

R&B CO.
Annual Rental and Technician Placement Contract

The rental of waterworks or fusion equipment shall be subject to this Annual Rental and Technician Placement Contract (the "Lease") between R&B Co., a California corporation ("R&B"), with a principal address of 605 Commercial Street, San Jose, California and the signatory Lessee below ("Lessee"), with prices and terms to be those in effect at the time of rental. This Lease replaces any prior lease between the parties relating to the rental equipment. All equipment is owned and leased by R&B.

This Lease is effective for all equipment rentals provided to Lessee during the term of this Lease ("Equipment") and, with respect to Equipment remaining in Lessee's possession, until the return of such Equipment or termination of such services, as applicable. This Lease will have term for the current calendar year and shall automatically renew for successive calendar year periods unless either party provides notice of non-renewal at least thirty (30) days prior to the end of the then applicable term. Either party may terminate this Lease, and R&B may amend this Lease, upon thirty (30) days prior written notice,

Each rental of Equipment shall be pursuant to such supplemental form as R&B may prescribe from time to time. Any terms in any document provided by Lessee inconsistent with this Lease is rejected, void and ineffective.

1. Rental charges are based on (5) business days per week. Prices are subject to change without notice. Rental charges will be billed periodically or upon return of the Equipment, at R&B's discretion. Payment is due net 30 days from each individual invoice date. **Rental charges will accrue from the day of departure to the day of return. Lessee will be responsible for the cost of all freight to and from jobsite.** Late payments are delinquent and are subject to a late payment charge of two percent (2%) per month or the maximum amount allowed by law, whichever is less, on all delinquent amounts. R&B may suspend or terminate Lessee's right to use or possess the Equipment if any amounts are delinquent. In addition, Lessee shall pay R&B reasonable costs incurred in recovery of the Equipment and collection of any delinquent amounts, including attorney's fees, regardless of whether suit or action is instituted and including any fees or cost incurred in bankruptcy proceedings. Lessee may be required to establish credit or to reconfirm credit from time to time; establishment or confirmation of credit may require personal guarantees or other security in R&B's sole discretion. R&B reserves the right to revoke or modify credit terms at any time. Payments are due per the above regardless of whether or not Lessee has been paid for its work.
2. All Equipment can be picked up from any R&B facility or by way of the following:
 - Customer (rental starts the day of departure and ends the day of return)
 - Common Carrier (rental starts the day of departure and ends the day of return, plus Lessee is responsible for all freight to and from the jobsite)
 - R&B subject to availability (rental starts the day of departure and ends the day of return, plus Lessee is responsible for all mileage charges – see mileage rate)

Equipment must be returned to the facility it was originally rented from.

3. Loss of or damage to Equipment while in transit shall be the responsibility of Lessee, except when delivered by R&B. Equipment must be inspected for any loss, damage and completeness by Lessee. Lessee must notify R&B in writing of any loss or damage to Equipment occurring while in transit or of any incomplete or defective shipment within twenty-four (24) hours of the receipt of the Equipment; provided, however, if the Equipment is delivered by R&B, Lessee must immediately inspect the Equipment and notify R&B of any loss, damage or completion issues and receive a written acknowledgement before the R&B delivery person leaves the delivery site. If Lessee fails to notify R&B of any loss, damage or incomplete shipment as required, it shall be irrevocably presumed that the Equipment is undamaged and complete.
4. Title to, and ownership of, the Equipment shall, at all times, remain R&B's. Lessee shall protect and defend R&B's title and ownership, at Lessee's own cost and expense, from and against all claims, liens,

and legal processes of Lessee's creditors, and shall keep the Equipment free and clear from all such claims, liens, and processes. Lessee shall have no option to purchase or otherwise acquire title to, or ownership of, the Equipment pursuant to this Lease and shall have only the right to use the same under and subject to the terms and provision of this Lease. Should Lessee desire to purchase Equipment, Lessee must enter into a Lease Purchase Agreement. Lessee shall pay all license fees, assessments, duties, sales, use, special use, property and other taxes imposed on the Equipment or the leasing thereof, either directly or by reimbursement to R&B upon demand therefore.

