

**Exhibit A**  
**NLC Service Line Warranty Program**  
**City of Muscatine and**  
**Muscatine Power and Water**  
**Term Sheet**  
**March 14, 2018**

**I. Initial Term. Three years**

**II. License Conditions.**

- a. City and Utility logo on letterhead, advertising, billing, and marketing materials
- b. Signature by City and Utility official

**III. Products.**

- a. External water service line warranty (initially, \$6.25 per month)
- b. External sewer/septic line warranty (initially, \$7.25 per month)
- c. Interior plumbing and drainage warranty (initially, \$9.49 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

**IV. Scope of Coverage.**

- a. External water service line warranty:
  - Homeowner responsibility: From the main to the external wall of the home.
  - Covers thawing of frozen external water lines.
  - Covers well service lines if applicable.
- b. External sewer/septic line warranty:
  - Homeowner responsibility: From the exit point of the home to the main.
  - Covers septic lines if applicable
- c. Interior plumbing and drainage warranty:
  - Water supply pipes and drainage pipes within the interior of the home.

**V. Marketing Campaigns.** Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.

## NLC Service Line Warranty Program Highlights

- The only utility line warranty program endorsed by the National League of Cities (NLC)
- Endorsed by multiple state leagues
- Over 400 municipalities participating nationwide
- No cost to or liability for the city to participate
- Ongoing revenue stream for city
- Educates homeowners about their lateral line responsibilities
- Utility Service Partners (USP) handles all marketing and management of the program
- 24/7/365 bilingual customer service
- All repairs performed to city code by local, licensed contractors
- Reduces calls from residents to City Hall for lateral water and sewer line issues
- Homeowner billed by NLC Service Line Warranty Program
- Provides residents an affordable solution that covers cost of repairs to water and sewer lines for which the homeowner is responsible
- Saved more than 140,000 homeowners across the country over \$90 million in water and sewer service line repair costs
- No public funds are used in the marketing, distribution or administration of the NLC Service Line Warranty Program
- The NLC Service Line Warranty Program must be supported by the city into which it is being introduced before any warranty offer letters are mailed to homeowners in the community

### PARTICIPATING CITIES (SAMPLE OF OVER 400)

Phoenix, AZ	East Point, GA	Edgewood, KY	Fairfield, OH
Tucson, AZ	Franklin Park, IL	District Heights, MD	Tulsa, OK
San Diego, CA	El Dorado, KS	Clawson, MI	Scranton, PA
Ft. Lauderdale, FL	Hillsboro, KS	Dayton, OH	Madison, WI

## NLC SERVICE LINE WARRANTY PROGRAM BENEFITS

---

### CITY

- Provides non-tax revenue stream without any investment
- Reduces calls to City/Public Works when a homeowner's line fails
- Contractors undergo rigorous vetting process to ensure quality service
- Reduces costs associated with sending Public Works to residents' homes to assess lateral line issues
- Keeps money in the local economy by using contractors in the metro area
- Contractors must be current with insurance and required licenses

### RESIDENTS

- Affordable utility line repair solution for families on a budget
- Educates homeowners about their service line responsibilities
- Prevents aggravation of having to find a reliable, reputable plumber
- Peace of mind - with one toll-free call a reputable plumber is dispatched
- Keeps money in the homeowner's pocket; without warranty, repairs cost from hundreds to thousands of dollars
- No service fees or deductibles and no paperwork or forms to complete

## ACCOLADES & ACCOMPLISHMENTS

---



### BBB Torch Award for Marketplace Ethics

Trust • Performance • Integrity

2013 Winner  
Western Pennsylvania Better Business Bureau®

- Accredited Better Business Bureau member with A+ rating for nearly a decade
- 2013 Western Pennsylvania Better Business Bureau Torch Award winner for Marketplace Ethics

- The **only** utility line warranty program endorsed by the National League of Cities
- **More than 97%** of all submitted claims are approved
- **A customer satisfaction rating of 98%**
- **9 of 10 customers surveyed** have recommended the program to friends, family and neighbors

Learn more about the program online at [www.utilitysp.net](http://www.utilitysp.net) or call 1-866-974-4801.

