



GE Modular Space

modspace.com

LEASE AGREEMENT NO.: 203604
 RENEWAL AGREEMENT NO.: 336829
 ACCOUNT NO.: 741016
 CUSTOMER NO.: 377648

RETURN EQUIPMENT TO GEMS:

HAYWARD
 21201 CABOT BOULEVARD
 HAYWARD
 CA 94545
 Telephone: 510-785-7800
 1-800-523-7918
 Fax: 510-785-8041

GE MODULAR SPACE, a division of Transport International Pool, Inc., a Pennsylvania corporation ("GEMS") hereby leases the equipment specified below (the "Equipment") to:

County of San Mateo
 C/O Human Services Agency
 262 Harbor Blvd, Bldg A
 BELMONT
 CA 94002
 Customer Contact: Patricia Lockman
 Telephone: 650 802 3346
 Fax: 650 586 3478
 P.O. #:

The Equipment will be located at (subject to Section 4 on attached page):

30 Tower Rd
 san mateo
 CA 94402

Customer hereby leases Equipment from GEMS for a minimum period of 24 months (the "Minimum Lease Period") from the start of the lease term in accordance with the terms and conditions of this Lease Agreement including the terms and conditions set forth on the attached page (this "Lease"). Rental month is defined as a thirty-day period.

Customer agrees to pay GEMS without demand and in advance the monthly rental and other charges on the due dates set forth in this Lease. This lease is hereby renewed as of the 28th day of February, 2007.

Unit	Class	Width	Length	Serial No.	Monthly	Weekly	Daily	Insurance Value
088343	MULT	12'	60'	7971263S22064	\$400.00	\$92.05	\$13.15	\$28,088
088344	MULT	12'	60'	7970263S22065	\$400.00	\$92.05	\$13.15	\$24,005
088345	MULT	12'	60'	7971283S22066	\$400.00	\$92.05	\$13.15	\$24,005
088346	MULT	12'	60'	7971263S22067	\$400.00	\$92.05	\$13.15	\$24,005
088353	MULT	12'	60'	7971263S22074	\$400.00	\$92.05	\$13.15	\$23,926

ONE TIME CHARGES	
RETURN DELIVERY	
BUILDING RETURN* (Qty: 5)	***
DISMANTLING	
UNBLOCK* (Qty: 1)	***
REMOVE REMOVABLE WASHROOM*	***

MONTHLY CHARGES	
COMPLEX RENTAL	\$2,000.00
REMOVABLE WASHROOM RENTAL	

Total	\$0.00	Total	\$2,000.00
Sales Tax(One Time)	\$0.00	Sales Tax(Monthly Lease Items)	\$165.00
Grand Total(OneTime)	\$0.00	Grand Total(Monthly)	\$2,165.00

* Billed at Termination
 *** Billed at current rate at Termination

DAILY: \$65.75
 WEEKLY: \$460.25

#Tax rates will vary with delivery address. Taxes are subject to change by tax authorities without notice.

No agent, employee or representative of GEMS has any authority to make any representation or warranty concerning the Equipment that is not specifically included in this Lease. Unless specifically identified in this Lease, this Lease supersedes all prior negotiations, proposals and documents. This Lease will not be subject to any additional provision that may be contained in the Customer's purchase order, although Customer's purchase order number may be used by the parties as a convenient reference for invoicing purposes.

Furnishings Such as cabinets, countertops and cubbies may contain particleboard, which often includes a urea-formaldehyde binder. At your option and expense, we are able to make available to you "no-formaldehyde" furnishings (for instance, metal-based) or "reduced formaldehyde" furnishings (for instance, those that substitute, for particleboard, phenol-formaldehyde plywood or oriented strand board.)

Nearly all carpeting contains styrene-butadiene rubber("SBR"). When new carpeting is being installed in the modular building being delivered to you, the building should receive a minimum of 72 hours of airing-out time under well ventilated conditions after carpet installation and before you permit occupancy of the building. A cleaning fee will be assessed if the modular office is not returned in the same condition of which it was delivered.



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(Continued)

At the end of the lease term, should the lessee decide to terminate this lease and return the modular building back to the lessor, County of San Mateo Department of Public Works agrees to enter into an agreement with the lessor in the amount of \$8,500.00 for the teardown and return charges. However, should the lessee decide to extend the lease at the end of this lease term, dismantle and return charges shall be \$8,500.00 or cost plus 15% markup (whichever higher) at the time of termination.

