

INST. NO. 982311

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[Iowa Guide 34]

JACQUELINE ESAIAS
PAGE CO. RECORDER
CLEARINGDA, IOWA

Iowa Instruction 1942-A
5 YEAR CONTRACT

This agreement is entered into between the Page I Rural Water District a [nonprofit corporation] hereinafter called the "WATER SYSTEM", and Bernard & Linda Veak, Jr. member[s] of the Water System, hereinafter called "MEMBER".

WITNESSETH

Whereas, the MEMBER desires to purchase water from the WATER SYSTEM and to enter into a water users agreement as required by the Bylaws of the WATER SYSTEM.

NOW THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, it is hereby understood and agreed by the parties hereto as follows:

1. **WATER SERVICE LOCATION.** The WATER SYSTEM shall furnish, subject to the limitation set out in its Bylaws and Rules and Regulations now in force or as hereafter amended or adopted, such quantity of water as MEMBER may desire in connection with MEMBER'S occupancy of the following described property:

Member's Name Bernard & Linda Veak, Jr Map-Account No. 1581

Legal Description: Lot 1 of the South Half of the Southeast Quarter of Section 16, Township 70 North, Range 38 West, all in Page County, Iowa.

2. **EASEMENT.** The MEMBER agrees to grant to the WATER SYSTEM, its successors and assigns, a perpetual easement by executing the WATER SYSTEM'S Limited Easement.
3. **WATER SERVICELINE.** The MEMBER shall be responsible for installing and maintaining at the MEMBER'S expense a service line which shall begin at the meter pit installation and extend to the dwelling or place of use. The service line shall connect with the distribution system at a place designated by the WATER SYSTEM and the MEMBER with the WATER SYSTEM having final authority in any question of location. The WATER SYSTEM will determine in advance that the system has sufficient capacity to permit delivery of water at that point.
4. **WATER RATES AND REGULATIONS.** The MEMBER agrees to comply with and be bound by the Articles, Bylaws, [Rules and Regulations] of the WATER SYSTEM, now in force or to be in force or as hereafter duly and legally supplemented, amended, or changed. The MEMBER also agrees to pay for water at such rates, time[s] and place[s] as shall be determined by the WATER SYSTEM, and agrees to the imposition of such penalties for any noncompliance as are now set out in the WATER SYSTEM'S Bylaws and [Rules and Regulations], or which may be hereafter adopted and imposed by the WATER SYSTEM.

5. **CONNECTION FEE.** The MEMBER agrees to pay a connection fee in the amount of \$400.00 to connect to the distribution system. This fee shall include only the water meter, meter setter, utility box and cover. A cutoff valve shall also be included in the water meter installation at each service. The WATER SYSTEM shall have exclusive right of ingress and egress to use the cutoff valve and water meter installation.

6. **WATER SHORTAGE.** The WATER SYSTEM shall determine the allocation of water to MEMBERS in the event of a water shortage; and may shut off water to a MEMBER who allows a connection or extension to be made to the MEMBERS service line for the purpose of supplying water to another user or location.

7. **MINIMUM RATE.** The MEMBER shall pay for such water service beginning in 30 days from the date the service hookup is installed and available for water service and at such rates, time, and place as shall be determined by the WATER SYSTEM, but shall be not less than a minimum charge of \$24.00 for 2,000 gallons per month.

8. **SERVICE CONNECTION.** The MEMBER shall connect the service lines to the WATER SYSTEM'S meter pit installation and shall commence to use water from the system within 60 days after the date of notification that the water is made available to the MEMBER by the WATER SYSTEM. Water charges to the MEMBER shall commence on the date water service is made available to the MEMBER'S property.

9. **MINIMUM CONTRACT TERM.** The MEMBER agrees to use the water and pay a monthly water bill for a period of five years from the date water is available.

10. **LIQUIDATED DAMAGES CLAUSE.** In the event the MEMBER fails or refuses, without just cause as determined by the Board of Directors to connect a service line to the WATER SYSTEM meter pit installation as set forth above, and to continue using water for a period of five years and pay a monthly water bill, the MEMBER agrees to pay the WATER SYSTEM a lump sum as liquidated damages of \$5000.00 based on the average project development from the total cost per MEMBER.

The average project development cost is determined from the total cost of the WATER SYSTEM'S water supply, treatment, distribution and storage facilities. The liquidated damages payment will be on the following declining schedule of payment by percentage depending on the year the MEMBER fails to comply with the water users agreement

- 100% for default prior to the end of the first year.
- 80% for default prior to the end of the second year.
- 60% for default prior to the end of the third year.
- 40% for default prior to the end of the fourth year.
- 20% for default prior to the end of the fifth year.

It is expressly understood and agreed by the parties hereto that the above listed lump sum and percentage schedule shall be settlement for the facility expenditures made by the WATER SYSTEM for the MEMBER'S benefit. The parties hereto have agreed upon said lump sum and percentages in an attempt to make reasonable forecast of the probable actual loss because of the difficulty of estimating with exactness the resulting damages.

