

RURAL WATER DISTRICT NO. 1, FRANKLIN COUNTY, KANSAS
WATER MAIN EXTENSION AGREEMENT

This Water Main Extension Agreement ("Agreement") is made and entered into this _____ day of _____, 20____, by and between _____, hereinafter called "Investor", and Rural Water District No. 1, Franklin County, Kansas, hereinafter called the "District."

WITNESSETH:

WHEREAS, Investor has applied to the District for water service and has asked for a preliminary engineering study to be prepared by the District; and

WHEREAS, the parties agree that extension of service would require installation of a new water main by the District; and

WHEREAS, the Investor has reviewed the District's Water Main Extension Reimbursement Policy (the "Policy") and agrees to be subject to the same; and

WHEREAS, Investor desires to proceed with the proposed water main extension as provided in this Agreement and in accordance with the Policy.

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

1. PROJECT AND PROPERTY SERVED. The parties hereby agree to the terms contained in this Agreement and the Policy relating to the construction of a water main extension ("Water Main Extension"), to serve the following described property ("Property"):

[LEGAL DESCRIPTION OF PROPERTY]

2. TERM. The parties agree that the rights of the Investor to reimbursement may be invoked for the period of Five (5) years from the date of this Agreement. Thereafter, any party connecting to the constructed water main shall not owe funds to the Investor, or any other duty in law or equity.

3. WATER MAIN EXTENSION INSTALLATION AND PAYMENT BY INVESTOR.

A. Investor will simultaneously with the execution and delivery to the District of this Agreement, pay to the District \$_____, (Described as Part "A" in the Policy) as payment for engineering analysis, the cost of any necessary plans or studies, the benefit unit charge and such other itemized fees and charges outside of the cost of water main construction as the District deems necessary to determine the cost and viability of the water main extension. Investor understands this amount is not refundable or repaid by the District or any other party under this Agreement or the Policy.

B. Within a reasonable time after the signing of this Agreement, such time being a time that is appropriate under the circumstances, the District will prepare the Documents for the Water Main Extension.

RURAL WATER DISTRICT NO. 1, FRANKLIN COUNTY, KANSAS
WATER MAIN EXTENSION AGREEMENT

C. Within a reasonable time after the District has finished preparing the Documents, District will proceed with due diligence to obtain necessary easements for the construction of the Water Main Extension. Construction of the Water Main Extension shall not begin until all easements are obtained and recorded by the District. Investor will, to the extent it owns land through which the Water Main Extension will run, grant or obtain all water line easements needed for installation of the Water Main Extension or any future maintenance of the Water Main Extension. Investor will also grant easements to the District within any property Investor owns, and as the District deems necessary, for the District to provide adequate corridors for the operation and maintenance of the District's water system.

D. Within a reasonable time after the District has finished preparing the Documents, it will submit them to the Kansas Department of Health and Environment (hereinafter "KDHE") for review and approval.

E. If and when the Documents are approved by KDHE, Investor will deposit with the District, the construction costs indicated as "Part B" in the policy as "Probable Project Costs". If at any time, the District determines that the Probable Project Cost will not be sufficient to pay for the total of all actual project costs (hereinafter "Total Project Cost"), Investor shall also promptly deposit with the District the difference between the deposited funds and the expected Total Project Cost. All amounts deposited by Investor shall be retained by the District, without interest, but subject to reimbursement as hereinafter provided. Total Project Cost shall include the total costs incurred by the District for the project and shall include, but not be limited to, the costs of the following: obtaining easements, construction materials and costs, equipment use, supervision, construction observation, engineering, insurance, legal expenses, bonds, permits, accounting and all overhead attributable to the project.

F. After Investor deposits the Probable Project Cost, the District will proceed to select a Contractor to construct the Water Main Extension. Such Contractor may be selected through a competitive bidding process or otherwise, as determined by the District in its reasonable discretion.

G. If, before a construction contract award is made, the Investor wishes to abandon the project and so notifies the District in writing not later than five (5) business days after the Board approves any contract for the water line extension, and if the Investor's deposited funds exceed the money expended by the District for Expenses and any costs of cancelling a contract, the District shall forthwith repay to Investor the difference between such deposited funds and the amount of money expended by the District for Expenses and contract costs. If the Investor's deposited funds are less than the amount of money expended by the District for Expenses, Investor shall forthwith repay to the District, the difference between its deposited funds and such Expenses.

