, KS.

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 9th day of May A. D., 19 2002.

**Rural Water District Number One
Douglas County, Kansas**

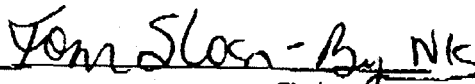
ATTEST



Secretary

(SEAL)

By:



Chairman

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS
BENEFIT UNIT CERTIFICATE**

No. 367 C

This certifies that

Bob SchulteLawrence, KS.

is/are the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas County, Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder. Kansas law prohibits any future compensation or refund by the District to the Benefit Unit Holder should the District's water lines or appurtenances be sold. A Benefit Unit entitles a patron to receive water so long as all District policies are observed and payment is made for metered water. A Benefit Unit is not a water meter or distribution line.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and such transfer shall only be considered by the Board of Directors when the reverse side of this certificate is completed and submitted to the District.

This Benefit Unit entitles the owner thereof not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

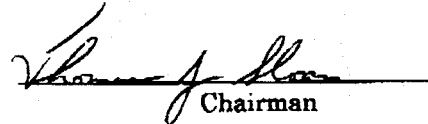
Section 27, Township 12 S, Range 19 E, North 1/2 of West 1/2 of NE 1/4

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 11th day of July, 2002.

**Rural Water District Number One
Douglas County, Kansas**

ATTEST:


Secretary


Chairman

(SEAL)

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS****Benefit Unit Certificate**No. 51

This Certifies that Thomas V. Bialk
Lawrence, KS.

the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas Co., Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and the execution and approval as provided on the back of this Form completed.

This Benefit Unit entitles the owner thereof to not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

See Attached

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 10th day of January A. D., 192002.

**Rural Water District Number One
Douglas County, Kansas**

ATTEST:

John S. Bialk
Secretary

By Thomas V. Bialk
Chairman

(SEAL)

Legal Description:

68.39 acres located in Section 22, Township 12, Range 19, consisting of the South Half (S 1/2) of the Northwest Quarter (NW 1/4), less the West 10 acres of the South 40 acres, less 1.61 acres in Tract #32-3B, District Court Action #20, 506 for Kansas Turnpike Authority Right-of-Way, permanent DR easement, and

4.5 acres located in Section 21, Township 12, Range 19, all that part of the Northwest Quarter (NW 1/4) of the Northeast Quarter (NE 1/4), lying southerly of the Kansas Turnpike Authority Right-of-Way, and

1086.57 acres located in Section 21, Township 12, Range 19 consisting of the South Half (S 1/2) and the Northeast Quarter (NE 1/4) of the Northeast Quarter (NE 1/4), less 9.2 acres of Tract #32-3, less 2.13 acres in part of Tract #32-3B, District Court Action #20506 for Kansas Turnpike Authority Right-of-Way, all located in Douglas County, Kansas.

*James
Friedel
#5*

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS**

BENEFIT UNIT CERTIFICATE

NO. 89 D

This certifies that Mike Stultz is/are the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas County, Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder. Kansas law prohibits any future compensation or refund by the District to the Benefit Unit Holder should the District's water lines or appurtenances be sold. A Benefit Unit entitles a patron to receive water so long as all District policies are observed and payment is made for metered water. A Benefit Unit is not a water meter or distribution line.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and such transfer shall only be considered by the Board of Directors when the reverse side of this certificate is completed and submitted to the District.

This Benefit Unit entitles the owner thereof not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

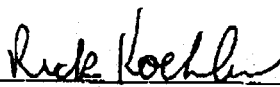
This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

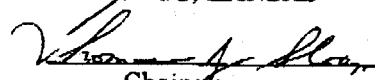
Beginning at the SE corner of the SW 1/4 of 22-12-19, Douglas County, KS. thence W along the S line of said SW 1/4, 907.0 feet, thence N 2645.78 feet to the N line of said SW 1/4, thence E along said N line 907.0 feet, thence S along the E line of said SW 1/4 to the point of beginning. Subject to road rights-of-way along the S and E sides thereof. Contains 55.09 acres

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be affixed this 9th day of September 2004.

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY, KANSAS**

ATTEST:


Secretary


Chairman

(SEAL)

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS****Benefit Unit Certificate**No. 125 CThis Certifies that Jay BirchfieldLawrence, KS.

the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas Co., Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and the execution and approval as provided on the back of this Form completed.

This Benefit Unit entitles the owner thereof to not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

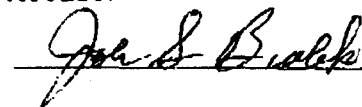
This Benefit Unit is assigned to the following described land in Douglas County, Kansas,
to-wit: 27-12-19

N 12 1/2 A of E 20 A of NW 1/4 also BEG 50 RD S of NE COR of NW 1/4 W 120 R
D 30 R E 120 R N 30 R to BEG. 35 A

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas,
has caused this Certificate to be signed by its duly authorized officers and its Corporate
Seal to be hereunto affixed this 11 th day of January A. D., 49 2001.

