AMERICAN WATER RESOURCES
1410 Discovery Parkway, Alton, Illinois 62002
Toll-Free 1-866-430-0819

WATER LINE AND SEWER LINE PROTECTION PROGRAM TERMS AND CONDITIONS

AMERICAN WATER RESOURCES, INC.

American Water Resources, Inc. is dedicated to offering products and services that enhance those services currently offered by Your Water Service Provider and Wastewater Service Provider. (See on the back for additional Affiliate Information.)

The following are the general terms and conditions for Your Program, please note that there are additional terms that appear in the box below that are specific to the state in which Your property is located. Please carefully review those terms that appear below for the state in which Your property is located.

A. WATER LINE AND SEWER LINE PROTECTION PROGRAM

This agreement is between American Water Resources, Inc. and You, a participant in the Water Line and Sewer Line Protection Program, hereinafter referred to as the "Contract" or the "Program". Please read the Contract and retain it for Your records.

B. THIS AGREEMENT COVERS

American Water Resources, Inc.'s Program will, subject to the terms and conditions outlined below, cover the costs associated with Our providing service to 1) repair leaks or breaks to Your Water Line and 2) repair or clear clogs or blockages of Your Sewer Line caused by normal wear and usage.

C. DEFINITIONS

• **Administrator** means American Water Resources, Inc., 1410 Discovery Parkway, Alton, Illinois 62002. Toll-Free 1-866-430-0819.

• **Confirmation Letter** means the acknowledgement letter You will receive from Us outlining the following information about Your Program enrollment:

- Your Name
- Your Covered Address
- Your Customer Number
- Your Program Effective Date
- Your Program Term

• **Effective Date** means the date protection begins under the Program, which is 30 days after Your Enrollment Date. Your Program Effective Date is listed on Your Confirmation Letter.

• **Emergency** means that the break or leak: 1) has resulted in the Water Company shutting off the water to the residence; 2) is causing property damage to the residence or to property inside the residence; 3) is causing a public hazard that has been declared by a local, county, state or federal department or agency with responsibility for the situation; or 4) is causing an immediate risk to the health of a resident in the home serviced by the water lateral.

• **Enrollment Date** means the date Your enrollment is received and processed by Us.

• **Lapse of Coverage** means the discontinuation of the Program protection resulting from Your failure to remit payment to Us of (i) the Program Fee for Your Term or an additional Term or (ii) Your periodic Program Fee within 30 days from the date said payment was due. In both instances, the Program will lapse without notice.

• **Program** means American Water Resources, Inc.'s Water Line and Sewer Line Protection Program, as governed by these Terms and Conditions.

• **Program Fee** means the annual amount You must pay Us for Program protection during Your Term. We will collect the Program Fee based on the payment authorization You provide Us at the time of enrollment and for each additional Term You purchase. If You enrolled in the Program under a promotional Program Fee offer and You contact Us during any Term and We grant Your request to modify the conditions of that offer, Your Program Fee will be adjusted to reflect the then-current annual Program Fee based on the Program protection We provide for the remainder of the Term.

• **Service Fee** means the $50 fee You must pay Us each time We dispatch an approved, independent contractor to Your home to investigate or service the Sewer Line. The Service Fee will be collected by Our independent contractor and is payable immediately upon completion of Our contractor's investigation or repair service work.

• **Sewer Line** means the section of the lateral sewer service line You own that collects and conveys household wastewater from Your home to the Wastewater Collection System. The Program covers the portion of Your Sewer Line that is the most direct line between the exterior wall of Your home and Wastewater Collection System. Sewer Line does not include any portion of Your Sewer Line that runs into or under Your home's foundation or foundation slab.

• **Term** means the period of time, from the Program Effective Date, Your Program will be in effect. The Program Term is annual (365 days) unless it is terminated or cancelled sooner as provided in this Contract. Your Program Term is listed on Your Confirmation Letter.

• **Wastewater Collection System** means the sewage collection system owned by Your local Wastewater Service Provider to which Your Sewer Line is connected.

• **Wastewater Service Provider** means Your local sewer utility company or local sewer utility authority that owns and is responsible for maintaining the Wastewater Collection System that receives wastewater from Your home.

• **Water Line** means the section of the single lateral water service line You own that runs from Your home to the connection owned by Your Water Service Provider. If the meter is located inside Your home, it is the section of the water service line from Your property line to the inlet side of the meter. If the meter is located outside Your home, it is the section of the water service line from the outlet side of the meter to the main shut-off valve inside Your home. If You are the homeowner of an upstairs dwelling in a multi-unit building and Your Water Line passes through the walls of a neighboring or downstairs dwelling, the Program covers only the portion of Your Water Line located outside of the exterior wall of the building.