The attached page (Form No.US20021216) contains Terms and Conditions that form an integral part of this Lease. Those terms and conditions include but are not limited to disclaimers of warranty of merchantability and fitness and limitations on damages. The only other documents that form a part of this lease are: NONE.

Signed by duly authorized agents, with the intent to be legally bound, this _____ day of _____, 20_____.

By _____
GE MODULAR SPACE AUTHORIZED AGENT

By _____
CUSTOMER OR AUTHORIZED AGENT

Name GRANT ROBERTSON

Name _____
(please print)

Accepted and Del. By: _____
Freight Vendor

Date: _____

Remarks: _____

Received and Accepted By: _____
Name: _____
(please print)

Date: _____



TERMS AND CONDITIONS OF LEASE AGREEMENT

1. Lease

This transaction is a lease as defined by the Uniform Commercial Code as enacted in Pennsylvania and not a sale. Customer does not acquire through this Lease or by payment of rental under this Lease any right, title or interest in or to the Equipment, except the right to possess and use the Equipment so long as Customer is not in default under this Lease.

2. Rental and Other Payments

(a) The start of the lease term is the date on which GEMS substantially completes its scope of work for installation, unless otherwise agreed to among the parties. Monthly rental will accrue through and including the month in which the later of the Return Date or End of the Term occurs. The "Return Date" is the date on which the Equipment is returned to GEMS in accordance with the terms of this Lease. The "End of the Term" is the date on which the term of this Lease is to expire, either originally, under a renewal term or under month-to-month renewals as contemplated by this Lease. Rental and such other charges will be prorated on a daily basis where necessary. Unless otherwise specified in this Lease, charges for delivery and installation, initial month's rent and any applicable initial charges for the Optional Insurance Program and Damage Waiver will be due and payable at the start of the lease term, and charges for teardown and return will be due and payable at the earlier of the Return Date or the End of Term. After payment of the initial month's rent, each month's rent thereafter is due and payable without demand and in advance (i) at the end of each thirty (30) day period following the commencement of the lease term, if a rental month is defined on the first page of this Lease as a thirty-day period or (ii) on the first of each month immediately following the month in which this lease commences, if a rental month is defined on the first page of this Lease as a calendar month. All other sums payable by Customer under this Lease are due and payable when invoiced. Unless agreed otherwise, all payments made under this Lease will be made by Customer's check drawn on its regular bank checking account or such other form of payment as is acceptable to GEMS. All payments by Customer will be made without setoff or deduction of any kind.

(b) Customer will pay GEMS for any and all sales and use taxes, other direct taxes and registration fees imposed by any city, county, state, or federal government or other taxing authorities and related directly or indirectly to the Equipment or its use, excluding federal or state taxes relating to income (all of the foregoing that Customer is to pay, "Taxes"). Taxes may be allocated by GEMS on either an individual or prorated basis for any item of Equipment based on purchase price, value, possession, use, location, rentals, delivery or operation of such Equipment. Taxes may include an allocation on a statewide basis of locally imposed taxes. Customer's obligations under this Subsection will survive the termination of this Lease.

(c) For Customer's convenience, GEMS intends to issue invoices for amounts due under this Lease. If Customer fails to pay any amount due within twenty (20) days of the due date, GEMS may impose a charge on such amount at one and one-half percent (1-1/2%) per month or the highest rate permitted by law, whichever is lower, from the due date until payment in full is received by GEMS.

(d) When the Lease term exceeds eleven (11) months, the rental charge may, at GEMS's option, be adjusted upward, based upon the Consumer Price Index, All Urban Consumers, U.S. City Average, All Items ("CPI") (United States Bureau of Labor Statistics or such other index as may succeed the CPI), as follows: For each change of one percent (1%) in the CPI from the CPI as available immediately prior to the start date of this Lease, the rental rate will be adjusted by a factor of one percent (1%). Any adjustments will take effect at six (6) months following the start date of this Lease and will be further adjusted each six (6) months thereafter. The adjustment will be based on the most recent CPI indices available prior to the invoice in which an adjustment is made.

(e) From time to time, at GEMS's option, GEMS may add additional costs and expenses, including but not limited to increases in fuel costs and/or other operating costs and expenses ("Additional Operating Costs") to the rental charges and other payments that Customer must pay to GEMS under this Lease, said Additional Operating Costs will be calculated by GEMS, in its sole discretion, as a result of increases in GEMS's costs and expenses.