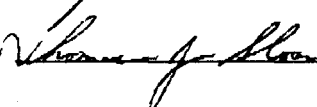
**Rural Water District Number One
Douglas County, Kansas**

ATTEST:



Secretary

By



Chairman

(SEAL)

RURAL WATER DISTRICT NUMBER ONE DOUGLAS COUNTY KANSAS

Benefit Unit Certificate

No. 425This Certifies that David R. Brunfeldt1500 Medinah Circle - Lawrence, Kansas

the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas Co., Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and the execution and approval as provided on the back of this Form completed.

This Benefit Unit entitles the owner thereof to not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

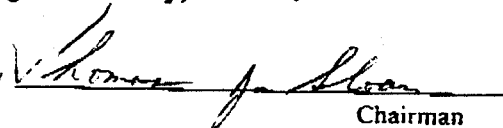
This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

Beginning at the Northeast corner of the Southeast Quarter of the Northwest Quarter of Section 27, Township 12 South, Range 19 East of the Sixth Principal Meridian, Douglas County, Kansas, thence West along the North line of said Southeast Quarter of said Northwest Quarter a distance of 660.0 feet; thence South parallel to the East line of said Northwest Quarter a distance of 330.0 feet; thence East parallel to the North line of said Southeast Quarter of said Northwest Quarter a distance of 660.0 feet to a point on the East line of said Northwest Quarter; thence North in and along said East line of said Northwest Quarter a distance of 330.0 feet to the point of beginning, containing 5.00 acres; subject to the existing easements, restrictions and reservations now of record.

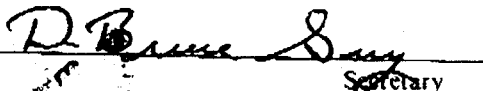
In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 9th day of May A. D., 1985.

Rural Water District Number One
Douglas County, Kansas

By


Chairman

ATTEST:


Secretary

**RURAL WATER DISTRICT NUMBER ONE
DOUGLAS COUNTY KANSAS****Benefit Unit Certificate**No. 405

This Certifies that Michael Stultz
3602 Yale Road - Lawrence, Kansas

the owner(s) of One Benefit Unit of Rural Water District Number One, Douglas Co., Kansas.

The consideration paid for this Benefit Unit is a donation to said Rural Water District and shall in no event and under no circumstances be refunded to the certificate holder.

This Benefit Unit cannot be transferred without the approval of the Board of Directors of said Rural Water District, Number One, Douglas County, Kansas and the execution and approval as provided on the back of this Form completed.

This Benefit Unit entitles the owner thereof to not to exceed one water line from the District's water system and such line shall serve not to exceed one residence or business establishment together with the necessary and usual out-buildings.

This Benefit Unit is subject to the provisions of the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

This Benefit Unit is assigned to the following described land in Douglas County, Kansas, to-wit:

27-12-19

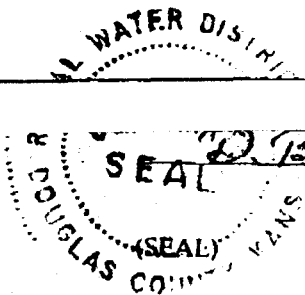
South 1/2 of South east 1/4 of Northwest 1/4

In Witness Whereof said Rural Water District Number One, Douglas County, Kansas, has caused this Certificate to be signed by its duly authorized officers and its Corporate Seal to be hereunto affixed this 6th day of October A. D., 19 83.

**Rural Water District Number One
Douglas County, Kansas**

Chairman

Secretary



Assignment

FOR VALUE RECEIVED, The undersigned _____

the owner of _____ Benefit Unit No. _____ of Rural Water District No. One, Douglas County, Kansas, hereby assign(s), convey(s) and transfer(s) said Benefit Unit _____ to _____

Acceptance of Assignment

_____, the assignee(s) named in the above Assignment, hereby accept(s) the Assignment to (him, her, them) of the above described Benefit Unit, and agree(s) to assume and be bound by all of the obligations imposed upon the holder of such Benefit Unit—by the By-Laws and the Rules and Regulations of Rural Water District Number One, Douglas County, Kansas.

Consent To Assignment Benefit Unit

Pursuant to approval of the Board of Directors of Rural Water District Number One, Douglas County, Kansas, said Rural Water District hereby consents to and approves the transfer of the above mentioned Benefit Unit _____ from _____

_____ to _____, and agrees to furnish water service to the assignee(s) upon the same terms and conditions that service was furnished to the assignors.

**Rural Water District Number One
Douglas County, Kansas**

_____ COUNTY, KANSAS By _____

ATTEST:

(SEAL)

Secretary

Chairman