• **Water Service Provider** means Your local water utility company or Your local water utility authority that owns and is responsible for maintaining the exterior main line and section of the service line that delivers a fresh water supply to Your home through Your Water Line.

• **We**, **Us** and **Our** mean the Administrator.

• **You** and **Your** mean the owner of a single-family residential home and the purchaser of this Program.

D. ELIGIBILITY FOR PROTECTION

You must be a residential customer of Your Water Service Provider and Wastewater Service Provider and the owner of an occupied single-family home in which the Water Line and Sewer Line are located. Prior to Your Effective Date in the Program, the following must be in working order:

a. Your Water Line must be free of leaks or breaks;
b. Your Sewer Line must be free of clogs or blockages.

Homeowners of multi-unit dwellings such as condominiums, town homes or duplexes are eligible for the Program only if they have ownership and maintenance responsibility for the dwelling's Water Line and Sewer Line. The Program is not available to any tenant who rents or leases a single-family residential home. In the event that You are not eligible for protection under the terms and conditions of the Program, Our only obligation is to refund any Program Fee payments made by You to Us. Once We have paid You this refund, the Program will be voided as of Your Enrollment Date.

E. PERIOD OF PROTECTION

Program protection initiates 30 days after Your Enrollment Date and will continue for the Term listed on Your Confirmation Letter. Your Program Term may be automatically extended provided You make timely payments to Us at the then-current annual Program Fee. If You purchase an additional Term without a Lapse of Coverage, Your covered period of protection will remain the Program Effective Date listed on Your Confirmation Letter. If the Program lapses as outlined under "Lapse of Coverage," You may re-enroll in the Program at any time subject to a new Enrollment Date and Effective Date.

F. HOW TO GET SERVICE AND YOUR RESPONSIBILITIES

1. Your Water Line

(See on the back for additional information about How to Get Service and Your Resonsibilities for Your Water Line.)

- If You suspect there is a leak or break to Your Water Line, You must first contact Your Water Service Provider to investigate the source of the problem. In the event Your Water Service Provider determines the leak to be Your responsibility, then You must contact Us toll-free at 1-866-430-0819 to request Our service. We will arrange to have an approved, independent contractor call You to make arrangements to come out to Your home to repair Your Water Line. The contractor will contact You within 12 hours for emergency service, or by 5:00 pm the next business day for all other service.
- It is Your responsibility to disconnect any cold-water electrical grounds before repairs are made to Your Water Line.

2. Your Sewer Line

(See on the back for additional information about How to Get Service and Your Responsibilities for Your Sewer Line.)

- If You suspect there is a clog or blockage of Your Sewer Line, You must contact Us toll-free at 1-866-430-0819 to request Our service. We will arrange to have an approved, independent contractor call You to make arrangements to come out to Your home. Following that call, the independent contractor will be dispatched to Your home within 24 hours to clear or repair a blockage of Your Sewer Line.
- We will make an attempt to clear the blockage in Your Customer-Owned Sewer Line; if the attempt is successful then no repair will occur. If the attempt is unsuccessful, then we will repair the blockage, which may include excavating and replacing the section of Your Customer-Owned Sewer Line that is blocked.
- It is Your responsibility to pay the Service Fee to Our independent contractor immediately upon completion of service to investigate, clear or repair a blockage of Your Sewer Line.

It is Your responsibility to cooperate with Us as necessary for Us to provide covered service under the Program including, without limitation, Your promptly providing such additional information or documentation as We may need to request from You.

The limits We provide under the Program, outlined under Additional Information, are described in greater detail under Contract section entitled "Limit Of Protection". If repair costs exceed any Program limit, You will be advised of such additional costs before the work is performed. It is Your responsibility to pay Us for any additional repair costs and We will send You an invoice to collect such monies. It is Your responsibility to secure permission (right-of-way) associated with Our gaining access to repair Your Water Line or Sewer Line that may pass through property that You do not own.

G. LIMIT OF PROTECTION

1. Your Water Line

(See on the back for additional Limit of Protection Information for Your Water Line.)

- We will provide basic site restoration to ground areas outside Your home if it is necessary for Us to undertake excavation work to access and repair a leak or break of Your Water Line. Basic site restoration is limited to filling in, raking and reseeding one time only.

2. Your Sewer Line

(See on the back for additional Limit of Protection Information for Your Sewer Line.)