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3. Delivery and Installation

(a) Customer will provide free and clear access for delivery of the Equipment by standard mobile transport vehicles. Customer will be solely responsible, at its cost, for preparation of the site on which the Equipment is to be used (the "Site"), including any required structural or grade alterations and identification of utility lines. Customer will provide firm and level ground on no more than a six-inch (6") slope from one end to the other for safe and unobstructed installation for the Equipment. Site selection is the sole responsibility of Customer. **GEMS ASSUMES NO LIABILITY NOR OFFERS ANY WARRANTY FOR THE FITNESS OR ADEQUACY OF, OR THE UTILITIES AVAILABLE AT THE SITE.**

(b) Customer will have sole responsibility, at Customer's cost, to obtain any and all licenses, titles, building and other permits and any other approvals and certificates as may be required by law or otherwise for the installation and placement of the Equipment and Customer's lawful operation, possession or occupancy of the Equipment. Customer agrees that all certificates of title or registration applicable to the Equipment will reflect GEMS's ownership of the Equipment.

(c) GECMS's delivery of the Equipment is subject to delays in manufacturing, modification, delivery or installation due to fire, flood, windstorm, riot, civil disobedience, strike or other labor actions, acts of God, or any circumstances beyond GECMS's control (including but not limited to breaches by GECMS's sub-contractors or manufacturers) which delay the manufacture or modification of products or the making of deliveries in the normal course of business.

(d) The prices for delivery, installation, teardown, return delivery and other "one-time" charges, the due dates of such charges and the start date of this Lease assume accuracy of the information given to GEMS with respect to Site conditions and locations and are subject to adjustment to the extent that the timing of or physical nature of access to the Site is or becomes limited, the Site does not have adequate load bearing or topographic qualities or is otherwise not properly prepared, utilities are not correctly located, provision of utilities is not timely or applicable licenses or permits are not provided in a timely manner or Customer otherwise delays completion of GEMS's scope of work.

(e) GEMS may suspend work at the Site if GEMS deems the Site to be unsafe.

4. Maintenance of Equipment

(a) Customer will not move or in any way modify the Equipment without written consent of GEMS. Notwithstanding GEMS's consent to Customer's modification of the Equipment, Customer is liable for the cost of the removal of such modification or restoration of the Equipment upon the termination of this Lease for the modified Equipment. GEMS may place its name on the Equipment, and Customer will assure that such name is not removed or concealed in whole or in part.

(b) Customer, at Customer's sole cost, will keep the Equipment at all times until the Return Date in good repair and operating condition, subject to ordinary wear and tear, and free of any and all liens and encumbrances. GECMS will have the right to inspect the Equipment from time to time until the Return Date and if GECMS believes the Equipment to be misused, abused or neglected, GECMS may summarily remove and repossess the Equipment at Customer's cost.

(c) Customer will perform, execute and comply with all Laws which in any way affect the use, operation, maintenance, or storage of the Equipment. "Laws" means all laws, rules, regulations or orders of any governmental agency or instrumentality of the United States, Canada, any state, province, municipality or other local government and all orders, writs and decrees of any court, tribunal or administrative agency, in any case which now exist or hereafter arise (including but not limited to laws governing Hazardous Substances and other environmental risks and the Americans with Disabilities Act). Customer will not make or permit any unlawful use or handling of the Equipment.

(d) **HAZARDOUS SUBSTANCES.** (i) "Hazardous Substances" means hazardous, toxic, radioactive or bio-hazardous substances or petroleum products. (ii) Customer will not use or store Hazardous Substances in the Equipment, except such substances and in such quantities as would be normal in the operation of a commercial office. Customer will not locate the Equipment at a remediation or nuclear site or use the Equipment for medical laboratory testing. (iii) Ordinary wear and tear does not include contamination by Hazardous Substances. If any returned Equipment is found to have been contaminated by Hazardous Substances during Customer's possession, GEMS may charge Customer for the clean up or may require Customer to purchase the Equipment at the then current market price charged for an uncontaminated unit.

(e) Customer agrees that the Equipment leased hereunder will not be occupied by any person other than Customer or its agents, employees or invitees. The Equipment will not be used for residential or dormitory purposes.

5. NO WARRANTY FOR MERCHANTABILITY OR FITNESS

THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF ANY KIND, INCLUDING ANY EXPRESS OR IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE, ARE HEREBY EXCLUDED BOTH AS TO THE EQUIPMENT AND AS TO ANY INSTALLATION, MAINTENANCE OR REPAIR WORK PERFORMED BY GEMS ON THE EQUIPMENT.