5. Lessee is responsible for any sales, use or similar taxes, unless Lessee provides R&B with satisfactory evidence that such taxes do not apply to the specific transaction. If such tax is not collected, and taxing authorities subsequently rule the transaction is taxable, then upon receiving notice, Lessee shall promptly remit payment of the tax, including any applicable interest and penalty, to R&B.
6. Lessee will use the Equipment in a careful and proper manner in compliance with the manufacturer's recommendations. By Lessee's acceptance and use of the Equipment, Lessee assumes all risks of loss and damage to the Equipment from any cause whatsoever, whether or not by Lessee's fault or negligence, and agrees that the Equipment will be returned to R&B in the same appearance and condition as when shipped to Lessee, reasonable wear and tear excepted. In addition to repair costs, Lessee will be responsible to continue making contracted rental payments until machine is able to be returned to full rental status. This time frame is subject to lead times for repair parts from manufacturer.
7. R&B shall have the right, from time to time, during reasonable business hours to enter upon the Lessee's premises or elsewhere for the purpose of inspection of the Equipment.
8. ***R&B is not a licensed contractor and does not provide construction services or fusion services.*** From time to time, in connection with the leasing of fusion equipment pursuant to this Lease and subject to the mutual agreement of the parties and availability of certified fusion equipment technicians ("Technicians"), R&B will assign Technicians to operate fusion Equipment pursuant to the terms of this Lease as Lessee's leased employee ("Assigned Technicians"). If so, R&B will: pay all Assigned Technicians' wages and provide them with the benefits that R&B offers to them, if any; pay, withhold, and transmit payroll taxes; provide unemployment insurance, general liability insurance, workers' compensation benefits; and handle unemployment and workers' compensation claims involving Assigned Technicians. R&B represents that an Assigned Technician is a duly certified Technician. R&B does not otherwise make any representation or warranty with respect to the Assigned Technician and specifically disclaims any and all implied warranties. Specifically, R&B does not represent or warrant the expertise or capabilities of the Assigned Technician or the results of the Assigned Technician's operation of the Fusion Equipment. Lessee shall properly and directly supervise and control Assigned Technicians performing work and be responsible for its business operations, products, services, and intellectual property. Lessee may terminate the services of any Assigned Technician immediately at any time; provided, however, that such termination may not be for any unlawful or discriminatory purpose and shall take no action inconsistent with R&B being an equal opportunity employer. Lessee shall (i) properly supervise, control, and safeguard its premises, processes, and systems, (ii) not permit or require Assigned Technicians to operate any equipment other than the Fusion Equipment and (iii) not permit or require Assigned Technicians or perform any function other than the operation of the Fusion Equipment. Lessee shall not give any Assigned Technician the right to control or discretion as to the manner of performance of services so as to determine the final results of the work performed. Lessee shall provide Assigned Technicians with a safe work site, including without limitation traffic control and required safety barricades, comply with OSHA, and provide appropriate information, training, and safety equipment with respect to any hazardous substances or conditions to which they may be exposed at the work site. In this regard, Lessee assumes the obligation to protect Assigned Technicians in the same manner as Lessee is obligated to protect an employee employed solely by Lessee in the performance of the same services. Lessee shall exclude Assigned Technicians from Lessee's benefit plans, policies, and practices, and not make any offer or promise relating to Assigned Technicians' compensation or benefits. Lessee shall not directly engage any Assigned Technician or otherwise cause the Assigned Technician to become engaged in an independently

established business. Lessee shall comply with all prevailing wage and apprenticeship requirements on public works projects. See Labor Code sections 1771, 1775, 1776, 1777.5, 1813, and 1815.