- We will provide basic site restoration to ground areas outside Your home if it is necessary for Us to undertake excavation work to access and repair a clog or blockage of Your Sewer Line. Basic site restoration is limited to filling in, raking and reseeding one time only.

If a permit is required to perform any repair service under the Program, We will obtain proper permitting before work will commence. Any repair service We perform to Your Water Line or Sewer Line will comply with applicable plumbing code requirements. Any subsequent repair service We provide to repair the same portion of Your Water Line or Sewer Line that occurs within 60 days of a prior-covered repair service We provided You, will be considered as part of that prior-covered repair service and limited to the applicable Program limits, per occurrence outlined above. **You will not, unless at Your own expense, engage a contractor or otherwise incur costs to repair Your Water Line or Sewer Line on Our behalf.** You may neither transfer the Program to a new owner of Your home nor transfer the Program to a different residence owned by You.

H. LIMITED WARRANTY

Subject to the terms and conditions stated in this Contract, We warrant that We will pay the cost to provide Our service to 1) repair leaks or breaks to Your Water Line, and 2) repair clogs or blockages of Your Sewer Line under the Program that result from normal wear and usage. This warranty applies only to covered repair services and is subject to the limits on the amount We will pay as described in this Contract. We assume responsibility for all repairs completed by Our contractors. We warrant that all materials used and labor provided in completing repairs will comply with local or state codes and manufacturer's specifications. We will replace materials or re-perform repairs at Our expense, if they are found to be defective.

We make no other express or implied warranties or guarantees of any kind, and any implied warranties or guarantees are expressly disclaimed, except for the warrant of good faith and fair dealing.

I. THIS AGREEMENT DOES NOT COVER

1. The Program does not cover the following for Your Water Line:

- **A Water Line 1) not connected to a public or municipal water system; 2) connected to a private well.**
- **Leaks or breaks 1) incurred or existing prior to Your Effective Date; 2) caused by the actions of You or third parties; 3) caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides or sinkholes or any other insurable cause.**
- **Any clog or blockage of Your Water Line.**
- **Repairs to non-functional but non-leaking main shut-off valves.**
- **Any connections and/or extensions such as water lines to sprinklers or irrigation systems You may own, including pressure-reducing valves, back-flow preventers, and other devices connected to the water line.**
- **Any section of the water line owned by others outside this Program to which Your Water Line is attached.**
- **Any section of the water line shared with others outside this Program.**
- **Any repair required as a result of any local, city, state or federal agency inspection of Your Water Line, unless otherwise covered under the Program.**
- **Restoration of trees, shrubs, structures, or private driveways, sidewalks or other paved surfaces.**
- **Repairs to walls, ceilings or any surfaces inside Your home necessary for Our independent contractor to access and repair Your Water Line.**
- **Repairs to any interior pipes beyond the main shut-off valve inside Your home.**
- **Restoration of non-public sidewalks or public sidewalks that are not required by permit to be repaired.**

- **Removal of debris necessary to access and repair Your Water Line, including, but not limited to temporary structures, old cars, trash, storage, rocks or materials.**
- **Movement of a water meter at the time of repair, unless required by local code.**
- **Movement of any working or non-leaking water lines or pipes.**
- **Updating non-leaking water lines or pipes to meet code, law or ordinance requirements or changes thereto.**
- **Any dwellings that are not currently occupied due to construction, rehabilitation or renovation, including dwellings that do not possess a current Certificate of Occupancy.**
- **Any rental dwellings for which Program enrollment is in the tenant's name or any dwellings used for commercial purposes. (Dwelling owners please refer to Contract section entitled "Eligibility for Protection".)**
- **Any consequential, incidental or special damages You incur, regardless of whether they are caused by Our delays, failure to service (or that of Our contractor) or by conditions beyond Our control. For example, this Program does not cover 1) the cost of any lost water; 2) the cost of cleaning up, repairing or replacing property (other than repairing a leak or break of Your Water Line and basic site restoration as provided above) which is damaged due to the leak or break of Your Water Line; 3) any costs and expenses incidental to the leak or break of Your Water Line such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; 4) any cost or expense relating to the clean-up or remediation of any hazardous substance or pollutant, including but not limited to asbestos, asbestos fibers or products containing asbestos; and 5) damages You incur due to any special circumstances or conditions.**

