

IN HOME PLUMBING EMERGENCY 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 utility bill, 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 Supply System and Drainage System; 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?

A. Your “Supply System”

Your Supply System is Your permanent internal supply pipes from the outlet side of Your water meter (if Your water meter is inside Your Home) or the main shut-off valve inside Your Home (if Your water meter is outside Your Home) to the shut-off valve at each fixture and appliance inside Your Home. It does **not** include Your Home’s fixtures or appliances.

B. Your “Drainage System”

Your Drainage System is Your permanent internal drains and drainage pipes from Your Home’s fixtures or appliances to the point where they exit Your Home. It does **not** include Your Home’s fixtures or appliances.

6. What Repairs Are Covered?

Subject to the terms and conditions of this Agreement, AWR will pay to repair (A) leaks or breaks to Your Supply System; and/or (B) clogs or blockages to Your Drainage System 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 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 (e.g. polybutylene or Kitec plumbing).**
- **Repairing anything caused by improper design or installation of Your Supply System or Drainage System.**
- **Repairing any fixtures or appliances, such as toilets, faucets, shower heads, diverters, dispensers or supply tube lines.**
- **Repairing any Drainage System with a connection to or from any non-conforming drain line, such as a basement or storm drain system.**
- **Repairing any clog or blockage of Your Supply System.**
- **Repairing any leak or break of Your Drainage System if there is no clog or blockage.**
- **Thawing any frozen section of Your Supply System or Drainage System.**
- **Repairing any section of water or sewer lines that is attached to Your Supply System or Drainage System and owned by a third party.**

- **Repairing any devices connected to Your Supply System or Drainage System, such as backflow preventers, lift stations, pumps, garbage disposals or grinders.**

- **Costs associated with opening and closing any portion of Your Home’s foundation or slab to access any section of Your Supply System or Drainage System.**

- **Repairing any portion of Your Supply System extending outside Your Home, such as lines and pipes to outdoor faucets, sprinkler systems, and pools.**

- **Repairing any portion of Your Drainage System extending outside 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 Supply System or Drainage System.**

- **Moving any items such as furnishings to access Your Supply System or Drainage System.**

- **Moving any inside meters at the time of repair, unless required by local code.**

- **Moving any section of Your Supply System or Drainage System lines unless necessary to complete a covered repair.**

- **Updating any non-leaking Supply System or any unblocked Drainage System lines to meet code, law or ordinance requirements.**

- **Repairing, replacing or cleaning any portion of Your Home or its contents that are damaged by leaks or breaks to Your Supply System and clogs or blockages of Your Drainage System.**

- **Remediating or cleaning any hazardous substance or pollutant, such as mold or asbestos.**

- **Paying any costs caused by a leak or break in Your Supply System or clog or blockage of Your Drainage System, such as lost water costs, relocation costs, storage costs or temporary residence costs.**

- **Paying any damages caused by a leak or break in Your Supply System or clog or blockage of Your Drainage System, 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 \$1,500 per occurrence to repair Your Supply System or Drainage System.

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 leak or break to Your Supply System or a clog or blockage of Your Drainage System, You may contact AWR toll-free at 1-855-705-8434. 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.

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?

You must pay AWR a \$50 per occurrence service fee if AWR dispatches an independent contractor to Your Home to investigate or repair Your Supply System or Drainage System.

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:

- **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 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.

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 1-855-705-8434 or mailing AWR at 1420 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 refund of all Program Fees paid by You if You cancel this Agreement: (i) before the Effective Date or (ii) within 20 days of the date on which this Agreement and Confirmation Letter are sent to You, whichever date is later. If AWR does not issue a refund to You within 30 days of cancellation, an amount equal to 10% of the Program Fee being refunded will be added to the amount You are owed for each month that the refund and any accumulated penalties remain unpaid. You may also receive a refund of all Program Fees paid by You if you cancel after the Effective Date **and** prove You were never eligible for protection and never received repair services.

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/terms.

23. Can This Agreement Be Cancelled?

You may cancel this Agreement at any time by calling AWR toll-free at 1-855-705-8434 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; provided, however, that this warranty does not apply to drainage pipe clearings (e.g. snaking or jetting a drainage pipe). 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.

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 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 1-855-705-8434, mail AWR at 1420 Discovery Parkway, Alton, Illinois, 62002, or visit AWR's website at www.AWRUSA.com. 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 Your water or sewer utility. 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 where Your Home is located shall govern this Agreement and any dispute between You and AWR. Additional terms and conditions specific to some states are set forth below. If they apply and conflict with the terms and conditions above, the following terms and conditions control.

A. Arizona — Your Rights: The limitation of liability above does not prevent You from seeking relief with the Arizona Department of Insurance Consumer Affairs Division under the provisions of Arizona Revised Statutes 20-1095.04 and 20-1095.09. **Refunds:** Any refund issued to You will not be reduced by the cost of any repair services performed under this Agreement.

B. Georgia — Your Rights: If AWR does not perform a covered repair within 60 days after You request service, or issue a refund owed to You within 60 days after this Agreement is cancelled, You may file a claim directly against Travelers Casualty and Surety Company of America, 399 Thornall Street, Edison, NJ 08837. Nothing contained in the Arbitration provision shall affect your right to file a direct claim against Travelers Casualty and Surety Company pursuant to O.C.G.A. 33-7-6. **Refunds:** Any refund issued to You will not be reduced by the cost of any repair services performed under this Agreement. Any refund as a result of the cancellation of this Agreement, by either You or AWR, will be determined on a prorated basis. **Cancellation:** AWR may cancel this Agreement if You are 30 days or more past due on Your Program Fee with 10 days written notice. AWR may cancel this Agreement for fraud or material misrepresentation with 30 days prior written notice.

