City of Carroll

112 E. 5th Street Carroll, Iowa 51401-2799 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Mike Pogge-Weaver, City Manager MSPW

FROM: Randall M. Krauel, Public Works Director RMK

DATE: March 17, 2021

SUBJECT: Service Line Warranty Program

HomeServe USA Corp. (HomeServe), administrator of the National League of Cities Service Line Warranty Program, has contacted the City to determine interest in entering an Agreement with their subsidiary to provide the opportunity for service line warranty products to property owners in the City. HomeServe has provided the following summary information on the Program Background, Coverage, Implementation and Financial Impact.

BACKGROUND: The National League of Cities (NLC) Service Line Warranty Program, offered by Utility Service Partners, a HomeServe Company, was conceived in partnership with the National League of Cities to educate property owners about their service line responsibilities and to help residents avoid the out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements. Our program, the only one of its kind endorsed by the NLC and the Iowa League of Cities, will help the City of Carroll to achieve its goals by:

- Providing homeowners affordable protection against significant and unexpected costs to remedy leaking/broken/clogged water lines, sewer lines, and in-home plumbing lines
- Ensuring the delivery of timely, high-quality repair services in adherence to all applicable codes
- Providing exemplary service that reflects positively on the City
- The program generates an ongoing, sustainable source of revenue for partner municipalities and stimulates the local economy by using fully vetted local contractors to complete the repairs
- The City will receive a royalty of $0.50 per product per month for the duration of the program

COVERAGE: NLC Service Line Warranty Program offers three complete and separate voluntary programs. There is never a service fee/deductible or annual or lifetime limit. Residents can cancel the warranties at any time.

Exterior Water Service Line: Includes service to locate, excavate and repair/replace a leaking exterior water service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages, root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes thawing of frozen water lines. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Exterior Sewer Service Line: Includes services to locate, excavate and repair/replace a leaking exterior sewer service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages (due to fats, oils and grease), root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Internal Plumbing and Drainage: Coverage includes the emergency breakdown costs of repairing or replacing interior water, sewer, and drainage pipe materials, valves and other plumbing-related material, including unblocking, repair and replacement. Repair of clogged toilets.

Product	Monthly	Annual Coverage Limit	Annual Service Calls/Per Call Coverage	Royalty for the City
External Water Line	$6.75	Unlimited	Unlimited Calls $8,500 Per Call	$0.50 per contract per month
External Sewer Line	$7.75	Unlimited	Unlimited Calls $8,500 Per Call	$0.50 per contract per month
In-Home Plumbing	$9.99	Unlimited	Unlimited Calls $3,000 Per Call	$0.50 per contract per month

IMPLEMENTATION: The NLC Service Line Program will utilize the City logo to brand the materials used to educate City customers about our repair service plans. Program marketing literature clearly discloses that the Program and the City are separate entities and that the program is voluntary for residents. The NLC Service Line Warranty Program will create all marketing materials with input from the City and will submit all marketing/communications materials to the City for final approval.

FINANCIAL IMPACT: No cost to the City to participate and the City would receive $0.50 per product per month royalty.

In addition, the following attached information has been provided by HomeServe.

Program Overview Brochure
Program Overview – Copy of Power Point
Iowa League of Cities Endorsement
Marketing Agreement - DRAFT

During Staff review, responses to several additional questions were received. A summary of those questions and answers is attached.

RECOMMENDATION: Mayor and City Council consideration and determination if there is an interest in proceeding to develop a Marketing Agreement with Utility Service Partners Private Label, Inc. for the National League of Cities Service Line Warranty Program.

RMK:ds

attachments (5)

NLC Service Line Warranty Program Overview

What We Do

The NLC Service Line Warranty Program by HomeServe offers affordably priced emergency repair/replacement plans to address aging private sewer and water infrastructure. Customers call to receive prompt emergency repairs provided by local-area, licensed and insured contractors.

- Water Line
- Sewer Line
- Interior Plumbing

Benefits to Homeowners

Many homeowners are not aware of their responsibility for their service lines until they have a repair emergency. When they call the municipality, they often find that they are faced with a costly repair and that the municipality can't help them. Over the past three years, HomeServe has performed over 1.3 million repairs, saving our customers over $454 million!

Convenience

- 24/7/365 claims hotline, including holidays
- No need to search for a qualified contractor in an emergency

Peace of Mind/Trust

- Fully vetted, licensed and insured local contractors
- Covered repairs guaranteed for one year

Financial Protection

- No deductibles or trip fees
- Affordably priced coverage
- 30-day money-back guarantee with ability to cancel at any time

Over 750

partners across North America!

For more information call:
1-866-974-4801 or visit
www.NLC.org/serviceline

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NLC Service Line Warranty Program
by HomeServe

Benefits to the Municipality

Customer Education

- Increasing homeowner awareness of their responsibility reduces calls to the municipality/utility and customer dissatisfaction with the municipality for not offering a solution
- The program is offered at no cost to the city
- Use of municipality/utility logo promotes trust

Customer Satisfaction

- 4.8* out of 5 star customer satisfaction rating
- BBB Accredited with A+ rating

Funding for Key Initiatives

Many partners participate in a share of the revenue, often utilized for:

- Low-income assistance and affordability programs
- Conservation initiatives
- Offsetting rate increases
- Infrastructure improvement projects

* Average repair service rating from customers surveyed via text message and email post service from January 2019 – June 2019.

I was glad I had the warranty because it saved me from paying for a costly sewer line repair.

Cynthia T.
Kansas City, MO

I am thankful this service was offered to homeowners. It made a bad situation completely trouble free. Thanks for everything.

J. Talbert
Albemarle, NC

For more information call:
1-866-974-4801 or visit
www.NLC.org/serviceline

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NLC Service Line Warranty Program
by HomeServe

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NLC Service Line Warranty Program Overview: Benefits to Cities & Residents

NLC Service Line Warranty Program by HomeServe

WHY CHOOSE THE NLC SERVICE LINE PROGRAM, BY HOMESERVE?

EXPERIENCE
Offering services for over 17 years

REPUTATION
4.8 out of 5 stars customer satisfaction

PARTNERSHIP
Endorsed by National League of Cities

BBB Torch Award for Marketplace Ethics
Trust • Performance • Integrity
2013 Winner
Western Pennsylvania Better Business Bureau®

2018 WINNER
BBB Torch Awards for Ethics
Better Business Bureau of Western PA

"The National League of Cities is proud to partner with this highly reputable and reliable program. Their 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

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NLC Service Line Warranty Program by HomeServe

AGING INFRASTRUCTURE: A PROBLEM FOR MUNICIPALITIES & HOMEOWNERS

- In Iowa, infrastructure upgrades over the next 20 years are estimated at $7.8 billion for drinking water and $2.4 billion for wastewater
- Lateral lines are subjected to the same elements as public lines
- Failed lines waste thousands of gallons of water and present an environmental hazard
- Common homeowner misconceptions:
  - the City is responsible for maintenance of the water and sewer lines on their property
  - repairs are covered by their homeowner's policy

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NLC Service Line Warranty Program by HomeServe

MANY HOMEOWNERS ARE UNPREPARED

78% of homeowners surveyed believe the utility provider should educate them on repairs and preventative measures

59% of homeowners surveyed have had a home repair emergency in the past year

40% 4 out of 10 Americans can't afford a $400 emergency expense (and would have to sell something, take out a loan, or use credit to cover it)

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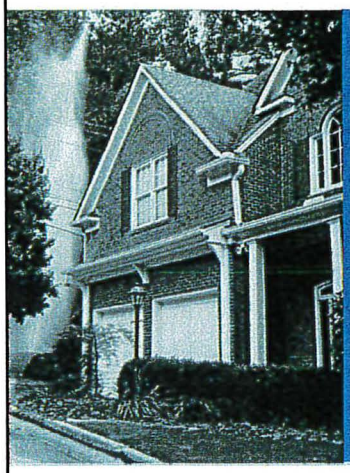
NLC Service Line Warranty Program by HomeServe

NLC SERVICE LINE WARRANTY PROGRAM BENEFITS



- Only service line program Endorsed by the National League of Cities & the Iowa League of Cities
- No cost for the City to participate
- Optional ongoing Revenue Stream for the City
- Free Public Awareness Campaign to educate homeowners on their lateral line responsibilities
- 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

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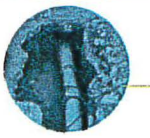
NLC Service Line Warranty Program by HomeServe

NLC SERVICE LINE WARRANTY PROGRAM & WHAT IT COVERS



SEWER/SEPTIC LATERAL COVERAGE

WATER/WELL 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

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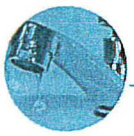
NLC Service Line Warranty Program by HomeServe

NLC SERVICE LINE WARRANTY PROGRAM & 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

- 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

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NLC Service Line Warranty Program by HomeServe

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 at any time

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NLC Service Line Warranty Program by HomeServe

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SOLUTIONS FOR MUNICIPALITIES & THEIR HOMEOWNERS

- Endorsed by the Iowa League of Cities
- More than 900 municipal and utility partnerships
- Currently serving over 4 million customers
- Saved customers over $454 million in repair costs over the past 3 years
- Consistent customer satisfaction rating of 98%
- 9 of every 10 customers surveyed have recommended the program to friends, family and neighbors

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NLC Service Line Warranty Program by HomeServe

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OVER 1000 PARTNERS, INCLUDING 96 IN IOWA

- *Des Moines Water Works*
- *City of Carlisle*
- *City of Waukee*
- *City of Mason City*
- *City of State Center*
- *City of McCausland*
- *City of Fairfield*
- *City of Lake Park*
- *City of Independence*
- *City of Cherokee*
- *City of Holstein*
- *City of Lewis*
- *City of Griswold*
- *City of Bettendorf*
- *City of Norwalk*
- *City of Decorah*
- *City of Wayland*
- *City of West Liberty*
- *City of Estherville*
- *City of West Branch*
- *City of Council Bluffs*
- *City Of DeSoto*
- *City of Marshalltown*
- *City of Rock Valley*
- *City of Rolfe*
- *City of Sheffield*
- *City of Melbourne*
- *City of Rhodes*
- *City of Belmond*
- *City of Cresco*
- *City of DeWitt*
- *City of Jesup*
- *City of Plymouth*
- *City of Exira*
- *City of Ackley*
- *City of Corydon*
- *City of Hampton*
- *City of Polk City*
- *City of Albia*
- *City of Missouri Valley*
- *City of Reinbeck*
- *City of Ely*
- *City of Panora*
- *Muscatine Power & Water*
- *City Of Aurelia*
- *City of Lime Springs*
- *City of Lovilia*
- *City of Tipton*
- *City of Creston*
- *City of Manly*
- *City of Madrid*
- *City of Eldridge*
- *City of Eldora*
- *City of Sergeant Bluff*
- *City of Sac City*
- *City of Dayton*
- *City of Leland*
- *City of Eagle Grove*
- *City of Sheldon*
- *City of Iowa Falls*
- *City of Clarion*
- *City of Manning*
- *City of Frederika*
- *City of Grand Mound*
- *City of Swaledale*
- *City of Maquoketa*
- *City of Richland*
- *City of Gilmore City*
- *City of Oakland*
- *City of Everly*
- *City of Carson*
- *City of Sloan*
- *City of Whiting*
- *City of La Porte City*
- *City of Spencer*
- *City of Birmingham*
- *City of Van Meter*
- *City of Sidney*
- *City of Camanche*
- *City of Walker*
- *City of Grundy Center*
- *City of Waukon*
- *City of Thornton*
- *City of Salix*
- *City of Woolstock*
- *City of Allison*
- *City of Eldon*
- *City of Holland*
- *City of Hinton*
- *City of Shellsburg*
- *Sioux City Water & Sewer*
- *Ottumwa Water & Hydro*
- *City of Hawarden*
- *Woodbine Power & Light*
- *City of Armstrong*
- *City of Indianola*

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NLC Service Line Warranty Program by HomeServe

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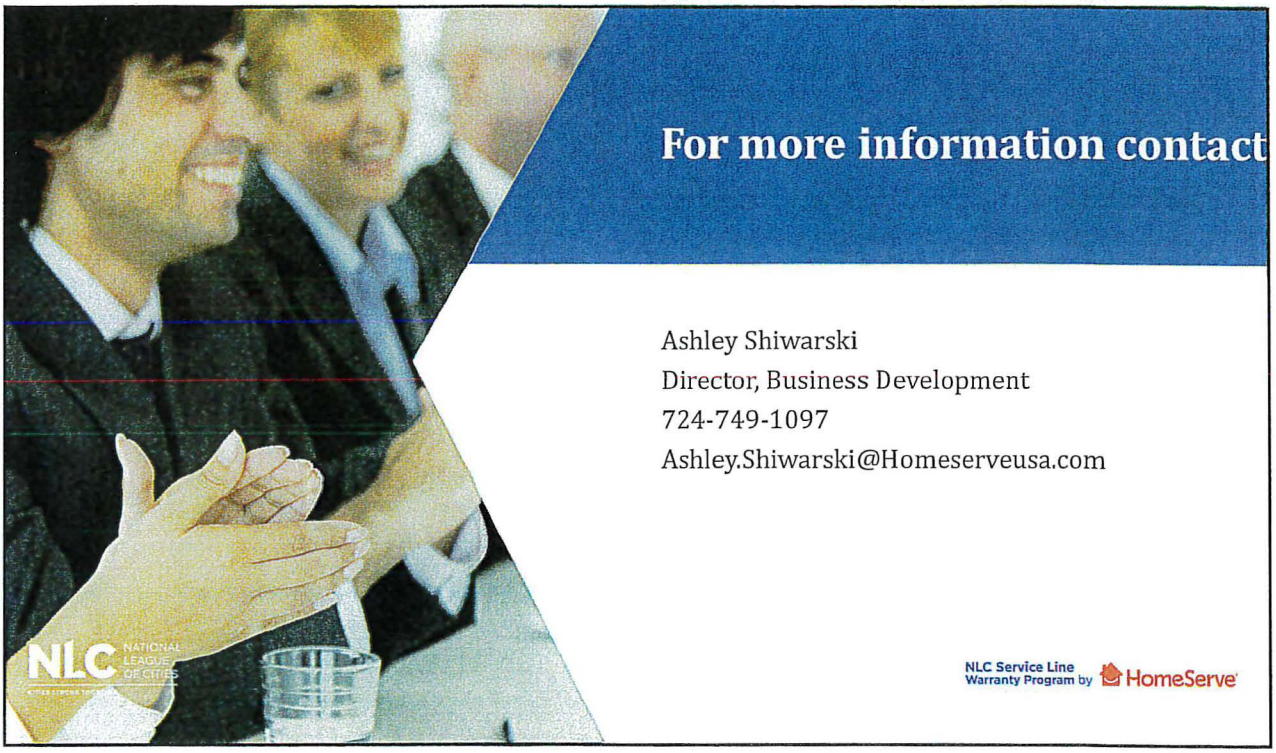
For more information contact
Ashley Shiwarski
Director, Business Development
724-749-1097
Ashley.Shiwarski@Homeserveusa.com
NLC
NATIONAL LEAGUE OF CITIES
NLC Service Line Warranty Program by HomeServe

IOWA LEAGUE of CITIES

Dear Member:

The Iowa League of Cities is pleased to endorse the National League of Cities (NLC) Service Line Warranty Program. Offered at no cost to League members, the NLC Service Line Warranty Program, administered by Utility Service Partners, Inc. (USP), educates homeowners about their service line responsibilities and offers affordable protection from unanticipated service line repair costs. Homeowners in participating cities and towns are eligible to purchase low-cost repair service plans for broken or leaking outside water and sewer lines, covering up to $8,500 per occurrence.

Benefits to residents and municipalities include:

- Educates homeowners, and reduces local officials' frustration
- No cost for Iowa cities to participate
- Affordable rates for residents
- Increases citizen satisfaction

Important features of the program:

1. USP pays for the repairs, not your residents
2. Customers are provided with a 24/7/365 repair hotline staffed with live agents
3. All repairs performed to local code by rigorously vetted, licensed and insured local contractors
4. USP is responsible for all aspects of the program, including marketing, billing, customer service, and performing all repairs

The League has chosen to partner with USP, a HomeServe company, because of its outstanding national reputation. USP is a BBB Accredited Business with an A+ rating. This is the only protection program endorsed by the National League of Cities, multiple state municipal leagues and over 600 municipalities in North America.

There are currently 73 Iowa municipalities offering this program, with over 70,000 Iowa homeowners participating. In the last three years the program has saved Iowa residents over $7 million. The Iowa League of Cities encourages you to consider adopting the NLC Service Line Warranty Program for your municipality.

Sincerely,

Alan W. Kemp

Alan Kemp
Executive Director

DRAFT

MARKETING AGREEMENT

This MARKETING AGREEMENT ("**Agreement**") is entered into by and between the City of Carroll, Iowa ("**City**"), 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". This Agreement shall be effective on the last signature date set forth below ("**Effective Date**").

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 ("**Property Owner**"); and

WHEREAS, City desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan 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 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 hereby grants to Company the right to offer and market the Products to Property Owners subject to the terms and conditions herein.

2. **City Obligations.**

A. Grant of License. City hereby grants to Company a non-exclusive license ("**License**") to use City's branding ("**Marks**"), on marketing materials in accordance with Exhibit A to be sent to 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 City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Company's use of the Marks in accordance with this Agreement will not infringe any other party's rights. In the event that City extends a similar license to a competitor of Company during the Term and any Renewal Term of this Agreement, the City shall provide thirty (30) days' notice prior to such grant of license and Company may immediately terminate this Agreement.

B. Property Owner Data. If City elects to do so, City may provide Company with Property Owner Data for use by Company in furtherance of the advertisement, marketing, and sale of the Products. Any name, service address, postal address, and any other appropriate or necessary data for Property Owners in City is defined as **"Property Owner Data"**. Property Owners Data shall be and remain City's property. For any Property Owner Data provided by City to Company, City warrants that Property Owner Data has been and will be collected in compliance with all laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, judgments, orders and interpretations ("**Applicable Laws**"); and City is permitted by Applicable Laws and by any applicable privacy policy to provide Property Owner Data to Company and to permit Company to use Property Owner Data for the purposes of this Agreement. A Property Owner who has purchased a Product is a member ("**Member**") and, following such purchase, all data in Company's control or possession relating to Members is Company's property.

3. **Term.** The term of this Agreement ("**Initial Term**") shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms (each a "**Renewal Term**", and collectively with the Initial Term, the "**Term**") unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Initial 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 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 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. **Consideration.** As consideration for such license, Company will pay to City a License Fee of as set forth in Exhibit A ("**License Fee**") during the Term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of the first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term, due and payable on January 30th of the succeeding year. City agrees to provide a completed Form W-9 to Company in order to facilitate proper payment of the License Fee. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. **Confidentiality.** Each party will treat all non-public, confidential and trade secret information received from the other party as confidential, and such party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, the City shall not be liable for any disclosure of confidential information that is required to be disclosed under any applicable public records act or under court order. City shall provide notice to Company prior to any such disclosure.

6. **Code Change.** The Parties understand that the pricing of the Products and compensation provided for in this Agreement are based upon the currently applicable City, municipal or similar codes. In the event Company discovers a code change, Company shall have the ability to reassess the pricing of this Agreement.

7. **Indemnification.** Each Party (the "**Indemnifying Party**") hereby agrees to protect, indemnify, and hold the other Party, its officers, employees, contractors, subcontractors, 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 Indemnifying Party, or any negligent or fraudulent act or omission of the Indemnifying Party or its officers, employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnitee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party 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.

8. **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: Randy Krauel
City of Carroll
112 E 5th St.
Carroll, IA 51401-2753
Email: rkrauel@cityofcarroll.com
Phone: (712) 792-1000

To: Company:
ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

9. **Modifications or Amendments/Entire Agreement.** Except for the list of available Products under the Agreement, which may be amended from time to time by the Parties in writing and without signature, 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.

10. **Assignment.** Neither Party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other Party unless such assignment or delegation is to an affiliate or to an acquirer of all or substantially all of the assets of the transferor.

11. **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 email 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.

12. **Choice of Law/Attorney Fees.** The Parties shall maintain compliance with all Applicable Laws with respect to its obligations under this Agreement. The governing law shall be the laws of the State of Iowa, without regard to the choice of law principles of the forum state. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THAT MAY EXIST TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT.

13. **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 CARROLL

_____

Name:

Title:

Date:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

_____

Name: Michael Backus

Title: Chief Sales Officer

Date:

Exhibit A
NLC Service Line Warranty Program
City of Carroll
Term Sheet
January 5, 2021

I. Initial Term. Three years

II. License Fee. $0.50 per Product for each month that a Product is in force for a Property Owner (and for which payment is received by Company), aggregated and paid annually, for:
   A. Use of City logo and name on letterhead, advertising, signature line, billing, and marketing materials.

III. Products.
   A. External water service line plan (initially, $6.75 per month)
   B. External sewer/septic line plan (initially, $7.75 per month)
   C. Interior plumbing and drainage plan (initially, $9.99 per month)

Pricing does not include taxes. Company may adjust the foregoing Product fees; provided, that any such monthly fee adjustment shall not exceed $0.50 in any 12-month period. If such adjustment shall exceed $0.50, both Parties must agree in writing.

IV. Scope of Coverage.
   A. External water service line plan:
      i. Covers Property Owner responsibility: from the main to the external wall of the home.
      ii. Covers thawing of frozen external water lines.
      iii. Covers well service lines if applicable.
   B. External sewer/septic line plan:
      i. Covers Property Owner responsibility: From the external wall of the home to the sewer main.
      ii. Covers septic lines if applicable.
   C. Interior plumbing and drainage plan:
      i. Covers 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 (each campaign consists of two mailings) and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage plan Product via in-bound phone or web only.

Questions & Answers
Staff Review

- How are homeowners provided information on service availability?

  Following approval by the City, HomeServe will send an introduction letter to each eligible account. The eligible account list may be obtained by HomeServe from public records or the City may elect, if permissible, to provide a list. HomeServe will make three direct mail contacts per year.

- Does HomeServe bill the homeowner every month or is the cost added to City utility bills?

  HomeServe does the billing.

- Is your Warranty Program for residences only? Is there any program for small or large business?

  Our program is for residential properties. It can be rental properties as long as the property owner purchased the program on behalf of their tenants.

- In general terms, what percentage of eligible residents enroll in the Program in your partner cities?

  Typically, in the first full year, about 8%-10% of residents choose to enroll in a program and in about three years we typically have about 18%-20% enrolled. It does vary from city to city but this is our national average.

- What percentage of partner cities receive the royalty, as opposed to applying it to reduction in resident cost?

  About 70% of our partners receive a royalty.

- Are there any alternates to the City receiving the License Fee?

  The City can elect to not receive the License Fee and, instead, have it credited to the Product purchaser.

- Can a resident select a plumber that they want to perform work at their residence?

  HomeServe will work to create a local contractor network of interested, qualified contractors. A resident may select a plumber based on availability. HomeServe requires contractors to contact a resident within four hours and complete work within 24 hours. During emergencies, HomeServe attempts to get contractors on-site immediately.

- Will the $8,500 per call coverage limit cover service line issues?

  Some experience indicates that a corporation stop to stop box water service issue may be in the $1,500 cost range. A recent sanitary service isolated repair was in the $5,500 cost range.

- Is there a fee for a plumber to be part of your contractor group?

  There is no fee for a plumber to join the network but they are required to be licensed and have the proper amount of insurance as well as complete drug screening and background checks.

- Are the fees for work performed by the plumbers pre-set, or are they the plumbers' customary fees?

  We do not tell the plumbers what they can charge but they do provide us with their standard rate chart before joining the network. This allows us to process the claims quickly.

- City of Manning experience.

  We've been enrolled for four or five years. We take the royalty – about $600-$700/year. There was a lot of confusion when letters first started going out so there is some office time spent on answering questions that we are the sponsor and have vetted them but that they are the provider. Now that the letters go out regularly, we get very few calls. I've known of a coupe that have had to use it and it went really well. I'd say it's worth it – if nothing else, it has been great public awareness so that even if someone doesn't take the insurance, they know that it's their responsibility if they run into issues.

- City of Marshalltown experience (telephone call summary)

  Marshalltown has been with the NLC program for 10 years. They just surpassed $1,000,000 in resident savings. Among subscribers, there is a 97% satisfaction rate. Plumbers contacted have been paid for work in as little as 24 hours after completion.

- American Home Shield Customer Service contact

  Plumbing Systems program does not cover exterior piping.

- First American Home Warranty

  Automated quote service line indicated that First American Home Warranty does not service the 51401 area code. The call was transferred to a partner, American Residential Warranty.

- American Residential Warranty

  An exterior water line and sanitary sewer systems add-on is available. The monthly cost is $7.99 for water lines and $9.99 for sanitary sewer lines. There is a $55.00 deductible and maximum $5,000.00 per claim.