2. **<u>The Program does not cover the following for Your Sewer Line</u>:**

- **A Sewer Line 1) not connected to a public or municipal sewer system; 2) with a connection to or from a private septic system, tank or leach field; 3) with a connection to or from any non-conforming drain line such as a basement or storm drain system.**
- **Clogs or blockages 1) incurred or existing prior to Your Effective Date; 2) caused by the actions of You or third parties; 3) caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides, sinkholes or any other insurable cause.**
- **Any leak or break of Your Sewer Line not resulting from a clog or blockage.**
- **Any section of the sewer line owned by others outside this Program to which Your Sewer Line is attached.**
- **Any section of the sewer line shared with others outside this Program.**
- **Clogged or blocked lift stations, pumps or any other mechanical devices connected to Your Sewer Line.**
- **Any portion of Your Sewer Line located inside or under Your home.**
- **Any repair required as a result of any local, city, state or federal agency inspection of Your Sewer Line, including but not limited to studies completed to discover or estimate the Inflow and Infiltration being caused by Your Sewer Line, unless otherwise covered under the Program.**
- **Any damage to the inside of Your home, including personal property, due to the backup of Your Sewer Line.**
- **Restoration of trees, shrubs, structures, or private sidewalks, driveways, or other paved surfaces.**
- **Restoration of non-public sidewalks/roadways or public sidewalks/roadways that are not required by permit to be repaired.**
- **Removal of debris necessary to access and clear or repair a blockage of Your Sewer Line, including but not limited to temporary structures, old cars, trash, storage, rocks or materials.**
- **Movement of a sewer meter at the time of repair, unless required by code.**
- **Movement of any working or non-blocked sewer lines.**
- **Updating non-blocked sewer lines to meet code, law or ordinance requirements or changes thereto.**
- **Any dwellings that are not currently occupied due to construction, rehabilitation or renovation, including dwellings that do not possess a current Certificate of Occupancy.**
- **Any rental dwellings for which Program enrollment is in the tenant's name or any dwellings used for commercial purposes. (Dwelling owners please refer to Contract section entitled "Eligibility for Protection".)**
- **Any consequential, incidental or special damages You incur, regardless of whether they are caused by Our delays, failure to service (or that of Our contractor) or by conditions beyond Our control. For example, this Program does not cover 1) the cost of cleaning up, repairing or replacing property (other than clearing or repairing a blockage of Your Sewer Line and basic site restoration as provided above) which is damaged due to the backup of Your Sewer Line; 2) costs and expenses incidental to the backup of Your Sewer Line such as loss of time, loss of use of Your home and other property, costs to stay at a hotel or to rent a home and costs to move and store property outside Your home; 3) any cost or expense relating to the clean-up or remediation of any hazardous substance or pollutant, including but not limited to asbestos, asbestos fibers or products containing asbestos; and 4) damages You incur due to any special circumstances or conditions.**

J. ADMINISTRATOR'S RIGHTS

We reserve the right to change Your Program Fee and/or the Program terms and conditions with 30 days written notice to You. We reserve the right to transfer or assign Your Program contract. (See below for additional Administrator's Rights Information.)

K. CANCELLATION

You may cancel this Program at any time by calling Us toll-free at 1-866-430-0819 or by mailing a cancellation request to American Water Resources, Inc., Attention: Program Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date We receive Your notice. You have 30 days from Your Enrollment Date to cancel and receive a full refund of any Program Fee payments made. If You are 30 days past due on any full payment of Your Program Fee, including the Service Fee, You will not be eligible for any service under the Program and Your Program participation will be subject to cancellation without notice, until all Program Fees owed are paid in full. If Your Program protection has been cancelled due to non-payment, You may re-enroll in the Program with a new Enrollment Date and new Effective Date. (See below for additional Cancellation Information.)

L. PAYMENT

- **<u>Payment Obligation</u> –** You agree to pay Us the amount of the Program Fee for each Term that You are enrolled in the Program. Your payments shall be made using the payment method that You selected at enrollment or when You renewed the Program for an additional Term(s). Your payments shall be made according to the terms of Your payment method, which are set forth below.
- **<u>Payment Method</u> –** See below for additional Payment Method Information.

M. TAXES

See below for additional Tax Information.

N. LIMITATION OF LIABILITY

The liability of the Administrator, its affiliated companies, its officers, employees, contractors and/or agents to You, or to any other third party or person, for damages resulting from the provision of, or failure to provide services under this Program, or as the result of any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program shall be limited to an amount not to exceed the maximum amounts per occurrence outlined in the Contract section entitled "Limitation of Protection". In no event, however, shall the Administrator, its affiliated companies, its employees, agents and contractors have any liability for direct, indirect, special, incidental, consequential (as described above), or punitive (damages to punish Us for any wrongdoing) damages or attorney fees resulting from the provision of or failure to provide service under this Program, or from any fault, failure, defect or deficiency in any service, labor, material, work or product furnished in connection with this Program. These limitations of, and exclusions from, liability shall apply regardless of the nature of the claim or the remedy sought. (See below for additional Limitation of Liability Information.)

