

WATER LINE PROTECTION PROGRAM TERMS AND CONDITIONS

1. What Is This Agreement?

This is an Agreement ("Agreement") between American Water Resources, Inc. ("AWR") and the person named in the confirmation letter ("Confirmation Letter") that came with this Agreement ("You" or "Your"). It requires AWR to pay for certain repairs to the property named in the Confirmation Letter ("Your Home"). It is not an insurance contract. Please read it and keep it.

2. When Does Your Protection Start?

AWR will pay for covered repairs on or after the effective date stated in the Confirmation Letter ("Effective Date"). If You do not cancel this Agreement before the Effective Date, You will have accepted its terms and conditions.

3. When Does Your Protection Stop?

AWR will not pay for any repairs if You or AWR have cancelled this Agreement. The initial term of the Agreement is one year (365 days) from the Effective Date. If you pay by utility bill or credit card, the Agreement will automatically renew each year for additional one year terms if at the time of renewal You are not 30 days or more past due on any amount owed to AWR or its independent contractors. If you pay by check or direct debit, AWR will send You a notice requesting that You renew the Agreement for an additional one year term.

4. What Homes Are Protected?

AWR will only pay for repairs under this Agreement if:

- You own Your Home; and
- Your Home is occupied; and
- Your Home is used for residential purposes only; and
- You are responsible for maintaining Your Home's Water Line; and
- You are not 30 days or more past due on any amount owed to AWR or its independent contractors.

If at any time You are not eligible for protection, AWR will not pay for any repairs under this Agreement. If You have another service or insurance contract that gives You the same benefits as this Agreement, You may cancel this Agreement.

5. What Lines or Systems Are Protected?

Your Water Line is Your single lateral water service line from Your water utility's connection to the water meter or main shut-off valve inside Your Home. It does **not** include Your water meter, water meter pit or water meter vault.

6. What Repairs Are Covered?

Subject to the terms and conditions of this Agreement, AWR will pay to repair leaks or breaks to Your Water Line if they: (1) occurred on or after the Effective Date; and (2) resulted from normal wear and usage.

7. What Repairs Are **Not** Covered?

AWR will **not** pay for any of the following:

- **Repairing anything that occurred before the Effective Date.**
- **Repairing anything not resulting from normal wear and usage.**
- **Repairing anything caused by You or any third parties.**
- **Repairing anything in any home that is unoccupied due to renovation, remediation or construction.**
- **Repairing anything caused by natural acts or disasters, such as earthquakes, floods, landslides, sinkholes or any other insurable cause.**
- **Repairing anything caused by defective materials, such as material that has been the subject of a recall or class action litigation.**
- **Repairing any clog or blockage of Your Water Line.**
- **Repairing any main shut-off valves that are not leaking.**
- **Repairing any Water Line not connected to a public or municipal water system.**
- **Repairing any interior pipes beyond the main shut-off valve inside Your Home.**
- **Repairing any connections and/or extensions to the Water Line, such as water lines to sprinklers, irrigation systems, pressure-reducing valves or back-flow preventers.**
- **Repairing anything required by any local, state or federal agency inspection, unless otherwise covered by this Agreement.**
- **Repairing any openings made in walls, ceilings or surfaces inside Your Home for AWR's independent contractor to access Your Water Line.**
- **Repairing any section of Your Water Line that You share with any third party.**
- **Repairing any third party's water line that is attached to Your Water Line.**
- **Restoring any gardens, shrubs, trees or structures.**
- **Restoring any sidewalks, driveways, roads or other paved surfaces that are not required by permit to be repaired.**
- **Moving any water meter at the time of repair, unless required by code.**
- **Moving any non-leaking section of Your Water Line.**
- **Updating Your Water Line to meet code, law or ordinance requirements.**
- **Removing any items necessary to access Your Water, such as debris, trash, rocks, cars or temporary structures.**
- **Remediating or cleaning any hazardous substance or pollutant, such as mold or asbestos.**
- **Thawing any frozen section of Your Water Line.**

- **Repairing any section of Your Water Line located under Your Home's foundation or slab.**
- **Repairing, replacing or cleaning any portion of Your Home or its contents that are damaged by leaks or breaks to Your Water Line.**
- **Paying any costs caused by a leak or break in Your Water Line, such as lost water costs, relocation costs, storage costs or temporary housing costs.**
- **Paying any damages caused by a leak or break in Your Water Line, such as lost time, lost use of Your Home or its contents or any damages due to any special circumstances or conditions.**

8. What Is Your Protection Limit?

AWR will pay up to \$3,000 per occurrence to repair Your Water Line and refill, rake and reseed any areas outside Your Home that AWR's independent contractor excavated in order to access Your Water Line. Any repairs made to the same portion of Your Water Line, public sidewalk or public road in the same 60 day period will be considered part of the same occurrence.

