

NEW YORK CITY WATER SERVICE 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 ("You" or "Your") named in the confirmation letter ("Confirmation Letter") accompanying this Agreement. 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.

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 shall be thirty (30) days after your enrollment is processed by AWR. 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. The Agreement will automatically renew each year for an additional one-year term unless You or AWR have cancelled this Agreement.

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
- You have ownership responsibility for Your Home's Water Line.

If at any time You are not eligible for protection, AWR will not pay for any repairs under this Agreement.

5. What Lines Are Protected?

Your Water Line is the water service line from the connection with the New York City Department of Environmental Protection's ("DEP") system to the water meter or main shut-off valve inside Your Home. It does **not** include Your water meter.

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 vacant due to renovation, remediation or construction.
- Repairing anything caused by natural acts or disasters, such as earthquakes, floods, hurricanes, landslides or sinkholes.
- Repairing anything caused by defective materials that have been the subject of a recall or class action litigation.
- Repairing any clog or blockage of Your Water Line.
- Repairing any Water Line not connected to DEP's 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 third party's water line that is attached to Your Water Line.
- Restoring any gardens, shrubs, trees or structures.
- Restoring any sidewalks, curbs, driveways, roads or other paved surfaces that are not required by permit or New York City Department of Transportation rules and regulations to be repaired or restored.
- Moving any water meter at the time of repair, unless required by code.
- Relocating any section of Your Water Line, unless necessary to complete a repair.
- Updating any non-leaking Water Line to meet code, law or ordinance requirements.

- Removing any items necessary to access Your Water 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 Water Line.
- Excavating Your Home's Foundation or slab in order to access any section of Your Water Line.
- 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?

There is no limit on the amount that AWR will pay for covered repairs under this Agreement.

9. How Can You Get Service?

If there is a leak or break to Your Water Line, You may call AWR toll-free at 1-888-300-3570 or contact the New York City Department of Environmental Protection ("DEP") by dialing "311". If you contact the DEP directly, and the DEP investigates the issue and determines that the leak or break is your responsibility, then you may contact AWR toll-free at 1-888-300-3570. AWR will dispatch an independent contractor to your Home. Repairs required by DEP's issuance of a 10-day notice to You will be classified as emergencies. All other repairs will be classified as non-emergencies. 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, the independent contractor will refill, rake and reseed any unpaved area once per occurrence. Private walkways and private driveways will be refilled and covered with an asphalt patch once per occurrence. Public roadways, sidewalks, curbing and driveway aprons will be restored in accordance with New York City Department of Transportation rules and regulations once per occurrence. No other site restoration will be performed.

10. Can AWR Get A Second Opinion?

AWR may get a second opinion from an independent contractor of its choosing.

11. 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.

12. 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) providing AWR's independent contractor with access to Your property; and (c) disconnecting any cold-water electrical grounds before repairs are made to Your Water Line.

13. Is There A Service Fee?

There is no service fee applicable to investigations and repairs made under this Agreement.

14. 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.

15. How Are Your Payments Made?

Your Program Fee will be charged to Your DEP bill in periodic installments.

16. Is The Program Fee Taxable?

The Program Fee is subject to applicable state and local taxes.

17. 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 unearned Program Fees paid by You, less the cost of any repair services performed and any money You owe DEP and/or 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. Partial refunds will be pro-rata refunds based on the number of days left in the then current term. All refunds will be issued via a credit posted to Your DEP bill. If You cancel this Agreement before the Effective Date and AWR does not issue a refund owed to You within 30 days of cancellation, a 10% per month penalty shall be added to the amount You are owed.

18. 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.

19. Are These Headings Part Of This Agreement?

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

20. 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.

21. 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/nyc.

22. Can This Agreement Be Cancelled?

You may cancel this Agreement at any time and for any reason, including if You have another service or insurance contract that gives You the same benefits as this agreement. You may cancel this Agreement by calling AWR toll-free at 1-888-300-3570 or by mailing AWR at 1420 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 (i) DEP notifies AWR that your account is delinquent, (ii) You are ineligible for protection, or (iii) You misrepresented any material facts when You entered into or requested service under this Agreement. AWR's notice of cancellation is effective when sent.

23. 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.

24. 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 the repair or replace the 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.

25. What Liability Does AWR Have?

To the extent permitted by applicable law, You agree that AWR, its parents, its successors, its affiliates, and its officers, directors, and employees shall not be liable to You or any third party for: (1) any actual losses or direct damages in excess of the cost of the covered repair that gives rise to Your claim or \$10,000, whichever is less; 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.

26. 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 1-888-300-3570, mail AWR at 1420 Discovery Parkway, Alton, Illinois, 62002, or visit AWR's website at www.AWRUSA.com/nyc. Telephone calls may be recorded and/or monitored.

27. 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 DEP. AWR may share it with others only in order to provide services under this Agreement. AWR will not share it with others in order to market other products or services.

28. What Law Governs This Agreement?

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