H. The District will proceed with due diligence to have the Contractor construct the Water Main Extension.

I. The District will make periodic and final payments to the Contractor from the amounts deposited with the District by Investor. If, after completion of the Water Main Extension and determination of the Total Project Cost, the Total Project cost is less than the funds deposited by Investor, the District shall forthwith repay to the Investor the difference between the Total

RURAL WATER DISTRICT NO. 1, FRANKLIN COUNTY, KANSAS
WATER MAIN EXTENSION AGREEMENT

Project Cost and the total amount of funds deposited by Investor.

J. If, after completion of the Water Main Extension and determination of the Total Project Cost, the Total Project Cost is greater than the funds deposited by Investor, the Investor shall forthwith pay to the District the difference between the Total Project Cost and the total amount of funds deposited by Investor.

4. RIGHT TO COMPENSATION FROM FUTURE CUSTOMERS.

A. Pursuant to the District's policy, the Investor may receive reimbursement for the costs of this Water Main Extension from property owners who join the District and obtain service from the Water Main paid for by the Investor. The Investor understands and agrees to the terms of the Policy, and will abide by the Policy.

B. Connection to the District remains in the sole discretion of the District, and the Investor has no right to make demand or otherwise require the District to extend service from the Water Main to any third party.

C. Compensation paid to the Investor shall be calculated by the District and its determination reimbursement amounts shall be final. Reimbursement shall be determined in accordance with the Policy, but the District reserves the right to modify reimbursement amounts based upon unknown conditions or equitable considerations that warrant a reduction in reimbursement amounts. In no instance shall the District be required to provide reimbursement of more than the total cost of the Water Main Extension.

D. Investor agrees that no part of the payments of Part A are refundable or reimbursable.

E. Rights to reimbursement under this Agreement will run with the land and benefit unit. Sale of the property to any new owner shall be deemed to be an agreement to assign reimbursement rights to the new owner, as evidenced by the transfer of the benefit unit by the District. The Investor agrees that they surrender all rights to reimbursement upon sale of the property and transfer of the benefit unit.

5. DISTRICT'S RIGHT TO WATER MAIN EXTENSION. Once installed, the Water Main Extension and all engineering and construction documents related thereto, shall be the property of the District, free of any interest of the Investor and free of any liens and encumbrances whatsoever, and thereafter the District shall have sole responsibility for the same. The District shall have the right to repair or replace the Water Main Extension at any time. The District shall have the right to install new main lines from the Investor's property and neither the Investor, nor any other customer, be entitled to any repayment. The Investor's right to reimbursement only exists for water service to customers on the line installed under this agreement.

6. DESIGN AND INSTALLATION. All decisions to be made in connection with the manner of design and installation of the Water Main Extension, the type of materials to be used, and the maintenance thereof shall be and shall so remain at the exclusive discretion and under the sole control of the District.

RURAL WATER DISTRICT NO. 1, FRANKLIN COUNTY, KANSAS
WATER MAIN EXTENSION AGREEMENT

7. **PRIVATE WATER DISTRIBUTION AND SERVICE LINES.** Investor is responsible for all installation and costs of installing all private water distribution lines and service lines required to serve land within the Property.
8. **AGREEMENT SUBJECT TO BYLAWS, ETC.** This agreement is subject to the District's By-laws, Rules and Regulations, and all District Policies and Procedures and all other similar rules, policies, procedures, standards or the like, including those named herein, and shall be interpreted in accordance with the laws of the State of Kansas.
9. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties hereto with respect to the matters contained in this Agreement. Any and all previous agreements written or oral, express or implied between the parties hereto or on their behalf relating to such matters are hereby terminated and cancelled and each of the parties hereto hereby releases and forever discharges the other of and from all manner of actions, causes of action, claims and demands whatsoever under or in respect of any such agreement.
10. **AMENDMENT.** This Agreement may be altered, modified or amended only by a written instrument, duly executed by both parties and stating that the alteration, modification or amendment is an addition to and subject to this Agreement.
11. **WAIVER.** No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
12. **ASSIGNMENT.** This Agreement shall not be assigned by either party without the express, written consent of the other party. Provided, however, that the District may assign its interest in this Agreement to any governmental agency which provides financing to the District.

IN WITNESS WHEREOF, the Investor and the District subscribe their signatures hereto the day and year first above written.

[Investor]

By: _____
[PRINTED NAME]
[TITLE]

RURAL WATER DISTRICT NO. 1,
FRANKLIN COUNTY, KANSAS

Attest: _____
Secretary

By: _____
Chairman