TERMS AND CONDITIONS OF LEASE AGREEMENT

6. Limitation of Damages

Customer does hereby expressly waive any and all claims and demands for loss of profits or other alleged consequential, incidental or punitive damages arising out of or in connection with this Lease. GEMS is not liable for any loss or damage to any property stored, located or transported in, upon, under or around any Equipment and Customer does hereby waive any and all claims and demands for any such loss or damage.

7. End of Lease

- (a) Unless specified otherwise, Customer must give GEMS sixty (60) days' prior written notice of the date on which the Equipment is to be returned.
- (b) If Customer, without any further written agreement, continues to possess or occupy the Equipment after the expiration of the initial and any renewal term of Lease, with or without consent of GEMS, Customer will then be deemed to have renewed this Lease on a month-to-month basis subject to such rate as GEMS declares to be in effect (and in the absence of such declaration at the last monthly rate applicable to the Equipment), and GEMS may terminate such month-to-month extensions at any time.
- (c) If, at any time after the initial or any renewal term (or at GEMS's request at any time this Lease is on a month-to-month basis), GEMS requests the return of the Equipment, Customer will return the Equipment to GEMS, within five (5) days, at GEMS's designated address, at Customer's sole cost. Missing accessories, attachments or other items, repairs of any kind and restoration to original specifications whether due to Customer alterations or otherwise will remain the sole responsibility of Customer, normal wear and tear excepted.
- (d) Customer may terminate this Lease prior to the expiration of the Minimum Lease Period, subject to all terms and conditions of this Lease, and the Customer will pay (in addition to tear-down and return charges) the following termination charges:
 - i) If Customer is the first user of the Equipment: the remaining unpaid rental charges for the Minimum Lease Period;
 - ii) If Customer is not the first user: (A) if the remaining Minimum Lease Period ("MLP") is less than three (3) rental months, four (4) times the Adjusted Weekly Lease Charge ("AWLC"); (B) if the remaining MLP is between three (3) rental months and six (6) rental months, inclusive, eight (8) times the AWLC; if the remaining MLP is more than six (6) rental months but one (1) year or less, twelve (12) times the AWLC; if the remaining MLP exceeds one (1) year, fourteen (14) times the AWLC for each year, or portion thereof, of the portion of the remaining MLP cancelled.
 - iii) The "Adjusted Weekly Lease Charge" or "AWLC" means the Weekly Lease Charge less that portion representing amortization of any delivery, set-up, tear-down, return or similar one-time charges and customer-requested modifications not provided as a separate charge under the terms of this Lease (the "Amortized One-Time Costs"). In addition, Customer will pay in full the unpaid Amortized One-Time Costs. In no case will the termination charges be in excess of the rental charge for the remainder of MLP.

8. Indemnification

Customer hereby specifically indemnifies, agrees to defend and holds harmless GEMS, its employees and agents from any and all loss, claims, liabilities, damages, fines, forfeitures, seizures, penalties and expenses (including attorneys' fees and investigative costs) (collectively "Losses") that may arise from or in connection with:

- (a) The loss of or damage to the Equipment prior to the Return Date because of collision, fire, lightning or theft, flood, windstorm or explosion, civil disturbance or riot or any other peril or casualty;
 - (b) The death of or injury to, including but not limited to, damage to the property of, any person (other than the Equipment) as a result of, in whole or in part, the use or condition prior to the Return Date of the Equipment;
 - (c) Any act or omission of Customer in violation of this Lease;
 - (d) The actual or alleged storage, maintenance, use, handling, repair, or operation of the Equipment, prior to the Return Date, including but not limited to any failure to use anchor straps, any work done on, or any materials supplied to or in connection with the operation, maintenance, possession or storage of the Equipment and any loss or damage to anything stored in any of the Equipment; and
 - (e) Any damage to Customer's property or the property of any third parties incurred during or in connection with the fulfillment of Customer's obligations by or on behalf of GEMS or the repossession or return of Equipment by GEMS in accordance with the terms of this Lease.
- The obligations contained in this Section 8 will survive expiration or termination of the term of this Lease and the Return Date. The indemnifications contained in this Section 8 will apply to any Losses whether they are asserted before or after the Return Date.