The program is offered at no cost to municipalities and utilities. Join us and enjoy these program features:

- ▶ The only utility line warranty program endorsed by National League of Cities
- ▶ Educates homeowners about their service line responsibilities
- ▶ Service from licensed, local contractors keeps dollars in the local economy
- ▶ Low claim denial rates - more than 97% of all claims are typically approved
- ▶ More than 97% of our customers felt better prepared for a service line emergency
- ▶ Timely repairs that help conserve water and reduce ground pollution



USP's consumer brand, Service Line Warranties of America, was the 2013 Winner of the Western Pennsylvania BBB Torch Award for Marketplace Ethics.

## About

### Utility Service Partners, Inc.



USP's family of companies has been providing utility service line warranty products since 2003. USP, a HomeServe company, is a BBB Accredited Business with an A+ rating and enjoys a customer satisfaction rating of over 98%.

### National League of Cities



The National League of Cities is dedicated to helping city leaders build better communities, and serves as a resource and advocate for 19,000 cities, towns and villages, representing more than 218 million Americans.

## Make a Difference in Your Community

To learn more about the NLC Service Line Warranty Program, visit NLC's website at [www.nlc.org](http://www.nlc.org) or contact USP at 1-866-974-4801.

[www.utilitysp.net](http://www.utilitysp.net) | [partnerships@utilitysp.net](mailto:partnerships@utilitysp.net) | 1-866-974-4801



## National League of Cities Service Line Warranty Program

Educating homeowners about their service line responsibilities while providing an affordable solution for repairs.

[www.utilitysp.net](http://www.utilitysp.net)



## Overview

Residential property owners may be responsible for the maintenance of the buried water and sewer lines that run between the public (main) connection and the exterior of the home. When these lines break, leak or clog, the homeowner is often surprised to learn that homeowner's insurance does not cover the cost of an often expensive repair.

A homeowner's private lines are subjected to the same elements as the lines that comprise the public infrastructure - ground shifting, tree-root invasion, extreme weather, age and more. While municipalities are responsible for repairs to the public infrastructure, what solution is available to homeowners when the lines on their property fail?

The NLC-endorsed Water and Sewer Line Warranty and In-Home Plumbing Repair Programs educate homeowners about their service line responsibilities while providing an affordable repair coverage option.

# Serving your local community

In partnership with NLC



**400+**  
Municipalities participating across North America



**97%**  
Claims approval rating



**98%+**  
Customer satisfaction rating



**1 Million**  
Repairs performed in the past three years



**\$255 Million**  
in repair costs saved by customers in the past three years



## Frequently Asked Questions

### What will the warranty program cost the city and homeowners?

There is absolutely no cost to the city for this warranty program and homeowner participation is completely

voluntary. For a small monthly fee, homeowners can protect the buried utility service lines on their property. The NLC Service Line Warranty Program provides generous coverage with no deductibles, service fees or annual/lifetime limits.

### How does the program work?

The NLC Service Line Warranty Program handles all aspects of the program including marketing, billing, customer service, contractor management and completion of all repairs to local code.



### What happens when a homeowner experiences a service line break or leak on their property?

One call to the NLC Service Line Warranty Program's toll-free number and a local, licensed contractor will be dispatched to quickly make repairs. There is no paper-work to complete; just one call for claims processing - available 24/7, 365 days a year. All contractors are local to the community served, which keeps dollars in your local economy.



