



Missouri-American Water Company

535 North New Ballas Road St. Louis, Missouri 63141

An American Water System Company

Thomas R Schwarz
1506 Hayselton Dr
Jefferson City MO 65109-1284



Dear Thomas R Schwarz:

Recently you received a letter from us describing the Water Line Protection Program being offered by our affiliate, American Water Resources, Inc. In a short amount of time the Program has grown rapidly and thousands of our customers have enrolled to take advantage of this unique offer. Please take a few minutes now to revisit how the Program can save you thousands of dollars and many sleepless nights - your peace of mind is worth it.

Costs for repairing your water line could amount to thousands of dollars.

You may not realize it, but as a homeowner, you own the water line that runs through your property between the street and your home. At any time, normal wear and tear can cause your water line to leak or break, as shown on the enclosed diagram. You can't prevent it. You can't predict it. And, worst of all, most homeowner insurance policies do not cover repairing it, so you'll have to pay for it.

For just pennies a day, you can be protected from unexpected worries and costs.

In cooperation with our affiliate, American Water Resources, Inc., the Missouri-American Water Company is pleased to introduce a special Water Line Protection Program to cover these unexpected costs and provide you with peace of mind. This also means that you won't have to spend hours searching for a qualified repair contractor — you can leave that up to the experts.

When you consider all the advantages, I'm sure you'll agree that this Program is one of the best opportunities available to you as a homeowner.

- Save thousands of dollars in unexpected repairs for just pennies a day (\$4 a month)
- Enjoy peace-of-mind protection from the most experienced water resource manager in the country
- Eliminate the hassles of searching for a qualified repair contractor

We are pleased to make the protection you need and the peace of mind you deserve available to you while continuing to deliver the quality service you depend on from Missouri-American.

Please carefully read the Program terms and conditions on the back of this letter, and keep this information for future reference. For just pennies a day, I'm sure you will agree that the Water Line Protection Program is a good value. So, I encourage you to complete the enclosed enrollment form today. For only \$4 a month, join the thousands of other homeowners that are protected from the expense and worry that a broken water line can cause.

Sincerely,

Eric W. Thornburg
President

P.S. For just pennies a day, you can save thousands of dollars and countless hours of worry and hassle.

Schedule KKB-8.1

01-0004063-48

AWRLTR010

AMERICAN WATER RESOURCES, INC.

American Water Resources, Inc. an affiliate of Missouri-American Water Company is dedicated to offering products and services that enhance those services currently offered by Your regulated water provider.

WATER LINE PROTECTION PROGRAM

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

THIS AGREEMENT COVERS

American Water Resources, Inc.'s Water Line Protection Program will cover the cost for repair of Your Customer-Owned Water Line should You have a water leak caused by normal wear and tear.

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 following enrollment outlining Your Program specifications. The Confirmation Letter will include the following information:

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

"Customer-Owned Water Line" means the section of the single water supply line You own that runs from Your home to the connection owned by Missouri-American Water Company, Inc. It does not include any connections/ extensions such as water lines to sprinklers and/or agricultural meters.

- If the meter is located inside Your home, it is the section of the water supply line from the shut-off valve to the inlet side of the meter.
- If the meter is located outside Your home, it is the section of the water supply line from the outlet side of the meter to the shut-off valve inside Your home.

"Effective Date" means the date protection begins under the Program, which is thirty (30) days after Your Enrollment Date. Your Program Effective Date is listed on Your Confirmation Letter.

"Enrollment Date" means the date Your enrollment form is received, processed and confirmed by Us.

"Lapse of Coverage" means We requested payment from You for an additional Term or Your periodic Program fee and We did not receive Your full payment within thirty (30) days from the date said payment was due. The Program will lapse without notice.

"Program" means American Water Resources, Inc.'s Water Line Protection Program.

"Term" means the period of time, from the Program Effective Date, Your Program will be in effect. The Program Term is annual (three hundred sixty five (365) days) unless it is terminated or cancelled sooner as provided herein. Your Program Term is listed on Your Confirmation Letter.

"We", "Us" and "Our" mean the Administrator.

"You" and "Your" mean a residential customer and customer of record of Missouri-American Water Company, the homeowner of a single-family residence and the purchaser of this Program.

ELIGIBILITY FOR PROTECTION

You must be a residential customer, customer of record of Missouri-American Water Company and owner of the residence to which the Customer-Owned Water Line is attached. The Customer-Owned Water Line must be free of leaks and in working order prior to Your Enrollment Date in the Program. Homeowners in multi-unit dwellings such as condominiums, town homes, duplexes and apartment houses are not eligible for the Program.

