

CITY OF WILMINGTON
SEWER LINE PROTECTION PROGRAM
TERMS AND CONDITIONS

1. What Is This Agreement?

This is an Agreement (“Agreement”) between American Water Resources, LLC (“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. AWR’s obligations under this Agreement are backed by the full faith and credit of AWR.

Certain repairs and events are not covered by this Agreement. Please refer to the exclusions listed in Section 7 of this Agreement.

SECTION 26 OF THIS AGREEMENT REQUIRES THAT DISPUTES BE RESOLVED INDIVIDUALLY IN ARBITRATION OR SMALL CLAIMS COURT. IN ARBITRATION, THERE IS NO JUDGE OR JURY AND THERE IS LESS DISCOVERY AND APPELLATE REVIEW THAN IN COURT.

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”), which will be thirty (30) days after AWR processes Your enrollment (“Enrollment 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?

The initial term of the Agreement is one year (365 days) from the Enrollment Date. **If You pay by direct debit or credit card, this Agreement will automatically renew each year for an additional one year term unless You or AWR have cancelled this Agreement.** If You pay by check, 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 Sewer 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 Sewer Line is Your lateral sewer service line from the exterior wall of Your Home to the connection with Your sewer utility’s wastewater collection system or Your septic tank. It does not include: Your sewer main tap/saddle or Your septic tank or its components or attachments

6. What Repairs Are Covered?

Subject to the terms and conditions of this Agreement, AWR will pay to repair a clogged or blocked Sewer Line if it: (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 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, or sinkholes.**
- **Repairing anything caused by defective materials, such as material that has been the subject of a recall or class action litigation.**
- **Repairing anything caused by improper design or installation of Your Sewer Line (e.g. bellied lines, back-pitched lines).**
- **Repairing any leak or break of Your Sewer Line if there is no clog or blockage.**
- **Repairing any non-conforming drain line, such as a basement or storm drain system, connected to Your Sewer Line.**
- **Repairing any septic tank or its components or attachments, such as a pump or grinder.**
- **Repairing or installing any devices connected to Your Sewer Line, such as clean outs, lift stations or pumps.**
- **Repairing any section of Your Sewer Line located inside Your Home.**
- **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 Sewer Line.**
- **Repairing any trunk lines that connect to Your Sewer Line.**
- **Repairing any third party’s sewer line that is attached to Your Sewer 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.**

• **Removing any sewer meter at the time of repair, unless required by code.**

- **Moving any section of Your Sewer Line unless necessary to complete a covered repair.**
- **Updating any free-flowing section of Your Sewer Line to meet code, law or ordinance requirements.**
- **Removing any items necessary to access Your Sewer Line, 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 Sewer Line.**
- **Costs associated with opening and closing any portion of Your Home’s foundation or slab to access Your Sewer Line.**
- **Costs associated with traffic control (e.g. flag men, police).**
- **Repairing, replacing or cleaning any portion of Your Home or its contents that are damaged by clogs or blockages to Your Sewer Line.**
- **Paying any costs caused by a clog or blockage of Your Sewer Line, such as relocation costs, storage costs or temporary housing costs.**
- **Paying any damages caused by a clog or blockage to Your Sewer 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 \$4,000 per occurrence to repair Your Sewer Line and refill, rake and reseed any areas outside Your Home that AWR’s independent contractor excavated in order to access Your Sewer Line. If a necessary permit requires a public sidewalk or public road to be cut, excavated and repaired in order to access your Sewer Line, AWR will pay up to \$4,000 per occurrence to cut, excavate and repair the same section of public sidewalk or public road. The protection limits for Sewer Line repairs and road repairs are separate and distinct.

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. You will be responsible for any costs in excess of your protection limit.

10. How Can You Get Service?

If there is a clog or blockage to Your Sewer Line, You may contact AWR toll-free at 1-866-315-4473. If You do, AWR will dispatch an approved independent contractor to Your Home for repairs covered under this Agreement. AWR’s independent contractor will obtain any necessary permits before work begins. AWR’s independent contractor will first attempt to clear the clog or blockage. If it is cleared, no other repairs will be made. If AWR’s independent contractor must excavate any areas outside Your Home in order to access Your Sewer 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; and (b) obtaining permission for AWR’s independent contractor to access property You do not own.

14. Is There A Service Fee?

There is no service fee applicable for repairs to Your Sewer 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 is stated on Your Confirmation Letter and on Your enrollment form(s). AWR may change the Program Fee as set forth below.

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:

- **Check or Direct 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.

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 refund of all Program Fees paid by You if You cancel this Agreement: (a) before the Effective Date; or (b) after the Effective Date and prove You were never eligible for protection and never received repair services. If You cancel this Agreement before the Effective Date and AWR does not issue a refund to You within 30 days of cancellation, an amount equal to 10% of the refund amount will be added to the amount You are owed per month.

19. Is This The Whole Agreement?

This Agreement, Your Confirmation Letter and Your enrollment form(s) 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. 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.AWRUSA.com/Wilmington.