C. Iowa — Your Rights: AWR is subject to regulation by the Insurance Division of Iowa's Department of Commerce. Complaints that are not resolved by AWR may be sent to the Iowa Insurance Division, 330 Maple Street, Des Moines, IA 50319.

D. Kentucky — Your Rights: If AWR does not pay for any covered repair within 60 days after You request service, You may file a claim directly against Travelers Casualty and Surety Company of America, 399 Thornall Street, Edison, NJ 08837.

E. Louisiana — Cancellation: AWR may cancel this Agreement without prior written notice if You are 30 days or more past due on Your Program Fee, made a material misrepresentation to AWR, or materially breached this Agreement. AWR may cancel this Agreement for any other reason upon providing You with 15 days' prior written notice, stating the effective date of and reason for cancellation.

F. Minnesota — Cancellation: AWR may cancel this Agreement upon providing You with 5 days' prior written notice if You (i) are 30 days or more past due on Your Program Fee, (ii) made a material misrepresentation to AWR, or (iii) materially breached this Agreement. AWR may cancel this Agreement for any other reason upon providing You with 15 days' prior written notice.

G. Missouri — Your Rights: Obligations of AWR under this service contract are backed only by the full faith and credit of AWR and are not guaranteed under a reimbursement insurance policy.

H. Nevada — Your Rights: If a repair covered under this Agreement is an Emergency, repairs will commence within 24 hours of Your request for service. If an Emergency repair cannot be completed within 3 calendar days of Your request for service, AWR will provide You with a status report that identifies: (i) the required repairs or services; (ii) the reason why repairs will take longer than 3 days (including the status of any parts needed for the repair); (iii) the estimated date that the repairs will be completed; and (iv) a telephone number for You to call with questions about Your claim. AWR will respond to any questions regarding Your claim within 1 business day. For purposes of this section, "Emergency" means that a loss of plumbing covered under this Agreement has made Your Home unsafe to live in because of defects that immediately endanger the health and safety of its occupants. AWR may not transfer its obligations under this Agreement to a third party. AWR may assign only its duties as administrator of this Agreement to a third party. **Changes:** Any change that AWR makes to this Agreement will not be effective until the expiration of the current term; provided, however, that if AWR makes a change that expands coverage under this Agreement at no additional cost to You, the change will become effective 30 days after AWR notifies You of the change. **Cancellation:** AWR may not cancel this Agreement without giving You 15 days written notice. For 69 days after the Effective Date, AWR may cancel this Agreement for any reason. More than 69 days after the Effective Date, AWR may cancel this Agreement if You: (i) are 30 days or more past due on any amount owed to AWR or its independent contractors; (ii) misrepresented any material facts when You entered into or requested service under this Agreement; or (iii) breach this Agreement and substantially and materially increase the services required under this Agreement. AWR may also cancel if there is a material change in the nature or extent of the services under the Agreement, which substantially and materially increases the required services beyond what was contemplated when the Agreement was issued. If AWR notifies you of its intent to cancel because you are past due on amounts owed to AWR or its independent contractors, cancellation will take effect unless You have satisfied Your obligation to pay all amounts due before the effective date of cancellation. However, until cancellation is effective, AWR may not suspend or deny otherwise eligible coverage under this Agreement.

I. New Hampshire — Your Rights: In the event you do not receive satisfaction under this contract, you may contact the New Hampshire Insurance Department, 21 South Fruit Street, Suite 14, Concord, NH 03301, or 1-800-852-3416.

J. New Mexico — Your Rights: If You pay by utility bill, credit card or direct debit, Your 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. At least 30 days, but no more than 60 days, before the end of the term of Your Agreement, AWR will send you written notice advising You of the date that Your Agreement will be renewed if you do not cancel. The notice will also set forth the procedure by which You may cancel the Agreement at any time by contacting AWR toll free at 1-855-705-8434 or by mailing notice to AWR at 1420 Discovery Parkway, Alton, Illinois 62002. If you pay by check, Your Agreement will not automatically renew and AWR will send You a notice requesting that You renew Your Agreement for an additional one year term.

K. Oregon — Your Rights: AWR is licensed by the Oregon Construction Contractors Board, License Number CCB 204749. Complaints that are not resolved by AWR may be sent to the Oregon Department of Justice, Financial Fraud/Consumer Protection, 1162 Court St NE, Salem, OR 97301-4096 www.oregonattorneygeneral.gov or via toll-free telephone at (877) 877-9392.

L. South Carolina — Your Rights: In the event of a dispute with the provider of this contract, you may contact South Carolina Department of Insurance, Capitol Center, 1201 Main Street, Ste. 1000, Columbia, South Carolina 29201 or (800) 768-3467.

M. Wyoming — Cancellation: AWR may cancel this Agreement without prior written notice if You are 30 days or more past due on Your Program Fee, made a material misrepresentation to AWR, or materially breached this Agreement. AWR may cancel this Agreement for any other reason upon providing You with 10 days' prior written notice.

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