PERIOD OF PROTECTION

Program Protection initiates thirty (30) days after Your Enrollment Date. Your protection will continue for the Term listed on Your Confirmation Letter. Your Program Term can automatically be extended provided You make timely payments to Us at the then-current annual Program fee. If You purchase additional Terms without a Lapse of Coverage, Your 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.

LIMIT OF PROTECTION

The maximum amount We will pay for any covered repair under the Program is \$3,000 per occurrence. Before the line is repaired, if a permit is required, We will obtain proper permitting before work will commence. We will provide basic site restoration to the repair area once the repair work is completed. Site restoration is limited to tilling in, raking and reseeding one time only. All repairs to Your Customer-Owned Water Line will comply with local water code requirements. Any subsequent repair made within 60 days of a prior covered repair will be considered as a part of that prior covered repair and limited to the \$3,000 per occurrence limit. If a permit was acquired to commence work on covered water lines and requires a sidewalk, located in a public easement, to be repaired, the Program will provide repair of said sidewalk up to \$500. Cost to repair sidewalks applies toward the Program \$3,000 maximum. You will not, unless at Your own expense, engage a contractor or otherwise incur costs to repair the Customer-Owned Water Line on Our behalf. You may neither transfer the Program to a new owner of the covered property nor transfer the Program to a different residence owned by You.

THIS AGREEMENT DOES NOT COVER

- Damage to Customer-Owned Water Line incurred or existing prior to the Program Enrollment Date.
- Damage to Customer-Owned Water Line caused by the actions or negligence of You or third parties.
- Damage to Customer-Owned Water Line caused by natural disasters, or acts of nature, including, but not limited to, earthquakes, floods, landslides or sinkholes or any other insurable cause.
- Any consequential, incidental or special damages You incur including lost water, regardless of whether they are caused by delays, failure to service or for conditions beyond the control of the Administrator.
- Restoration of trees, shrubs, paved surfaces, or structures, for any reason.
- Any damage to finished or unfinished walls or surfaces inside Your home necessary to access and repair Your Customer-Owned Water Line.
- Leak repairs to any interior pipes beyond the shut-off valve inside Your home.
- Restoration of sidewalks not located in public easement. Also, restoration of sidewalks located in public easements but not required on the permit.
- Removal of debris necessary to access and repair Your Customer-Owned Water Line, including but not limited to old cars, trash, storage, rocks or materials.
- Movement of the meter at the time of repair, unless required by local code.
- Coverage for multi-unit housing including, but not limited to, town homes, condominiums, duplexes and apartment houses; and any facility used for commercial purposes.
- Updating non-leaking pipes to meet code, law or ordinance requirements or changes thereto.
- Movement of working pipes and/or lines.

YOUR RESPONSIBILITIES

If You suspect there is a water leak, call the toll-free number shown on Your water bill from Missouri-American Water Company who will investigate the source of the problem. In the event Missouri-American determines that the leak is to Your Customer-Owned Water Line, We will arrange to have an approved, independent contractor call You to set up a time to come out to Your home. The contractor will contact You within 12 hours for emergency service, or by 6:00 pm the next business day for all other service, to arrange for repair of Your Customer-Owned Water Line.

If a permit was acquired that requires repair to sidewalks located in public easements, and the cost to repair exceeds the Program maximum of \$500, it is Your responsibility to pay any additional costs. If repair cost to the Customer-Owned Water Line exceeds the Program maximum of \$3,000, it is Your responsibility to pay any additional costs. Any costs in excess of the Program maximum will be stated to You before work is performed and We will send You an invoice for all expenses over any Program maximum. Beyond the previously outlined exceptions, You will not be charged any deductible or service call fees in conjunction with a covered repair. It is Your responsibility to secure permission (right-of-way) associated with gaining access to repair Your Customer-Owned Water Line that may pass through property that You do not own.

ADMINISTRATOR'S RIGHTS

We reserve the right to change Your Program fee and/or the Program terms and conditions with thirty (30) days written notice to You. We reserve the right to transfer or assign Your Program contract. You grant Us the right to obtain customer of record information from Missouri-American Water Company limited to Your name, address and any other pertinent information. This information will not be sold to any outside marketing companies.

CANCELLATION

You may cancel this Program at any time by mailing a cancellation request to American Water Resources, Inc., Attention: Water Line Protection Administrator, 1410 Discovery Parkway, Alton, Illinois 62002. If You cancel, the effective date of cancellation is the date We receive Your notice. You have thirty (30) days from Your Enrollment Date to cancel and receive a full refund of any payments made. Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program. 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. We reserve the right to cancel the Program at any time upon ninety (90) days 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 service performed under the Program. If You are owed a refund, it will be processed via the enrollment payment method You chose to join the Program.