9. Lessee will pay R&B for providing Assigned Technicians at R&B's standard hourly rates or hourly rates agreed upon for a specific project, as applicable, and will pay any additional costs or fees set forth in this Lease. R&B will invoice Lessee for services provided under this Lease on a weekly basis. Payment is due net 30 days from each individual invoice. Past-due invoices will be charged a fee of two percent (2%) per month until paid. Invoices will be supported by the pertinent time sheets or other agreed system for documenting time worked by the Assigned Technicians. Lessee's signature or other agreed method of approval of the work time submitted for Assigned Technicians certifies that the documented hours are correct and authorizes R&B to bill Lessee for those hours. If a portion of any invoice is disputed, Lessee will pay the undisputed portion upon receipt of the invoice, subject to the terms in this Section.
10. Assigned Technicians are presumed to be non-exempt from laws requiring premium pay for overtime (OT), holiday work, or weekend work. R&B will charge Lessee special rates for premium work time only when an Assigned Technician's work on assignment to Lessee, viewed by itself, would legally require premium pay and Lessee has authorized, directed, or allowed the Assigned Technician to work such premium work time. Lessee's special billing rate for premium hours will be the same multiple of the regular billing rate as R&B is required to apply to the Assigned Technician's regular pay rate. For example, when federal law requires 150% of pay for work exceeding 40 hours in a week, Lessee will be billed at 150% of the regular bill rate. In addition to hourly rates referred to in Section 9, Lessee will pay R&B the amount of all new or increased labor costs associated with Lessee's Assigned Technicians that R&B is legally required to pay such as wages, benefits, payroll taxes, social program contributions, or charges linked to benefit levels plus thirty percent (30%) until the parties agree on new bill rates. Lessee shall notify R&B of any prevailing wage, other wage requirements or labor requirements in connection with the services of an Assigned Technician and in addition to the hourly rates referred to in Section 9. Lessee will pay R&B the amount of any resulting costs to R&B plus thirty percent (30%).
11. In certain cases, Lessee may desire to hire Technicians directly. If so, Lessee will execute a Fusion Technician Acknowledgement in the form attached as **Exhibit "B"** as the "Contractor" thereunder.
12. R&B, its directors, officers and employees, shall not be liable to Lessee or any third party for any liability, loss, or damage caused directly or indirectly by use neither of the Equipment, nor for any bodily injury and/or death that may occur to Lessee or any third party during the operation of the Equipment. Lessee hereby agrees to indemnify and hold harmless R&B, its directors, officers and employees, from any damage, suits or liabilities arising out of any claims of Lessee or any third party related in any way to (i) the Equipment or its use by Lessee, (ii) Lessee's breach of this Lease, (iii) the use of Assigned Technician's services, and (iv) any act or omission by any Assigned Technician in connection with services provided to Lessee, including without limitation, any injury to any Assigned Technician or any other person or property, the failure of any Assigned Technician to properly operate fusion Equipment and defects in the results of the services provided by any Assigned Technician.
13. **Other than as expressly provided in this Lease, R&B makes no express or implied warranties of any kind, and R&B hereby disclaims all implied warranties of any kind whatsoever, including any implied warranty of fitness for a particular purpose, suitability or merchantability and compliance with the requirements of any law, regulation, specification or contracts which provide for specific machines, apparatus or methods. The Equipment shall be delivered to Lessee "AS IS." Other than as expressly set out herein, R&B shall not be liable to Lessee for negligence, strict liability or for any damage, act, error or omission of any kind. R&B shall not be liable to Lessee for punitive, special, consequential or incidental damages of any kind whatsoever, including any damages for failure to deliver the Equipment by the delivery date or work delays caused by the need to repair or maintain the Equipment. R&B shall not be liable to any third party for any damage whatsoever, without limiting the generality of the foregoing, R&B's liability shall, on no account, exceed the payments actually received by R&B under this Lease.**

