

**AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND
ASPIRANET**

For

**The administration of a "Change of Placement Program" for dependent children at the
Tower House Receiving Home**

THIS AGREEMENT, entered into this _____ day of _____, 20_____,
by and between the COUNTY OF SAN MATEO, hereinafter called "County," and
Aspiranet, hereinafter called "Contractor";

W I T N E S S E T H:

WHEREAS, pursuant to Government Code, Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, it is necessary and desirable that Contractor be retained for the purpose of performing the professional services of administering a Change of Placement Program for dependent children at the County's Tower House Receiving Home located in San Mateo;

**NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO
AS FOLLOWS:**

1. Exhibits and Attachments

The following exhibits and attachments are included hereto and incorporated by reference herein:

- Exhibit A---Program Description
- Exhibit B---Responsibilities
- Exhibit C---Budget and Payment Schedule
- Exhibit CI--Budget Table
- Exhibit D---Program Monitoring
- Exhibit E---504 Compliance
- Exhibit F---Contractor's Declaration Form
- Exhibit G--- Child Abuse Prevention and Reporting
- Exhibit H- Fingerprinting Certification Form
- Exhibit I---Description of Premises
- Exhibit J--- ModSpace Lease Agreement

2. Definitions

A Change of Placement Program: A "Change of Placement Program" as defined in this Agreement is a program that will provide short-term residence for children who are Dependent Children of the San Mateo County Juvenile Court and are in transition, between foster home placements.

3. Services to be performed by Contractor

In consideration of the payments set forth herein and in Exhibit "B," Contractor shall perform services for County in accordance with the terms, conditions and specifications set forth herein and in Exhibits "A" and "B."

4. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in Exhibits "A" and "B," County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. **In no event shall the County's total fiscal obligation for the Fiscal Years (FY 2008-10) under this Agreement exceed FIVE HUNDRED FORTY SIX THOUSAND THREE HUNDRED SIXTY FOUR DOLLARS, (\$546,364).**

5. Term and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from **July 1, 2008 through June 30, 2010.**

This Agreement may be terminated by Contractor, the Human Services Agency Director or her designee at any time without a requirement of good cause upon thirty (30) days' written notice to the other party.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

6. Availability of Funds

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the county learns of said unavailability of outside funding.

7. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent Contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

8. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the

requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

9. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately terminate this Agreement.

10. Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by Risk Management, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The Contractor shall furnish the Department/Division with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the Department/Division of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) **Worker's Compensation and Employer's Liability Insurance** The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) **Liability Insurance** The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from contractors operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

Such insurance shall include:

- (a) Comprehensive General Liability \$1,000,000
- (b) Motor Vehicle Liability Insurance \$1,000,000
- (c) Professional Liability \$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

11. Compliance with laws; payment of Permits/Licenses

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

In the event of a conflict between the terms of this agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

12. Non-Discrimination

- A. *Section 504 applies only to Contractors who are providing services to members of the public.* Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- B. *General non-discrimination.* No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.

- C. *Equal employment opportunity.* Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.
- D. *Violation of Non-discrimination provisions.* Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
 - i) termination of this Agreement;
 - ii) disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
 - iii) liquidated damages of \$2,500 per violation;
 - iv) imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. *Compliance with Equal Benefits Ordinance.* With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. Where applicable, the Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.

13. Retention of Records, Right to Monitor and Audit

(a) CONTRACTOR shall maintain all required records for three (3) years after the COUNTY makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.

(b) Reporting and Record Keeping: CONTRACTOR shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State and local agencies, and as required by the COUNTY.

(c) CONTRACTOR agrees to provide to COUNTY, to any Federal or State department having monitoring or review authority, to COUNTY's authorized representatives, and/or

their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

14. Merger Clause

This Agreement, including the Exhibits attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

15. Controlling Law

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

16. Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

In the case of County, to:

Pravin Patel, Human Services Manager
San Mateo County
Human Services Agency
400 Harbor Blvd., Bldg. B
Belmont, CA 94402
650-802-5017

In the case of Contractor, to:

Vernon Brown, Executive CEO
Aspiranet
400 Oyster Point Blvd., Suite 501
So. San Francisco, CA 94080
650.866.4080

17. Contractor's Use of County's Real Property

County will make available to Contractor certain real property described in Exhibit H and leased under terms outlined in Exhibit I and Contractor agrees to occupy and use said property in accordance with all terms, conditions and restrictions as detailed herein and in Exhibit I.