9. Can You Exceed Your Protection Limit?

If repair costs will exceed the applicable protection limit, You will be notified before the work is performed. AWR will send You an invoice to collect any excess costs after the work is performed. You must pay AWR any excess costs within 30 days of the date of the invoice.

10. How Can You Get Service?

If there is a leak or break to Your Water Line, You must contact Your water utility first. If Your water utility determines that the leak or break is Your responsibility, You may contact AWR toll-free at 1-866-430-0819. If You do, AWR will dispatch an approved independent contractor to Your Home. In most cases, the independent contractor will be dispatched within 12 hours of Your call if the leak or break is an emergency and within 24 hours of Your call if it is not. A leak or break is considered an emergency if it has: (a) caused Your water utility to shut off the water to Your Home; (b) damaged Your Home or its contents; (c) been declared a public hazard by the responsible governmental authority; or (d) caused an immediate risk to anyone in Your Home. AWR's independent contractor will obtain any necessary permits before work begins. If AWR's independent contractor must excavate any areas outside Your Home in order to access Your Water Line, they will refill, rake and reseed the area once per occurrence. No other site restoration will be performed.

11. Can AWR Get A Second Opinion?

AWR may get a second opinion from an independent contractor of its choosing. If it does, it will apply the cost of obtaining the second opinion toward Your protection limit.

12. Can You Hire Your Own Contractor?

AWR will not pay any costs incurred, or fix any repairs made, by You or any contractor You hire.

13. Must You Cooperate With AWR?

You must cooperate with AWR and its independent contractors, for example by: (a) providing additional information or documentation that AWR may need; (b) obtaining permission for AWR's independent contractor to access property You do not own; and (c) disconnecting any cold-water electrical grounds before repairs are made to Your Water Line.

14. Is There A Service Fee?

There is no service fee applicable for repairs to Your Water Line.

15. Is There An Annual Fee?

You must pay AWR an annual program fee ("Program Fee") for each term of this Agreement. The Program Fee may be stated on Your Confirmation Letter or enrollment forms. AWR may change the Program Fee as set forth below, for example if AWR grants Your request to change to the scope of protection under this Agreement.

16. How Are Your Payments Made?

During the Agreement's initial term, AWR will collect Your Program Fee in the manner You chose when You enrolled:

- **Utility Bill.** If the option is available, You may add Your Program Fee to Your utility bill in equal periodic installments. Partial payments will be applied to Your utility bill first and Program Fee last. Failure to pay Your Program Fee will not affect Your utility services. No special arrangement You make with Your utility regarding Your utility bill will affect Your obligation to pay AWR in a timely manner.
- **Check or Debit.** You may pay by check or, if offered, a direct debit from Your bank account. All direct debit payments are governed by the "Terms of Authorization" given to You. Check or direct debit payment is due in full on the first day of the term unless at the time of enrollment You agreed to a multi-payment arrangement.
- **Credit Card.** You may pay by charging Your credit card account (Visa/MasterCard/Discover only). Credit card payment is due in full on the first day of the term unless at the time of enrollment You agreed to a multi-payment arrangement.

If the option is available, AWR may notify You that it will begin collecting subsequent Program Fees by adding them to Your utility bill after the current term. If AWR does, You may reject that change by calling AWR toll-free at 1-866-430-0819 or mailing AWR at 1410 Discovery Parkway, Alton, Illinois, 62002 before the end of the current term. If You do not, You authorize AWR to add Your Program Fees to Your utility bill.

17. When Will AWR Collect Taxes?

You must pay all applicable state and local taxes when You pay Your Program Fee.