11. **PENALTIES.** The failure of a MEMBER to pay water charges duly imposed shall result in the automatic imposition of the following penalties:

- A. Nonpayment within 15 days from the due date will be subject to a penalty of 5 percent of the delinquent account.
- B. Nonpayment within 60 days from the due date will result in the water being shut off from the MEMBER'S property.
- C. In the event it becomes necessary for the WATER SYSTEM to shut off the water from a MEMBER'S property, a fee set by the WATER SYSTEM in its rate schedule will be charged for a reconnection of the service.
- D. Nonpayment of water bill within 90 days from the due date shall, at the sole option of the Board of Directors of the WATER SYSTEM, be ample justification for declaring the amount determined pursuant to Section 10 hereof immediately due and payable and terminate the membership in the WATER SYSTEM by the MEMBER.
- E. Such other legal and equitable remedies as allowed by law may be pursued by the WATER SYSTEM.

12. **CREATION OF LIEN.** Any liquidated damages, unpaid water charges, or other charges due the WATER SYSTEM from the MEMBER shall become a lien against the real estate of the MEMBER which is subject to the easement set forth herein.

13. **CROSS CONNECTIONS.** The MEMBER agrees that no other present or future source of water will be connected to any waterlines served by the WATER SYSTEM'S waterlines and will physically disconnect from the present water supply prior to connecting to and switching to the WATER SYSTEM'S line and shall eliminate their present or future cross-connections in the MEMBER'S system. Any MEMBER with a cross-connection shall be responsible for the damages associated or as a result of health and safety of the WATER SYSTEM'S members.

14. **REPAIRS.** The WATER SYSTEM shall have the right to shut water off for the purpose of maintenance, inspection, and repair of the distribution system. The WATER SYSTEM shall have reasonable time to repair any accidents, leaks, or breaks in the distribution system. Such repairs shall be made with due diligence and without unnecessary delay.

15. **DAMAGES.** MEMBER shall not assert any claim under the terms of this agreement against the WATER SYSTEM for loss or damage that may result from the inadequacy or non-availability of water as to both pressure and quantity, or from leaks or other defects in the distribution system or MEMBER'S service line. MEMBER shall indemnify the WATER SYSTEM from any and all claims or liability for loss or damage to any persons or property resulting from, rising out of or connected with the rendition to service under the terms of this agreement, in the event of such inadequacy or non-availability of water, or in the event of leaks or other defects in the distribution system or MEMBER'S service line.

16. **TRANSFERABILITY.** This agreement or any right under terms of this agreement is transferable by the MEMBER upon the prior written consent of the WATER SYSTEM.

17. **ATTORNEY'S FEES.** In the event that any action is filed in relation to this agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called on to pay, a reasonable sum for the successful party's attorney's fee.

18. **ENTIRE AGREEMENT.** This agreement shall constitute the entire agreement between the parties and any prior understanding or representation of any kind preceding the date of this agreement shall not be binding upon either party except to the extent incorporated in this agreement.

19. **MODIFICATION OF AGREEMENT.** Any modification of this agreement or additional obligation assumed by either party connected with this agreement shall be binding only if evidence in writing signed by each party or an authorized representative of each party MEMBER, for itself, its successors and assigns.

20. **COVENANT RUNNING WITH THE LAND.** The rights and obligations of the parties shall be a covenant running with the land and shall inure to the benefit of the parties to this agreement, their respective heirs, successors, or assigns.

21. **PARAGRAPH HEADINGS.** The titles to the paragraphs of this agreement are solely for the convenience of the parties and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this agreement.

IN WITNESS WHEREOF, we have executed this agreement this 5th day of March, 1998.

Bernard Veak, Jr.

Bernard Veak Jr.
Member

Linda A Veak

Linda A Veak
Member

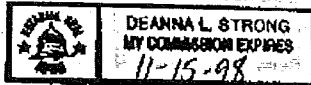
STATE OF IOWA

COUNTY OF Page, ss:

On this 5th day of March, 1998, before me, the undersigned, a Notary Public in and for said county and state, personally appeared:

Bernard Veak, Jr. & Linda Veak

to me known to be the same and identical person(s) who executed the within and foregoing instrument, and acknowledge that they executed the same as their voluntary act and deed.



Deanna L. Strong
Notary Public in and for said county and state

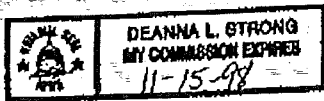
Executed on behalf of the Page I Rural Water District this 19 day of March, 1998.

D.D. Isaacson
President

STATE OF IOWA

COUNTY OF Page, ss:

On this 19 day of March, 1998, before me, the undersigned, a Notary Public in and for said county and state, personally appeared D.D. Isaacson, to me personally known, who being by me duly sworn, did say that he is the President of said corporation executing the within and foregoing instrument; that the seal affixed thereto is the seal of said corporation; that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and that the said D.D. Isaacson as such officer acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and him voluntarily executed.



Deanna L. Strong
Notary Public in and for said county and state