9. Insurance

- (a) Customer, at Customer's sole cost, will procure and keep in full force and effect, from the initial delivery date until the return of all Equipment the following policies of insurance satisfactory to GEMS as to the insurer and as to the form and amount of coverage, with premiums prepaid:
 - i) Commercial General Liability Insurance with a minimum combined single limit of \$1,000,000 per occurrence, written on an occurrence form, including coverage for premises, operations, contractual liability, broad form property damage, independent contractors and personal injury liability, naming GEMS as an additional insured.
 - ii) Commercial Property Insurance protecting against all loss and damages, at full replacement cost, sustained or suffered due to the loss of or damage to the Equipment as a result of collision, fire, lightning, theft, flood, windstorm, explosion or any other casualty, naming GEMS as a loss payee.
- (b) Customer will deliver certificates evidencing all such insurance to GEMS within fourteen (14) days after delivery of the Equipment to Customer's site, time being of the essence; except that, if Customer elects to enroll in the Optional Insurance Program or the Damage Waiver Option, Customer will not have to deliver certificates of insurance to GEMS for the type of risks covered by the Optional Insurance Program or Damage Waiver Option as elected by Customer. Each certificate will state that such insurance will not terminate or be materially changed without thirty (30) days' prior written notice to GEMS.
- (c) If Customer fails to deliver the insurance certificate as required by paragraph (b) on the date required, Customer will be in default under this Lease. In addition to all the other remedies for default under this Lease, GEMS may (i) impose upon Customer a one-time fee for insurance processing of One Hundred Dollars (\$100) and (ii) assess as additional rent an uninsured lessee fee of ten percent (10%) of the monthly rental from the start of the lease term until the required insurance certificate is delivered to GEMS.
- (d) Obtaining insurance as described above, including the Optional Insurance Program, will not affect Customer's obligations and indemnities under this Lease, and the loss, damage to, or destruction of any of the Equipment will neither terminate this Lease nor, except to the extent that GEMS is actually compensated by insurance paid for by Customer, relieve Customer of any of Customer's liability under this Lease.



TERMS AND CONDITIONS OF LEASE AGREEMENT

10. Optional Insurance and Damage Waiver

- (a) In certain circumstances, Customer may choose (i) to enroll in an Optional Insurance Program to cover general liability risks (the "Optional Insurance Program") or (ii) to accept a Damage Waiver Option to cover damage to the Equipment (the "Damage Waiver Option") or (iii) to elect both options. If the Optional Insurance Program or the Damage Waiver Option is available and Customer, in writing prior to delivery of the Equipment to the site, elects to enroll in the Optional Insurance Program or accept the Damage Waiver Option, then, Section 10(b) will apply if Customer elects to enroll in the Optional Insurance Program and, Section 10(c) will apply if Customer accepts the Damage Waiver Option.
- (b) The Optional Insurance Program is fully described in an Outline of Coverage ("the "Outline of Coverage") which Customer has received and reviewed prior to any election to enroll in the Optional Insurance Program. All questions regarding the Optional Insurance Program will be answered by the qualified licensed insurance agent identified in the Outline of Coverage. If Customer properly elects to enroll in the Optional Insurance Program, so long as such coverage is still in full force and effect, Customer will not be required, under this Lease, to carry additional commercial liability insurance as required by Section 9(a)(i).
- (c) If the Damage Waiver Option is properly elected and so long as Customer timely pays the additional fee specified for such Damage Waiver Option, Customer will not be required, under the terms of this Lease, to carry any additional commercial property insurance as required by Section 9(a)(ii) and Customer will not be liable to GEMS in excess of \$500 per unit of Equipment for loss or damage specified in Section 8(a), except Customer will not be relieved of liability if Customer violates any other provision of this Lease. **THE DAMAGE WAIVER IS NOT INSURANCE COVERAGE.**
- (d) Customer's coverage under the Optional Insurance Program or acceptance of the Damage Waiver Option may be cancelled by either party and rates for coverage under the Optional Insurance Program or fees for the Damage Waiver Option may be changed upon thirty (30) days' prior written notice. If the Optional Insurance Program or Damage Waiver Option is, for any reason, cancelled, Customer will provide to GEMS evidence of policies of insurance as set forth in Sections 9(a)(i) or 9(a)(ii), as appropriate, within ten (10) days prior to the effective date of such cancellation.
- (e) The coverage provided under the Optional Insurance Program and the limitation of liability under the Damage Waiver Option does not extend to the transportation of Equipment or its contents and, only extends to Equipment installed on ground level.
- (f) The Damage Waiver Option will not be binding upon GEMS unless any loss, damage, injury or claim is reported to GEMS in writing within seventy-two (72) hours of the occurrence of any such event. Customer will also provide any information in regard to such event that GEMS reasonably requests.

