

MARKETING AGREEMENT

This MARKETING AGREEMENT ("Agreement") is entered into as of [_____, 20__] ("**Effective Date**"), by and between the City of Rialto/Rialto Utility Authority ("RUA"), and Service Line Warranties of America, Inc. ("**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, RUA 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 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:

AGREEMENT

1. Purpose. RUA hereby grants 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. RUA hereby grants to Company a non-exclusive license ("**License**") to use the City of Rialto's name and logo on letterhead, advertising, 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 RUA's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Company shall have no right to use the City of Rialto's name or logo for any other purposes not specifically provided for in this Agreement. RUA agrees that it 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 three (3) additional one (1) year terms ("**Renewal Term**") unless one of the Parties gives the other 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, RUA 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, not constituting or contributing to a breach of this Agreement, that is 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. Consideration. As consideration for such license, Company will pay to RUA a License Fee 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 first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term and any Renewal Term, due and payable on January 30th of the succeeding year. RUA 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 or any other performance under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement. Company shall provide quarterly reports to RUA detailing the number of enrollments and the number of claims filed by Residential Property Owners.

5. Indemnification. Company hereby agrees to protect, defend, indemnify, and hold RUA, its elected officials, officers, employees and agents (collectively or individually, "**Indemnatee**") 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 Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of or arising out of this Agreement with Company, or any negligent or fraudulent act or omission of Company or its officers, employees, contractors, subcontractors, or agents in the performance of services under this Agreement or the Products; provided that the applicable Indemnatee notifies Company of any such Claim within a time that does not prejudice the ability of Company to defend against such Claim. Any Indemnatee 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. Such indemnification shall not cover any Claim due to the sole negligence or willful misconduct of RUA.

6. Insurance. Attached hereto as Exhibit B is a Certificate of Insurance documenting the insurance program for Company. Company agrees that it will cause the City of Rialto/Rialto Utility Authority to be made an additional insured under all applicable insurance policies. Company further agrees that it will provide RUA with thirty (30) days' advance written notice of any change to its insurance program that results in a material reduction of coverage.

7. 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: RUA:

ATTN: Rialto Utility Authority
c/o City of Rialto
150 South Palm Avenue
Rialto, CA 92376-6487
Phone: (909) 820-2525

To: Company:

ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
11 Grandview Circle, Suite 100
Canonsburg, PA 15317
Phone: (866) 974-4801

8. Modifications or Amendments/Entire Agreement. Any and all of the representations and obligations of the Parties are contained herein, and no amendments or other modifications of this Agreement shall be binding unless executed in writing by both Parties hereto, or their respective successors, assigns, or grantees.

9. 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 with thirty (30) days prior written notice to RUA, without the prior written consent of RUA, such consent not to be unreasonably withheld.

10. Relationship of the Parties. The Parties are, and shall at all times remain as to each other, wholly independent entities. No Party to this Agreement shall have power to incur any debt, obligation, or liability on behalf of any other Party unless expressly provided to the contrary by this Agreement. No employee, agent, or officer of a Party shall be deemed for any purpose whatsoever to be an agent, employee, or officer of another Party.

11. Covenant Against Discrimination. Company covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class in the performance of services related to this Agreement. Company shall take affirmative action to insure that employees and independent contractors are treated without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry or other protected class.

12. Unauthorized Aliens. Company hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C.A. §§ 1101, *et seq.*, as amended, and in connection therewith, shall not employ or independently contract unauthorized aliens as defined therein. Should Company so employ or independently contract such unauthorized aliens for the performance of services related to this Agreement, and should any liability or sanctions be imposed against RUA for such use of unauthorized aliens,

Company hereby agrees to and shall reimburse RUA for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by RUA.

13. 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.

14. Choice of Law/Attorney Fees. The governing law shall be the laws of the State of California. 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.

15. 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.

RUA:

CITY OF RIALTO/RIALTO UTILITY
AUTHORITY, a municipal corporation

ATTEST:

By: _____

Deborah Robertson, Mayor

By: _____

Barbara McGee, City Clerk

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

By: _____

Fred Galante, City Attorney

COMPANY:

UTILITY SERVICE PARTNERS PRIVATE
LABEL, INC.

By: _____

Michael Backus, Chief Sales Officer

By: _____
Signature (notarized)

Name: _____

Title: _____

(This Agreement must be signed in the above space by one of the following: Chairman of the Board, President or any Vice President)

State of _____)
County of _____)ss

On _____

before me, _____

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature:

Notary Seal:

By: _____
Signature (notarized)

Name: _____

Title: _____

This Agreement must be signed in the above space by one of the following: Secretary, Chief Financial Officer or any Assistant Treasurer)

State of _____)
County of _____)ss

On _____

before me, _____

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Signature:

Notary Seal:

EXHIBIT A
NLC Service Line Warranty Program
City of Rialto/Rialto Utility Authority
Term Sheet
November 6, 2017

I. Initial Term. Three (3) years

II. License Fee. \$0.75 per Product for each month that a Product is in force for a Residential Property Owner (and for which payment is received by Company), aggregated and paid annually, for:

a. License to use the City of Rialto's name and logo on letterhead, advertising, and marketing materials

III. Products.

- a. External sewer/septic line warranty (initially, \$9.75 per month; \$112.00 annually)
- b. External water service line warranty (initially, \$6.75 per month; \$76.00 annually)
- c. In-home plumbing warranty (initially, \$9.99 per month; \$114.99 annually)

Company may adjust the foregoing Product fees with notice to the Residential Property Owners that have contracted Company's services; 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 sewer/septic line warranty: Scope is from the main tap until line daylights inside home, which includes the service line under the concrete floor. (Covers septic lines if applicable)

b. External water service line warranty: Scope is from the meter and/or curb box until it daylights inside home, which includes the service line under the concrete floor. (Covers well service lines if applicable)

c. In-home plumbing warranty: Scope covers residential 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 broken or leaking water, sewer, or drain lines that may be embedded under the slab or basement floor. Coverage also includes repair of clogged toilets.

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

EXHIBIT B

Certificate of Insurance