17.1 Base Fee

Throughout the Term beginning on the Date of Occupancy, Contractor shall pay to County as good and valuable consideration ONE DOLLAR (\$1) per year for use of described Premises. Said charges shall be automatically deducted from Contractor's first monthly payment as provided under the Agreement.

17.2 Permitted Use

Contractor shall use and continuously occupy the Premises during the Term solely for the purpose set forth in the Agreement as necessary to meet its obligations under the Agreement and for no other purpose.

17.3 No Unlawful Uses, Nuisances or Waste

Without limiting the foregoing, Contractor shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Contractor shall take all precautions to eliminate any nuisances or hazards relating to its activities on or about the Premises. Contractor shall not conduct any business, place any sales display, or advertise in any manner in areas outside the Premises or on or about the Property. Contractor shall at the termination of this Agreement surrender the Premises to County in the same condition it was received, normal wear and tear excepted.

17.4 Assignment and Subletting

Contractor shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Contractor), voluntarily or by operation of law, sell, assign, encumber, pledge or otherwise transfer (collectively, "Assignment") any part of its interest in or rights with respect to the Premises, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet or license any portion of the Premises (collectively, "Subletting"), without County's prior written consent in each instance.

17.5 Contractor's Alterations

Contractor shall not make or permit any alterations to the Premises or to the heating, ventilating, air conditioning, plumbing, electrical, fire protection, life safety, security and other mechanical, electrical, communications systems of the Premises ("Building Systems"), and shall not make or permit any alterations, installations, additions or improvements, structural or otherwise (collectively, "Alterations"), in, to or about the Premises, without County's prior written consent in each instance. All Alterations shall be done at Contractor's expense in accordance with plans and specifications approved by County, only by duly licensed and bonded contractors or mechanics approved by County and subject to any conditions that County may reasonably impose.

17.6 County's Repairs

County shall repair and maintain the structural portions of the Premises, including the Building Systems and the common areas; provided, however, Contractor shall reimburse County, per terms of Agreement, for any damage, excluding normal wear and tear, caused by any act or omission of Contractor, its Agents or Invitees. For the purpose of making any such repairs, County may use structures in the Premises where reasonably required by the character of the work to be performed, provided that such work shall not block the main entrance to the Parking Lot or Building nor unreasonably interfere with Contractor's business. Contractor waives any claim for damages for any injury or inconvenience to or interference with Contractor's business, any loss of occupancy or quiet enjoyment of the Premises or any other loss occasioned thereby.

17.7 Contractor's Repairs

Contractor shall maintain, at its sole expense, the Premises (including, without limitation, the floors, interior plumbing, electrical wiring, fixtures and equipment) in good repair and working order and in a clean, secure, safe and sanitary condition. Contractor shall promptly make all repairs and replacements: (a) at its sole expense, (b) through the County per the terms of the Agreement or by licensed contractors or qualified mechanics approved by County, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Premises or the Building Systems, and (e) in accordance with all applicable laws, rules and regulations. Contractor hereby waives all rights to make repairs at County's expense under Sections 1941 and 1942 of the California Civil Code or under any similar law, statute or ordinance now or hereafter in effect.

17.8 Utilities and Services

County shall provide basic Building utilities and services including gas, heat, light, water, sewer, and power and Contractor shall pay for cable television service. Contractor must insure that usage of utilities and services. If at any time during the Term County has reason to believe that Contractor may be using any utility or service in excess of a reasonable amount, County shall have the right to install a separate meter in the Premises or to take other appropriate steps to measure the amount of utility or service used in the Premises, and the cost of such meter and all corrective measures, and the installation and maintenance thereof, shall be paid for by County.

17.9 Taxes, Assessments, Licenses, Permit Fees and Liens

A. (1) Contractor recognizes and understands that this Agreement may create a possessory interest subject to property taxation and that Contractor may be subject to the payment of property taxes levied on such interest. (2) Contractor agrees to pay possessory interest taxes, that may be lawfully assessed on the possessory interest hereby created and to pay all other taxes, excises, licenses, permit charges and assessments based on Contractor's usage of the Premises that may be imposed upon Contractor by law, all of which shall be paid when the same become due and payable and before delinquency. (3) Contractor agrees not to allow or suffer a lien for any such taxes to be imposed upon the Premises or upon any equipment or property located thereon without promptly discharging the same, provided that Contractor, if so desiring, may have reasonable opportunity to contest the validity of the same.