The Program is not an insurance contract or policy. The Program provides for the cost to provide Our service to 1) repair leaks or breaks to Your Water Line and 2) repair or clear clogs or blockages of Your Sewer Line under the Program that result from normal wear and usage. This Contract constitutes the entire agreement between Us and You, and there are no other promises or conditions in any other agreement whether written or oral.

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ADDITIONAL INFORMATION:

- **AFFILIATE INFORMATION:** American Water Resources, Inc. is a subsidiary of American Water Works Company, Inc.

- **YOUR RESPONSIBILITIES:**

<u>Your Water Line</u> If the cost to repair Your Water Line exceeds the Program limit of $4,000, it is Your responsibility to pay Us for any additional costs over $4,000. If a permit was acquired that requires repair to sidewalks located in a public easement, and the cost to repair the sidewalk exceeds $500, it is Your responsibility to pay Us for any additional costs over $500.

<u>Your Sewer Line</u> If the cost to clear or repair a blockage of Your Sewer Line exceeds the Program limit of $4,000, it is Your responsibility to pay Us for any additional costs over $4,000. If a permit is required for a public sidewalk or road opening repair and the cost to repair the public sidewalk or road exceeds the additional Program limit of $4,000, it is Your responsibility to pay Us for any additional costs over $4,000.

- **LIMIT OF PROTECTION:**

<u>Your Water Line</u> The maximum amount We will pay for any covered Water Line repair service under the Program is $4,000 per occurrence. If a permit was acquired to commence work on Your Water Line and requires a public sidewalk to be cut, excavated and repaired, the Program will provide for repair of said sidewalk up to $500. The cost to repair public sidewalks applies towards the Program limit of $4,000 per occurrence.

<u>Your Sewer Line</u> The maximum amount We will pay for any covered Sewer Line repair service under the Program is $4,000 per occurrence. If a permit is required to commence work on Your Sewer Line and requires a public sidewalk or public road to be cut, excavated and repaired, known as a public "Sidewalk or Road Opening," the Program provides an additional limit of $4,000 for a public Sidewalk or Road Opening. Only expenses directly related to a Sidewalk or Road Opening are paid under this separate limit. This additional limit, if applicable, does not add any additional coverage to the basic $4,000 per occurrence limit to clear or repair a blockage of Your Sewer Line.

- **CANCELLATION:** We reserve the right to cancel the Program at any time upon 60 days written notice to You. Any refund as a result of the cancellation of the contract by either You or Us, will be determined on a prorated basis less the cost of any repair service performed under the Program. If You are owed a refund, it will be provided to You via the most recent method by which You chose to pay Your Program Fee.

- **PAYMENT METHOD:** You may make payment of Your Program Fee to Us by check or, when offered, a direct debit payment taken directly from the bank account You designate. All direct debit payments are governed by the "Terms of Authorization" provided to You. The amount of Your check or direct debit must be for the full Program Fee, including any applicable taxes, unless at the time of enrollment You agreed to pay Your Program Fee under a multi-payment option arrangement. In the event that Your check is returned for Non-Sufficient Funds or Your direct debit is unable to be processed or is not valid for any reason, Your status in the Program will be terminated as of Your Enrollment Date without notice.

You may make payment of Your Program Fee to Us by authorizing a charge to Your credit card account (Visa/MasterCard/Discover only). The charge to Your credit card account must be for the full Program Fee, including any applicable taxes, unless at the time of enrollment You agreed to pay Your Program Fee under a multi-payment option arrangement. For credit card customers only, this Program will be extended automatically for successive one (1) year Terms. You grant Us the right to automatically charge Your credit card each year at the then-current Program Fee until We receive Your cancellation request as set forth above in the Contract section entitled "Cancellation". You may cancel the automatic charge to Your credit card and make payment of Your Program Fee by check by mailing a request and Your payment to American Water Resources, Inc., Attention: Program Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If Your credit card charge is unable to be processed or is not valid for any reason, Your status in the Program will be terminated as of Your Enrollment Date without notice. In the event of Cancellation as provided above, the refund described in the Cancellation paragraph will be credited to Your credit card account.

- **TAXES:** We will collect any and all appropriate taxes if required by the local municipal government(s), county government or the State of Illinois. These taxes will be collected at the time Your Program Fee is paid. This program is not currently taxed in the State of Illinois.

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