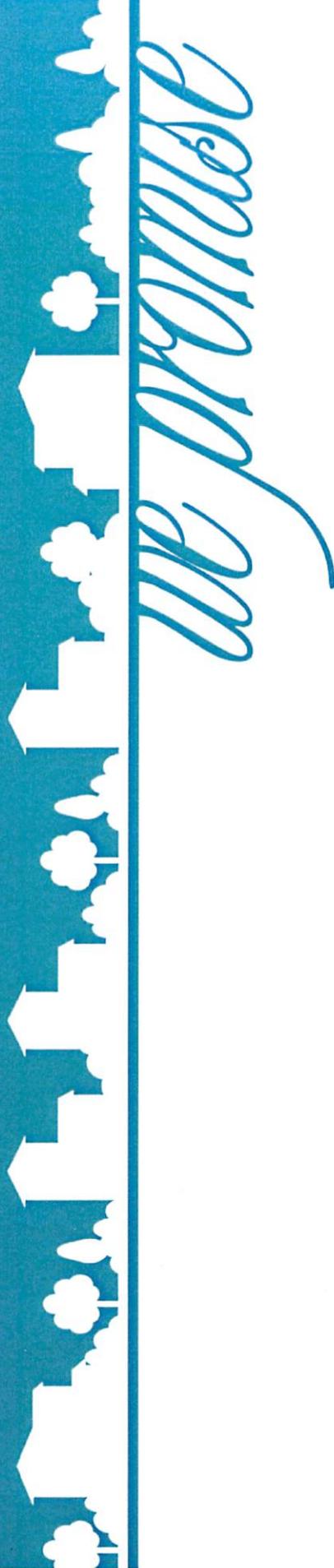
### Why is the warranty program important?

The American Society of Civil Engineers graded the nation's infrastructure a D+ in 2013 and it's no surprise! Many people believe that water and sewer lines will last

hundreds of years without failing, but the truth is, there are many reasons other than life expectancy of the pipes that can contribute to infrastructure failure - such as tree-root intrusion, rust and weather.

With the NLC Service Line Warranty Program, normal wear and tear, ground shifting, root-intrusion, and much more are covered.

# City of Muscatine, IA



**NLC**  
NATIONAL  
LEAGUE  
OF CITIES  
CITIES STRONG TOGETHER

Ashley Shiwarski

724-749-1097

[ashiwarski@utilitysp.net](mailto:ashiwarski@utilitysp.net)



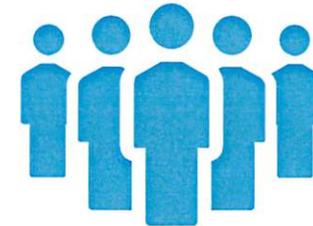
## WHY CHOOSE UTILITY SERVICE PARTNERS?



EXPERIENCE



REPUTATION



PARTNERSHIP



### BBB Torch Award for Marketplace Ethics

Trust • Performance • Integrity

2013 Winner  
Western Pennsylvania Better Business Bureau®



This award underscores one of the primary reasons the National League of Cities selected USP as a partner and extended our agreement for another five years. The organization's exemplary record of customer service and transparency is what has driven the success of this partnership over the years.

— Clarence Anthony, Executive Director  
National League of Cities

### PROGRAM BENEFITS

- Only Service Line Program Endorsed by the National League of Cities and the Iowa League of Cities
- Helps address the public policy issue of aging infrastructure
- No cost for the City to participate
- Ongoing Revenue Stream for the City
- Educates homeowners about their lateral line responsibilities
- Free Public Awareness Campaign
- Peace of Mind - with one toll-free call a reputable plumber is dispatched
- All repairs performed to code by local licensed contractors
- Contractors undergo rigorous vetting process to ensure quality service



## OUR SERVICE AND WHAT IT COVERS



SEWER/SEPTIC LATERAL  
COVERAGE



WATER LINE  
COVERAGE

Homeowner repair protection for leaking, clogged or broken water and sewer lines from the point of utility connection to the home exterior

### Coverage includes:

- Educating homeowners about their service line responsibilities
- Up to \$8,500 coverage per repair incident
- Includes coverage for thawing of frozen external water lines
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods

## OUR SERVICE AND WHAT IT COVERS



### INTERIOR PLUMBING AND DRAINAGE

Homeowner repair protection for in-home water supply lines and in-home sewer lines and all drain lines connected to the main sewer stack that are broken or leaking inside the home after the point of entry

### Coverage includes:

- Up to \$3,000 coverage per repair incident.
- Repair of clogged toilets
- Includes coverage for broken or leaking water, sewer, or drain lines under the slab or basement floor
- No annual or lifetime limits, deductibles, service fees, forms, or paperwork
- 24/7/365 availability
- Repairs made only by licensed, local contractors
- Affordable rates and multiple payment methods

## MARKETING APPROACH

- No Public Funds are used in marketing, distribution, or administration of the program.
  - Only market by direct mail, no telemarketing
  - Would never mail without your review and approval of marketing material before each and every campaign
  - Limited mailing campaigns per year
  - Consumer friendly marketing
  - Always voluntary for the homeowner
- 
- **Consumers can enroll one of three ways:**
    - Calling into our toll free number that is provided on the mailing;
    - Returning the bottom of the letter to us in the self addressed stamped envelope provided
    - Visiting our consumer website [www.slwofa.com](http://www.slwofa.com) at any time

## OVER 500 MUNICIPAL PARTNERS IN 38 STATES

...INCLUDING 54 IN THE STATE OF IOWA

Alabama  
Arkansas  
Arizona  
California  
Colorado  
Connecticut  
Florida  
Georgia  
Iowa  
Illinois  
Indiana  
Kansas  
Kentucky



Louisiana  
Maryland  
Maine  
Michigan  
Minnesota  
Missouri  
North Carolina  
Nebraska  
New Jersey  
New Mexico  
New York  
Nevada  
Ohio

Oklahoma  
Oregon  
Pennsylvania  
South Carolina  
South Dakota  
Texas  
Utah  
Virginia  
Washington  
West Virginia  
Wisconsin  
Wyoming

## CURRENT IOWA PARTNERS

*City of Thornton-IA*

*City of Exira-IA*

*City of Cresco-IA*

*City of Belmond-IA*

*City of Rhodes-IA*

*City of Melbourne-IA*

*City of Lovilia-IA*

*City of Ely-IA*

*City of Wayland-IA*

*City of Sheffield -IA*

*City of Rolfe-IA*

*City of Marshalltown-IA*

*City of Decorah-IA*

*City of Griswold-IA*

*City of State Center-IA*

*City of Hinton-IA*

*City of Shellsburg-IA*

*City of Spencer-IA*

*City of Waukon-IA*

*City of Grundy Center-IA*

*City of Camanche-IA*

*City of Manning-IA*

*City of Panora-IA*

*City of Van Meter-IA*

*City of Iowa Falls-IA*

*City of Maquoketa-IA*

*City of Missouri Valley-IA*

*City of Emmetsburg-IA*

*City of Eldora-IA*

*City of Sac City-IA*

*City of Swaledale-IA*

*City of Grand Mound-IA*

*City of Eldridge-IA*

*City of Corydon-IA*

*City of West Branch-IA*

*City of Jesup-IA*

*City of Estherville-IA*

*City of West Liberty-IA*

*City of Rock Valley-IA*

*City of Hampton-IA*

*City of Manly-IA*

*City of Creston-IA*

*City of DeWitt-IA*

*City of Bettendorf-IA*

*City of Holstein-IA*

*City of Cherokee-IA*

*City of Independence-IA*

*City of Lake Park-IA*

*City of Mason City-IA*

*City of Atlantic City-IA*

*City of Fairfield-IA*

*City of Carlisle-IA*

*City of Eagle Grove-IA*

*City of Madrid-IA*

# Q & A



## MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 20\_\_ ("**Effective Date**"), by and between the City of Muscatine ("City"), Muscatine Power and Water ("**Utility**"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties".