18. When Will You Get A Refund?

You will receive a full refund of any Program Fees paid by You if You: (a) cancel before the Effective Date; or (b) cancel after the Effective Date and can prove You were never eligible for and never received protection. You will receive a partial refund of any Program Fees paid by You, less the cost of any repair services performed and any money You owe AWR, if: (a) You cancel after the Effective Date and are or were eligible for protection; or (b) AWR cancels this Agreement for any reason. AWR will issue refunds to You in the same way You made Your last Program Fee payment. Partial refunds will be pro-rata refunds based on the number of days left in the current term.

19. Is This The Whole Agreement?

This Agreement, the Confirmation Letter and the enrollment forms You submitted are the entire agreement between You and AWR. They supersede and replace any prior agreements and understandings between You and AWR concerning their subject matter.

20. Are These Headings Part Of This Agreement?

The headings are not a part of this Agreement. They are for convenience only.

21. Can This Agreement Be Severed?

If a court or agency of competent jurisdiction finds any provision of this Agreement to be unenforceable, the remaining provisions will remain in full force and effect.

22. Can This Agreement Be Changed?

You may not change the terms and conditions of this Agreement. AWR may change the terms and conditions of this Agreement. If You did not request a change, AWR will give You written notice of changes in a manner consistent with applicable law, including on Your bill, with Your bill, by mail or by email. If You do not like the changes, You may cancel this Agreement. If you do not cancel this Agreement, the change will become effective 30 days after AWR sends You notice. The current terms and conditions can be viewed on AWR's website at www.amwaterresources.com/termsandconditions.

23. Can This Agreement Be Cancelled?

You may cancel this Agreement at any time by calling AWR toll-free at 1-866-430-0819 or by mailing AWR at 1410 Discovery Parkway, Alton, Illinois 62002. Your cancellation is effective when received. AWR may cancel this Agreement: (1) upon 60 days' written notice to You for any reason; or (2) without notice to You if You are ineligible for protection, are 30 days or more past due on any amount owed to AWR or its independent contractors, or misrepresented any material facts when You entered into or requested service under this Agreement. AWR's notice of cancellation is effective when sent.

24. Can This Agreement Be Transferred?

You may not transfer this Agreement to another home or another person. AWR may assign this Agreement to a third party.

25. What Warranties Does AWR Make?

AWR warrants that, for one year from the date of the repair, covered repairs made by its independent contractors will comply with applicable plumbing codes and manufacturer's specifications and be free from defects in material and workmanship. The exclusive remedy for this warranty is that AWR's independent contractors will, at AWR's option, fix or replace the repair or material. AWR makes no other express warranties in this Agreement. To the extent permitted by applicable law, AWR disclaims any implied or statutory warranties other than the implied warranty of good faith and fair dealing. To the extent permitted by applicable law, the duration of any implied or statutory warranty is limited to the duration of this express warranty. These limitations and disclaimers shall survive the cancellation of this Agreement. This limited warranty gives you specific legal rights. You may have other rights that vary from state to state.

26. What Liability Does AWR Have?

To the extent permitted by applicable law, You agree that AWR, its parents, its successors, its affiliates, its independent contractors, and its officers, directors, employees, affiliates, agents and contractors shall not be liable to You or any third party for: (1) any actual losses or direct damages in excess of the lowest applicable per occurrence protection limit set forth above; or (2) any amount of any form of indirect, special, punitive, incidental or consequential losses or damages, including those caused by any fault, failure, delay or defect in providing services under this Agreement. These limitations and waivers shall apply to all claims and all theories of liability and shall survive the cancellation of this Agreement.

27. How Can You Contact AWR?

AWR's goal is to give You the best possible customer service. If You have any questions or complaints, please call AWR toll-free at 1-866-430-0819, mail AWR at 1410 Discovery Parkway, Alton, Illinois, 62002, or visit AWR's website at www.amwaterresources.com. Telephone calls may be recorded and/or monitored.

28. Will Your Information Remain Private?

To the extent permitted by applicable law, AWR may obtain Your name, address, telephone number and any other pertinent information from Your water utility. AWR may share it with others in order to provide services under this Agreement. AWR will not share it with others in order to market other products or services.

29. What Law Governs This Agreement?

The law of the state where Your Home is located shall govern this Agreement and any dispute between You and AWR.