B. Contractor shall pay any taxes or other impositions levied or assessed upon Contractor's Personal Property, at least ten (10) days prior to delinquency, and shall deliver satisfactory evidence of such payment to County upon request.

17.10 Waiver

The waiver by either party hereto or any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach thereof. No failure by County to insist upon the strict performance of any obligation of Contractor under this Agreement or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial Base Fee during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of County, shall constitute a waiver of such breach or of County's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this License. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. Any consent by County hereunder shall not relieve Contractor of any obligation to secure the consent of County in any other or future instance under the terms of this License.

17.11 Compliance with Laws and Regulations

Any requirements relating to Contractor's use of the premises shall be the responsibility of Contractor. Contractor shall faithfully observe in the use of the Premises municipal, county, state and federal laws and regulations, provided that Contractor shall not under any circumstances be required to make major changes to the structure or to the utility systems in order to meet building, planning or zoning codes; any such changes shall be the sole responsibility of the County.

17.12 Surrender of Use of Real Property

Upon the Expiration Date or other termination of the Term of this agreement, Contractor shall immediately peaceably quit and surrender to County the Premises together with the any Improvements and all Alterations approved by County in good order and condition, except for normal wear and tear after Contractor's having made the last necessary repair required on its part under this agreement, and further except for any portion of the Premises condemned and any damage and destruction for which Contractor is not responsible hereunder. The Premises shall be surrendered free and clear of all liens and encumbrances other than liens and encumbrances existing as of the date of this Agreement and any other encumbrances created by County. Immediately before the Expiration Date or other termination of this Agreement, Contractor shall remove all Personal Property as provided in this agreement, and repair any damage resulting from the removal. Notwithstanding anything to the contrary in this Agreement, County can elect at any time prior to the Expiration Date or within thirty (30) days after termination of this Agreement, to require Contractor to remove, at Contractor's sole expense, all or part of any Improvements, Alterations or other improvements or equipment constructed or installed by or at the expense of Contractor. Contractor shall promptly remove such items and shall repair, at its expense, any damage to the Premises or the Building resulting from such removal. Contractor's obligations under this Section shall survive the Expiration Date or other termination of this License. Any items of Contractor's Personal Property remaining in the Premises after the Expiration Date or sooner termination of this Agreement may, at County's option, be deemed abandoned and disposed of in accordance with Section 1980 et seq. of the California Civil Code or in any other manner allowed by law.

17.13 Severability

If any provision of this agreement or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this License, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Agreement shall be valid and be enforceable to the fullest extent permitted by law.

17.14 No Recording

Contractor shall not record this Agreement or any memorandum hereof in the public records.

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have affixed their hands.

COUNTY OF SAN MATEO

By: _____
Adrienne J. Tissier, President,
Board of Supervisors

Date: _____

ATTEST:

By: _____
Clerk of Said Board

Aspiranet.
Vernon Brown

Contractor's Signature

Date: _____

**Aspiranet
July 1, 2008 through June 30, 2010
Program Description**

Purpose

The purpose of the change of placement program operated by the Contractor is to provide a short-term residence for children who are Dependent Children of the San Mateo County Juvenile Court and are in transition between foster home placements. These are mostly adolescents who have been in foster care, and have been unable to remain in the previous placement. Often times, this transition occurs due to behavioral difficulties that are disruptive to the placement. Many times the placements end suddenly, with insufficient notice to locate an alternative placement. As the County is the placing agency, most times this results in the County needing to provide care for the children during the period until another placement is located.

The Contractor's program assessment and treatment philosophy addresses the physical, emotional, social and cultural needs of at-risk ambulatory youth. The program accepts both male and female youth between the ages of 12 and 18 years. The program accepts all youth referred by San Mateo County Human Services Agency up to its capacity.

Many of the youth served by the program may have a prior DSM axis diagnosis. They may have a history of learning disabilities, physical or sexual abuse, behavioral problems which may include pre-delinquent behavior, delinquent behavior, poor impulse control, depression, adjustment disorder, borderline disorder, oppositional disorder, school problems, chronic runaway, chronic placement failure, sexual acting out, behavior/conduct disorder, hyperactivity, substance abuse, self-destructiveness, and emotional disturbance.

Residents accepted into the program may also be characterized as physically handicapped (although not so as to interfere with their ambulatory status), epileptic, diabetic, and palsied. They may present particular treatment needs, e.g., being learning handicapped, emotionally disturbed, physically or sexually abused, or have chemical abuse histories, which may qualify them for specialized program services.