14. Should any of the terms and conditions of this Lease be breached by Lessee, including, but not limited to, Lessee's failure to make rental payments timely or to return the Equipment upon demand for the same, or in the event of Lessee's bankruptcy or insolvency, or the appointment of a receiver for the assets of Lessee, or the institution of any legal proceeding of any kind or character affecting the possession of the Equipment leased herein, R&B may, at its option, take exclusive possession of and remove the Equipment, or any part thereof, whenever the same may be found without legal proceeding.
15. Terms and conditions defined herein apply to the U.S. only. All rental rates are payable in U.S. funds. Rental in foreign countries will require special arrangements in advance. Lessee shall not remove the Equipment from the U.S. until said arrangements have been made.
16. Lessee shall be responsible for and shall maintain insurance as set forth on **Exhibit "A"** attached hereto. Lessee shall provide proof of insurance to R&B prior to delivery of the Equipment.
17. Equipment that is returned requiring maintenance will incur a labor charge of One Hundred Twenty-Five Dollars (\$125.00) per hour plus parts.
18. Lessee's R&B Sales Representative can provide pricing and availability for the purchase of fusion equipment. **Rental rates paid under this Lease do not apply to the purchase price for fusion equipment, unless Lessee enters into a Lease Purchase Agreement with R&B.**
19. No waiver of any condition or legal right or remedy shall be implied by the failure of R&B to enforce such condition, legal right or remedy, or for any other reason, and no waiver of any condition or covenant shall be valid unless it is in writing signed by R&B.
20. Lessee shall not assign this Lease, or allow any third party to use the Equipment it leases, without the express written consent of R&B. This Lease shall be binding and shall inure to the benefit of the parties hereto and their successors and permitted assigns.
21. If any portion of this Lease is held by a court of competent jurisdiction to be invalid or unenforceable, then this Lease, including all of the remaining terms, will remain in force and effect and such invalid or unenforceable term shall be deleted or modified to the minimum extent necessary to make the same valid and enforceable.
22. This Lease and the rental terms in effect at the time of this Lease contain all the terms and conditions between the parties concerning the Equipment and there are no other conditions or understandings, either oral or written, between them. No amendment to this Lease shall be binding upon the parties unless reduced to writing and signed by them.
23. This Lease shall be governed by and construed according to California law. Lessee agrees that California shall have exclusive jurisdiction over any disputes arising under or related to this Lease. The venue of any legal action arising under or related to this Lease shall exclusively be Santa Clara County, California.
24. In the event R&B commences legal proceedings to enforce any of the terms of this Lease, Lessee shall pay to R&B all legal, collection and other costs, including attorneys' fees, incurred by R&B in such proceeding and otherwise in enforcing the terms of this Lease.
25. Service of all notices under this Lease shall be sufficient if given personally or mailed to the respective addresses set forth herein or at such address as either party may provide from time to time. R&B may withhold delivery of the Equipment until all parties have properly executed this Lease; however, acceptance of delivery of the Equipment by Lessee shall constitute acceptance of all the terms and conditions of this Lease. This Lease was drafted by R&B for convenience purposes only, and shall not be construed against R&B on such basis.

The undersigned warrants the Lessee has authorized the undersigned to execute this Lease on behalf of the Lessee, thereby fully binding the Lessee to its terms.

DATE

POSITION

SIGNATURE

COMPANY NAME

PRINT NAME

ADDRESS

PHONE

CITY

FAX

STATE & ZIP

Accepted as of _____, 201_:

R&B CO.

By: _____

Title: _____

PERSONAL GUARANTY

TO INDUCE R&B TO ENTER INTO THE ANNUAL RENTAL AND TECHNICIAN PLACEMENT CONTRACT, ATTACHED HERETO (THE "LEASE") WITH LESSEE, THE UNDERSIGNED HEREBY PERSONALLY AND UNCONDITIONALLY GUARANTEES ALL OBLIGATIONS OF THE LESSEE TO R&B, WHETHER UNDER THIS LEASE OR OTHERWISE, INCLUDING THE PAYMENT OF ALL RENTAL AND CHARGES UNDER THE LEASE. THIS GUARANTEE INCLUDES ALL PAYMENTS MADE TO R&B BY LESSEE WHICH ARE RECOVERED BY A TRUSTEE OR RECEIVER, AND ALL ATTORNEYS FEES AT ANY TIME PAID OR INCURRED BY R&B ENDEAVORING TO COLLECT UNDER THE LEASE OR UNDER THIS PERSONAL GUARANTY. THE UNDERSIGNED AGREES THAT R&B AND THE LESSEE MAY AMEND THE LEASE AND THE UNDERSIGNED AGREES TO BE BOUND BY SUCH AMENDMENTS. THE UNDERSIGNED WAIVES ALL NOTICES, INCLUDING NOTICES OF DEMAND AND DEFAULT. THE UNDERSIGNED AGREES THAT R&B MAY PROCEED AGAINST THE UNDERSIGNED SEPARATELY FROM THE LESSEE. THE UNDERSIGNED CONSENTS TO ALL PROVISIONS OF THE LEASE. THE UNDERSIGNED ACKNOWLEDGES AND AGREES THAT ALL ACTIONS AGAINST THE UNDERSIGNED SHALL BE EXCLUSIVELY VENUED IN SANTA CLARA COUNTY, CALIFORNIA.