11. Default

- The occurrence of one or more of the following in clauses (a) - (e) below will constitute an Event of Default under this Lease:
- (a) Customer fails to pay when due any rental payment or any other payment due under this Lease or fails to perform its obligations under Section 9 of this Lease;
 - (b) Customer fails to perform or observe any other term or condition under this Lease and such failure remains unremedied for more than ten (10) days after such failure to perform or observe;
 - (c) Customer or any person or entity which controls more than fifty percent (50%) of Customer's equity (a "Control Person") or any guarantor of any of Customer's obligations hereunder (a "Guarantor") (i) becomes insolvent, (ii) becomes subject to any voluntary or involuntary bankruptcy or reorganization proceedings, (iii) commits an act of bankruptcy, (iv) makes an assignment for the benefit of creditors, (v) appoints or submits to the appointment of a receiver for all or any of its assets, (vi) admits in writing its inability to pay its debts as they become due or (vii) enters into any type of voluntary or involuntary liquidation or dissolution;
 - (d) Customer, any Control Person or any Guarantor defaults under any other agreement with GEMS or any affiliate of GEMS; and
 - (e) Any letter of credit, guaranty or other security given to secure the performance of Customer's obligations under this Lease expires, terminates or in the reasonable opinion of GEMS becomes worthless.
- Upon the occurrence of an Event of Default, GEMS will have the option to declare the entire balance of rent for the remainder of the stated lease term immediately due and payable and to accelerate and make immediately due and payable any other amounts owing under this Lease. GEMS will also have the option to retake and retain any or all of the Equipment free of all rights of Customer without any further liability or obligation to redeliver any of the Equipment to Customer, and Customer hereby grants GEMS the right to enter upon any premises where all or any of the Equipment is located in order to take possession of and remove such Equipment. (Notwithstanding the foregoing, if an Event of Default occurs under clause (c) above, such accelerations will occur automatically without the need for declaration.) Customer will pay to GEMS on demand all fees, costs and expenses incurred by GEMS in enforcing its rights under this Lease, including without limitation reasonable attorneys' fees. The remedies provided in favor of GEMS will be cumulative and in addition to all other remedies provided in this Lease or existing at law or in equity. No action taken by GEMS pursuant to this Section 11 or Section 13 will release Customer from Customer's covenants, obligations and indemnities provided under this Lease, including but not limited to Customer's obligation for the payment of rentals provided in this Lease.
- If GEMS retakes possession of the Equipment or any part of the Equipment and there is at the time of such retaking, in, upon or attached to such repossessed Equipment, any other property, goods or things of value owned by Customer or in the custody or control of Customer, GEMS is authorized to take possession of such other property, goods or things and hold the same for Customer, at Customer's sole cost, either in GEMS's possession or in public storage, at GEMS's sole discretion.

12. GEMS' Right To Cure

If Customer defaults in any of its obligations under this Lease, whether or not an Event of Default then exists, GEMS may pay all amounts or perform or cause to be performed all obligations required to be paid or performed by Customer under this Lease and recover from Customer as additional rent all amounts so paid or the reasonable value of all services so performed.

13. Set-Off

Without limiting any other provision of this Lease, upon the occurrence of an Event of Default, GEMS will have the immediate right, without notice, demand or other action, to set-off against Customer any amounts GEMS may hold as prepayments or deposits for GEMS liabilities to Customer whether or not then due to Customer. Unless otherwise prohibited by law, GEMS will be deemed to have exercised such right to set-off and to have made a charge against any such sums immediately upon the occurrence of any Event of Default by Customer.

14. Assignment, Amendment, Modification, Miscellaneous

- (a) Customer will not have the right to assign this Lease or to sublet, rent or otherwise hire out or transfer possession of any of the Equipment to any person or entity other than GEMS, without the prior written consent of GEMS. GEMS may assign this Lease and the rentals reserved under this Lease. If GEMS makes such an assignment, the assignee will acquire all rights and remedies possessed by or available to GEMS under this Lease.
- (b) This Lease contains the entire agreement between the parties pertaining to the subject matter of this Lease. No agreements, representation or understandings not specifically contained in this Lease will be binding upon any of the parties hereto unless reduced to writing and signed by the parties to be bound thereby. Any amendment, modification or addendum to this Lease will not be binding on GEMS unless signed by an authorized officer of GEMS. This Lease will be governed as to its construction, interpretation and effect by the laws of the Commonwealth of Pennsylvania without regard to principles of choice of laws.