### RECITALS:

**WHEREAS**, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City ("**Residential Property Owner**"); and

**WHEREAS**, Utility desires to offer Residential Property Owners the opportunity, but not the obligation, to purchase a service line warranty and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

**WHEREAS**, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Residential Property Owners subject to the terms and conditions contained herein; and

**NOW, THEREFORE**, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City and Utility hereby grant to Company the right to offer and market the Products to Residential Property Owners subject to the terms and conditions herein.
2. **Grant of License.** City and Utility hereby grant to Company a non-exclusive license ("**License**") to use Utility's name and logo on letterhead, bills and marketing materials to be sent to Residential Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to the prior review and approval of City and Utility, which will not be unreasonably conditioned, delayed, or withheld. City and Utility agree that they will not extend a similar license to any competitor of Company during the Term and any Renewal Term of this Agreement.
3. **Term.** The term of this Agreement ("**Term**") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the others written notice at least ninety (90) days prior to end of the Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that Company is in material breach of this Agreement, the City or Utility may

terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Indemnification.** Company hereby agrees to protect, indemnify, and hold the City and Utility, their elected officials, officers, employees and agents (collectively or individually, "**Indemnitee**") harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, "**Claim**"), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement by the Company, or any negligent or fraudulent act or omission of the Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under the Products; provided that the applicable Indemnitee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

5. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

**To:** City:  
ATTN: Gregg Mandsager  
City Administrator  
215 Sycamore  
Muscatine, IA 52761  
Phone: (563) 264-1550

**To:** Utility:  
ATTN: Bryan Butler  
Muscatine Power and Water  
3205 Cedar Street  
Muscatine, IA 52761  
Phone: (563) 263-2631

**To:** Company:  
ATTN: Chief Sales Officer  
Utility Service Partners Private Label, Inc.  
11 Grandview Circle, Suite 100  
Canonsburg, PA 15317

Phone: (866) 974-4801

6. **Modifications or Amendments/Entire Agreement.** Any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a party unless in writing signed by that Party.

7. **Assignment.** This Agreement and the License granted herein may not be assigned by Company other than to an affiliate or an acquirer of all or substantially all of its assets, without the prior written consent of the City and the Utility, such consent not to be unreasonably withheld.

8. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by facsimile or e-mail and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third-party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

9. **Choice of Law/Attorney Fees.** The governing law shall be the laws of the State of Iowa. In the event that at any time during the Term or any Renewal Term either Party institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, then the unsuccessful Party shall be responsible for the reasonable expenses of such action including reasonable attorney's fees, incurred therein by the successful Party.

10. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the day and year first written above.

**CITY OF MUSCATINE**

---

Name:

Title:

**MUSCATINE POWER AND WATER**

---

Name:

Title:

**UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.**

---

Name: Tom Rusin

Title: Chief Executive Officer

**Exhibit A**  
NLC Service Line Warranty Program  
City of Muscatine and  
Muscatine Power and Water  
Term Sheet  
March 14, 2018

I. Initial Term. Three years

II. License Conditions.

- a. City and Utility logo on letterhead, advertising, billing, and marketing materials
- b. Signature by City and Utility official

III. Products.

- a. External water service line warranty (initially, \$6.25 per month)
- b. External sewer/septic line warranty (initially, \$7.25 per month)
- c. Interior plumbing and drainage warranty (initially, \$9.49 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing.

IV. Scope of Coverage.

- a. External water service line warranty:
  - Homeowner responsibility: From the main to the external wall of the home.
  - Covers thawing of frozen external water lines.
  - Covers well service lines if applicable.
- b. External sewer/septic line warranty:
  - Homeowner responsibility: From the exit point of the home to the main.
  - Covers septic lines if applicable
- c. Interior plumbing and drainage warranty:
  - Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage warranty Product via in-bound channels only.