PAYMENT ARRANGEMENTS

You may make payment for this Program by check. In the event that Your check is returned for Non-Sufficient Funds, Your status in the Program will be terminated as of Your Enrollment Date without notice.

You may make payment for this Program by authorizing a charge to Your credit card account (Visa/MasterCard only). The charge to Your credit card account will be for a full year's participation in the Program. If Your credit card charge 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.

Your Program participation will be subject to cancellation without notice once You are thirty (30) days past due on any payment for the Program.

TAXES

American Water Resources, Inc. will collect any and all appropriate taxes if required by the local municipal government (s), county government or the State of Missouri. These taxes will be collected at the time of payment. This Program is not currently taxed in the State of Missouri.

LIMITATION OF LIABILITY

In the event that Your property is not eligible for coverage under the terms and conditions of the Program, our only obligation is to refund any payments made by You to Us. Once we have paid You this refund, the Program will be voided as of Your Enrollment Date. 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 \$3,000. In no event, however, shall the Administrator, its affiliated companies, its employees, agents and contractors have any liability for special, indirect, incidental, consequential or punitive damages 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.

THE WATER LINE PROTECTION PROGRAM IS NOT AN INSURANCE CONTRACT OR POLICY. THE PROGRAM PROVIDES FOR THE REPAIR OF LEAKS TO YOUR CUSTOMER-OWNED WATER LINE DUE TO NORMAL WEAR AND TEAR. THIS CONTRACT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN AMERICAN WATER RESOURCES, INC. AND YOU, AND THERE ARE NO OTHER PROMISES OR CONDITIONS IN ANY OTHER AGREEMENT WHETHER WRITTEN OR ORAL.

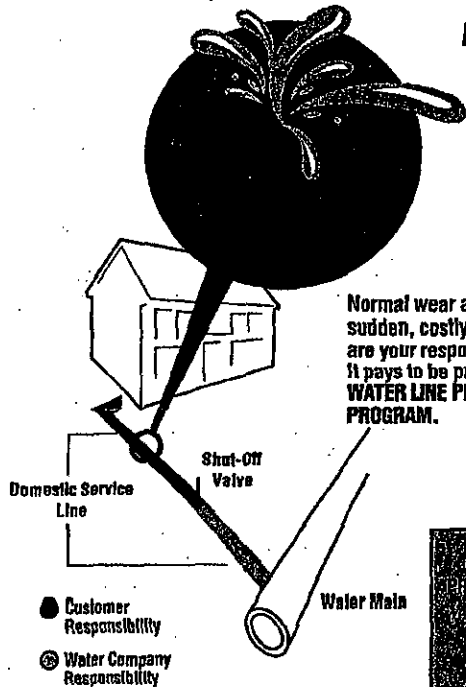
American Water Resources, Inc.
Water Line Protection Program
1410 Discovery Parkway, Alton, IL 62002
Toll Free 1-866-430-0819

MO0603TC



YES! I want protection and peace of mind.
Enroll me in the **WATER LINE PROTECTION PROGRAM** today.

**Special
Introductory
Offer**



Normal wear and tear can cause sudden, costly water leaks that are your responsibility to repair. It pays to be protected by the **WATER LINE PROTECTION PROGRAM.**

Schedule KKB-8.3



1003846 MO48063R

IMMEDIATE ACTION FORM

MO48063R

Homeowner's Name: Thomas R Schwarz

SERVICE ADDRESS: PROGRAM NOT AVAILABLE TO MULTI-UNIT DWELLERS AND RENTERS

Street: 1506 Hayselton Dr

City: Jefferson City State: MO Zip: 65109

Reference Number: 1003846

MAILING ADDRESS

Street: 1506 Hayselton Dr

City: Jefferson City State: MO Zip: 65109-1284

CONTACT INFORMATION

Home Phone:

Work Phone:

E-mail:

PAYMENT OPTIONS

I PREFER TO PAY BY CREDIT CARD

I authorize American Water Resources, Inc. to charge the amount of \$48.00 to my credit card:

VISA* MasterCard* Expires:

Account#

Signature _____ Date _____
(required if using credit card)

I WISH TO PAY BY CHECK

I've enclosed a check or money order in the amount of \$48.00 made payable to American Water Resources, Inc. in the enclosed postage-paid envelope.

By signing this enrollment form you agree to all terms and conditions of the WATER LINE PROTECTION PROGRAM as outlined on the back of the letter. Confirmation of enrollment will be sent to the above mailing address. Coverage begins 30 days after enrollment form is received and confirmed by American Water Resources, Inc. The expiration date for this introductory offer is 11/30/03. After 11/30/03 call 1-866-439-0819 for current offer.

X Signature:

Date: