

PSC NO: 3 – WATER**COMPANY: NEW YORK AMERICAN WATER COMPANY, INC.****INITIAL EFFECTIVE DATE: October 14, 2012**

Issued in compliance with order in Case 12-W-0217 dated 08/17/2012

LEAF: 58**REVISION: 0****SUPERSEDING REVISION:****GENERAL INFORMATION****J. Construction Loan Agreement for Real Estate Development with Applicant
Performed Installation*. (Cont'd)****ARTICLE TWO****THE APPLICANT AGREES:**

FIRST: To advance to the Company, simultaneously with the execution of this Agreement, (1) the sum of _____ Dollars (\$ _____), which represents the inspection, testing and disinfection fees; and (2) the sum of _____ Dollars, which represents taxes on the value of the labor and materials provided in connection with the main extension, the cost of the fire hydrants, service connections and the Company fees for inspection, testing and disinfection. The advance so paid shall be the absolute property of the Company. For purposes of determining the applicable taxes, the Company's cost estimates shall be used.

SECOND: To use contractors and materials acceptable to the Company. Said installation shall be pursuant to the Company's specifications, and shall be subject to the Company's inspection, testing and acceptance.

THIRD: To connect the buildings under construction to the said service connections upon completion thereof for the purpose of receiving regular water service therefrom.

FOURTH: To provide all easements and rights of way, which the Company considers necessary either from the Applicant or from third persons, as the case may be, to assure the legal feasibility of the extension, without cost to the Company.

FIFTH: To abide by all the Rules and Regulations of the Company and the Rules and Regulations set forth in the Company's Schedule for Water Service (P.S.C. NO. 1 – Water), duly filed with the Public Service Commission of the State of New York, as may be amended from time-to-time.

SIXTH: The title to the mains, fire hydrants, and service connections furnished and installed by the Applicant shall be and remain the sole property of the Company and the extension shall be and remain a part of the distribution system of the Company for all purposes. The Applicant shall provide the Company with appropriate documentation conveying ownership. Should further or additional longitudinal or lateral extensions be made from any point on this extension, the Applicant shall not by reason thereof, be entitled to any credits or refund therefrom.

SEVENTH: To indemnify and hold the Company harmless from and against any and all direct or indirect loss or expense, including without limitations any attorneys' fees or costs, relating to any damage or injury, including death, to any property or any person arising from, or occurring in connection with, its performance of any work completed by this Agreement, irrespective of whether any such damage or injury is caused by or results from the negligence of the Applicant or any officer, agent, employee or contractor of the Applicant or arising from or occurring in connection with any breach of this Agreement by the Applicant.

EIGHTH: Insurance – The applicant agrees to provide, at its own expense, the following insurance coverages;

The Contractor shall not commence work under the Contract until he has obtained all insurance required under this section and such insurance has been approved by the Company, nor shall the contractor allow any Subcontractor to commence work on his subcontract until all similar insurance required of the Subcontractor has been so obtained and approved. Certificates of Insurance will be provided to the Company evidencing the required insurance listed

Issued by: William M. Varley, President, 733 Sunrise Hwy., Lynbrook, NY 11563
(Name of Officer, Title, Address)