GUARANTOR SIGNATURE

GUARANTOR SIGNATURE

PRINT NAME

PRINT NAME

DATE

DATE

EXHIBIT A

Contractor's Insurance

Contractor shall procure and maintain insurance as set forth below. Insurance shall be secured from an insurer currently authorized to do business in the state in which the Fusion Technician is located. Certificates of insurance shall be provided to R&B Co. prior to arrival of the technician. The certificates of insurance shall provide that there will be no cancelation of coverage within thirty (30) days prior written notice to R&B Co.

Contractor shall maintain the following insurance: Workers Compensation Insurance as required by any applicable law or regulation with a minimum \$1 million employer's liability agreement.

Contractor shall carry primary commercial general liability insurance covering all operations by or on behalf of Contractor, providing insurance for bodily injury liability and property damage liability. The limits of liability shall be not less than \$1 million each occurrence (combined single limit for bodily injury and property damage), \$1 million for personal injury liability and \$2 million general aggregate. Contractor shall provide an additional insured endorsement in accordance with this agreement for ongoing and completed operations.

Contractor shall provide a \$5 million assessed liability/umbrella insurance policy.

Contractor shall provide commercial automobile liability insurance, including coverage for all owned, hired and non-owned automobiles through which the limits of liability shall not be less than \$1 million combined single limit each accident for bodily injury and property damage.

EXHIBIT B

FUSION TECHNICIAN ACKNOWLEDGEMENT

The undersigned contractor (“Contractor”) acknowledges and agrees as follows:

1. Contractor has rented or leased certain pipe fusion equipment from R&B Co. (“R&B”) pursuant to a separate agreement, which equipment must be operated by a certified technician (a “Technician”). Contractor does not have a Technician on staff and has requested that R&B refer to Contractor one or more Technicians (“Referrals”) to provide pipe fusion Technician services to or on behalf of Contractor (“Fusion Services”). R&B is willing to make Referrals only on the terms of this Fusion Technician Acknowledgement.
2. R&B is not a licensed contractor and does not provide construction services or Fusion Services.
3. Although a Technician may be employed by R&B from time to time to perform services other than Fusion Services, any Technician referred by R&B who provides Fusion Services to Contractor will at all times in that connection be hired as an **employee of Contractor** (a “Contractor Employee”). A Contractor Employee is not a leased employee or the joint employee of Contractor and R&B. The exclusive employment relationship between a Technician and Contractor will exist despite any error in the hiring of the Technician by Contractor, failure of Contractor to duly hire the Technician or failure of Contractor to pay all wages or provide all benefits due to the Technician in connection with the Technician’s services to or on behalf of Contractor.
4. R&B represents that a Referred Technician is a duly certified Technician at the time the Referral is made. R&B does not otherwise make any representation or warranty with respect to the Technician and specifically disclaims any and all implied warranties. Specifically, R&B does not represent or warrant the Technician is eligible to be hired as an employee in the United States, the expertise or capabilities of the Technician or the results of the Technician’s Fusion Services. Contractor will make its own independent determination of which, if any, Technicians Referred by R&B to employee and/or retain as an employee.
5. Contractor is exclusively responsible for all aspects of the hiring and employment of a Contractor Employee including, without limitation, the hiring in accordance with applicable laws, payment of wages, wage withholdings, prevailing wages and associated withholdings if applicable, labor union relationships, workers compensation insurance, OSHA compliance, the availability of the Contractor Employee, errors or omissions of the Technician including errors or omissions which damage equipment owned by R&B, and the results of the services of Contractor Employee.
6. Contractor Employees will provide all Fusion Services under the direction and control of Contractor. R&B will not have any authority, direction or control over any Contractor Employee.

7. In consideration of R&B making Referrals, Contractor shall indemnify, defend and hold harmless R&B, and its directors, officers, shareholders, employees, agents and contractors, and their respective insurers, successors and assigns, from and against any and all claims, liabilities, demands, actions, losses, damages and expenses, including attorneys' fees, arising out of or relating to (i) the responsibilities of Contractor set forth herein or otherwise arising out of or relating to the Fusion Services or the hiring of any Contractor Employee, (ii) the employment of any Contractor Employee, (iii) the Fusion Services, and (iv) any act or omission by any Contractor Employee in connection with services provided to Contractor, including without limitation, any injury to any Contractor Employee or any other person or property, the failure of any Contractor Employee to properly perform Fusion Services and defects in the Fusion Services provided by any Contractor Employee.

Dated: _____

CONTRACTOR:

By: _____

Title: _____

License No.: _____