23. Can This Agreement Be Cancelled?

You may cancel this Agreement at any time by calling AWR toll-free at 1-866-315-4473 or by mailing notice to AWR at 1420 Discovery Parkway, Alton, Illinois 62002. Your cancellation will be effective on the last day of Your current billing period. 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 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 for one year from the date of the repair. 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. How Will Disputes Be Resolved?

A. Arbitration. Any Dispute between You and AWR shall be resolved by binding arbitration. In arbitration, there is no judge or jury and there is less discovery and appellate review than in court.

B. Definitions. This arbitration provision shall be broadly interpreted. “Dispute” means any claim or controversy arising from or relating to Your relationship with AWR, for example any: (1) claims for relief or theories of liability, whether based in contract, tort, statute or otherwise; (2) claims that arose before this Agreement; and (3) claims that arise after the cancellation or expiration of this Agreement. “Dispute” does not, however, include any issues relating to the scope or validity of this arbitration provision. As used in this arbitration provision, “You” means You and any intended or unintended beneficiaries of this Agreement and “AWR” means AWR and any of its predecessors, successors, assigns, parents, subsidiaries, affiliates and independent contractors, and each of their officers, directors, employees and agents.

C. Right to Sue in Small Claims Court.

Notwithstanding anything in this arbitration provision to the contrary, either You or AWR may bring an individual action in small claims court if the amount claimed is within the jurisdiction of that court.

D. Right to Reject this Arbitration Provision or Changes to this Arbitration Provision. Notwithstanding anything in the Agreement to the contrary, You may reject this arbitration provision or future changes to this arbitration provision. To do so, You must send AWR written notice by certified mail postmarked no later than thirty (30) days after Your first receipt of an arbitration provision (if rejecting the arbitration provision) or notice of the change (if rejecting changes to the arbitration provision) to 1420 Discovery Parkway, Alton, Illinois, 62002, Attention: Legal Department. Your decision will not adversely affect Your relationship with or service from AWR. If You previously notified AWR of Your decision, You need not do so again.

E. Procedures for Arbitration. This arbitration provision is governed by the Federal Arbitration Act. Arbitrations shall be administered by the American Arbitration Association ("AAA") pursuant to its Commercial Arbitration Rules and Supplementary Procedures for Consumer Related Disputes (collectively the "AAA Rules") as modified by the version of this arbitration provision that is in effect when notice of a Dispute is given. The AAA Rules can be obtained from the AAA by visiting its website (www.adr.org) or calling its toll-free number (1-800-778-7879). If there is a conflict between this arbitration provision and the rest of this Agreement, this arbitration provision will govern. If there is a conflict between this arbitration provision and the AAA Rules, this arbitration provision will govern. If the AAA will not administer an arbitration in accordance with this arbitration provision, You and AWR will agree on (or if necessary petition a court of appropriate jurisdiction to appoint) an arbitration organization that will do so. Unless You and AWR agree otherwise, any arbitration hearing will take place in the county where Your Home is located. The arbitrator will issue a reasoned written decision that explains the essential findings and conclusions. The arbitrator's award may be entered in any court of appropriate jurisdiction.

F. Right to Arbitral Fees and Costs. If You claim more than \$10,000, the payment of the AAA's fees and costs will be governed by the AAA Rules. If You do not claim more than \$10,000, AWR will advance or reimburse the AAA's fees and costs. However, if the arbitrator finds that Your Dispute was frivolous or brought for an improper purpose, the payment of the AAA's fees and costs will be governed by the AAA Rules and You will reimburse AWR for all fees and costs that were Your obligation to pay under the AAA Rules.

G. Right to Attorneys' Fees and Costs. You may hire an attorney to represent You. You are responsible for Your attorneys' fees and costs. You may recover them from AWR to the same extent as in court.

H. Waiver of Class Actions. YOU AND AWR WAIVE THE RIGHT TO PROSECUTE OR PARTICIPATE IN A CLASS ACTION, COLLECTIVE ACTION, OR OTHER REPRESENTATIVE ACTION. YOU AND AWR MAY SEEK RELIEF ONLY ON BEHALF OF THEMSELVES AND ONLY TO THE EXTENT NECESSARY TO REMEDY THEIR INDIVIDUAL CLAIMS. THIS CLASS ACTION WAIVER IS A MATERIAL AND ESSENTIAL PART OF AND CANNOT BE SEVERED FROM THIS ARBITRATION PROVISION.

I. Waiver of Jury Trials. WHETHER IN ARBITRATION OR COURT, YOU AND AWR WAIVE THE RIGHT TO A TRIAL BY JURY TO THE FULLEST EXTENT ALLOWED BY LAW.

J. Survival. This arbitration provision shall survive the cancellation or expiration of the Agreement.

27. 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 and their 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 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.

28. 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 1-866-315-4473, mail AWR at 1420 Discovery Parkway, Alton, Illinois, 62002, or visit AWR's website at www.AWRUSA.com/Wilmington. Telephone calls may be recorded and/or monitored.

29. 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 the City of Wilmington Department of Public Works. AWR may share it with others in order to provide services under this Agreement.

30. What Law Governs This Agreement?

The law of the State of Delaware shall govern this Agreement and any dispute between You and AWR.