The Contractor provides supervision, daily activities, mental health services, medical services and psychiatric services. The Contractor's staff works closely with San Mateo County Children and Family Services staff to coordinate services, complete needs assessment and service plans, and prepare the youth for the next placement. The Contractor provides bi-lingual services in Spanish, and provides culturally sensitive services to all residents.

These services include but are not limited to group counseling, sexual perpetrators/victim groups, substance abuse education groups, and family reunification endeavors. In addition, necessary arrangements are made for medical, dental and eye examinations and treatment.

A range of educational, psychological, psychiatric service treatment, recreational and organized social experience is available for program residents. The daily schedule provides a stable and consistent structure for activities to be conducted. The values of stability and consistency are extremely important to the population for whom this program is designed; they afford residents a consistent and reliable treatment milieu to address underdeveloped behavior and deficient social skills.

The anticipated length of placement for residents ranges from one to three months.

Goals

The goal of the Contractor is to provide a stable residential environment for youth that have had a disruption in their foster care living situation and are waiting for an alternative foster care placement. The placement Social Worker may utilize this time to assess the resident's situation, and search for a more appropriate placement.

First, the Contractor seeks to understand the multiple treatment needs of its population and their cultural context. It provides residents with immediate and long-term benefits. Among these are food, shelter, clothing, medical services, social, recreational opportunities and other needed services. To heighten cultural sensitivity and awareness to a resident's multi-cultural needs, staff receives multi-cultural training and may also participate in similar opportunities scheduled in the local community.

Second, the Contractor enables young people who are placed in the program to assume increasing responsibility for mastering various behavioral tasks in order to acquire social and personal living skills. Childcare worker staff model appropriate behavior, provide consistent feedback to the residents regarding their daily interactions in a variety of environments e.g., home, school, community. Additionally, the program provides residents with activities intended to develop independent living skills. Activities may include resume writing, finding an apartment, seeking a compatible roommate, developing job interviewing skills, financial management, completing their age-appropriate education, obtaining their G.E.D. and visiting area businesses. Other community resources may be used, e.g., mentor programs, job placement services, and vocational training programs, as indicated in their Needs and Services Plan. Overall, these endeavors encourage residents to participate in their treatment program according to an achieved level of insight, education and capability.

Third, the Contractor collaborates with placement workers and their respective agencies to consistently evaluate and directly respond to the presenting and ongoing treatment needs of youth in the Placement Program. The assigned County Social Worker will develop an individualized Needs and Services Plan in cooperation with residents, their placement workers and parents, if available, and other individuals significant to the child's success.

The program manager coordinates clinical services, e.g., individual and group therapy and any clinical consultation, when indicated. This cooperative endeavor can reduce rates of recidivism and future placement failure among this treatment population.

Fourth, the Contractor seeks, whenever possible, to reunite residents with their families. In the assessment phase, careful consideration is given the resources required to address family issues. In this context, a family may participate in structured opportunities that can renew confidence to be reunited with their child. This goal is facilitated by a family partnering with the Contractor to support their child's efforts to improve his life within the treatment program and their participation in scheduled events, e.g., parenting classes, to accomplish this end.

The staff of Aspiranet and San Mateo County Human Services have developed a detailed Program Statement as required by the State of California, Community Care Licensing as well as the State Rate Setting Bureau.

**Aspiranet
July 1, 2008 through June 30, 2010
RESPONSIBILITIES**

The Contractor's Responsibilities:

In operating the change of placement program for dependent children at the Tower House Receiving Home (hereinafter be called Tower House in this document) described in this Exhibit and in Exhibit A, the Contractor will:

1. Provide services to and house up to eight youths.
2. Be responsible for the care, safety and supervision of the residents at all times.
3. Maintain a behavioral management program at a level to justify a State Rate Level 12. (Level 12 is a level of service defined by the state and refers to the ratio of staff per children).
4. Operate within the state Community Care regulations.
5. Provide a Program Manager to supervise child care staff, ensure compliance with Community Care Licensing regulations and operate within the budget agreed upon with the County.
6. Accept only residents referred by the existing County Children's Receiving Home staff. Contractor may not reject any referral from the County Children's Receiving Home staff and referrals are not to be returned to the County Children's Receiving Home unless there is Agreement by both the Contractor and the County's receiving home staff to do so.
7. Provide space within the Tower House Receiving Home for out-posted service providers. (Examples of service providers are the nurse, mental health providers, senior counselors, and others that will provide services to Tower House Receiving Home.)
8. Operate a county shelter program. The Contractor recognizes that it becomes subject to the case plans of the Juvenile Court by signing this Agreement.
9. Administer medications and ensure the continuity of medications to residents.
10. Ensure that each resident is enrolled in and attends school.
11. Provide transportation for all eligible youth, with an approved ILSP plan, to ILSP classes and events. In addition, provide transportation to youth to and from school, if needed.
12. Work with County Mental Health regarding the Therapeutic Behavior (TBS) program.
13. Contact the following for maintenance requests:

Shannon Werner (650) 802-7520 and/or Peter Coudray (650) 312-8902
14. Be responsible for any damages caused by the residents of Tower House to the facility, daily upkeep, including garbage, and obtaining custodial service for Tower House, and any related costs.

County's Responsibilities:

The County will:

1. Pay the lease Agreement with GE Capital and the annual maintenance point of service costs to Department of Public Works for Tower House. Total lease costs not to exceed \$24,000. The total annual maintenance point of service costs not to exceed \$25,000. (Maintenance point of service costs refers to the coverage of all maintenance for the Tower House with the exception of maintenance due to damage caused by the residents.)
2. Pay for all utilities, automation fees incurred, including telephone usage and networking costs. Pay a fee-for-service at the rates shown below per hour for any maintenance not included in the annual maintenance point of service costs:

Type of Service	Fee per hour
Carpenter	\$59.36
Locksmith	\$57.09
Painter	\$57.78
Stationary Engineer	\$57.42
Utility Worker	\$46.19

Contracted services and materials are billed at actual cost (Rates are subject to change.)

3. It is understood that all purchases made by the County will become the property of the County and may not be transferred or sold by the Contractor.
4. Be responsible for Intake and referral of program participants. (The existing County Children's Receiving Home will be the focal point of intake.)
5. Ensure that any referral to the facility who has an injury or illness is medically cleared by San Mateo County General Hospital prior to entering Tower House.
6. Provide a Nurse Practitioner that will be available in case of illness or injury and for checkups, health education, staff consultation, making medical and dental appointments.
7. Provide educational liaison staff that will be available to work with the children's files, assist with Individualized Educational Plan referral and follow up, and consultation with staff.
8. Provide dinner up to 7 days per week. Food will be purchased and delivered through the County Catering Connection.
9. Provide Senior Counselors who will:
 - Act as liaisons to Social Worker staff when placement issues arise and when cases require interaction with the Court.
 - Meet at least weekly with Tower House Receiving Home staff.
 - Be available to meet with Tower House residents and referrals.
 - Be available to meet with Placement Social Workers.
10. Evaluate with the contractor at a 3 month and 6 month period their change of placement program's ability to meet California Department of Social Services Rates Bureau's standards of reimbursement at 90% occupancy.

**Aspiranet
July 1, 2008 through June 30, 2010
Budget and Payment Schedule**

Budget and Payment Schedule For the Term of July 1, 2008 through June 30, 2010

Budget:

- The cost to the County to have the Contractor operate a “Change of Placement Program” for FY 2008-10 at the Tower House Receiving Home is as shown in Attachment C and is incorporated by reference herein.
- A base fee for the use of real property in the amount of \$1.00 will be deducted annually making the County’s obligation \$273,182 per fiscal year.

Payment:

A. The total Agreement obligation per FY is \$273,182. Monthly invoices shall be sent to:

Marnita Garcia-Fulle
County of San Mateo
Human Services Agency
400 Harbor Blvd., Bldg B
Belmont, CA 94002

B. The County shall pay Contractor upon receipt and approval of monthly invoices for **FY 2008-09 as shown below:**

July 1, 2008	\$22,765
August 1, 2008	\$22,765
September 1, 2008	\$22,765
October 1, 2008	\$22,765
November 1, 2008	\$22,765
December 1, 2008	\$22,765
January 1, 2009	\$22,765
February 1, 2009	\$22,765
March 1, 2009	\$22,765
April 1, 2009	\$22,765
May 1, 2009	\$22,765
June 1, 2009	<u>\$22,767</u>
 Total	 \$273,182

- C. The County shall pay Contractor upon receipt and approval of monthly invoices for **FY 2009-10 as shown below:**

July 1, 2009	\$22,765
August 1, 2009	\$22,765
September 1, 2009	\$22,765
October 1, 2009	\$22,765
November 1, 2009	\$22,765
December 1, 2009	\$22,765
January 1, 2010	\$22,765
February 1, 2010	\$22,765
March 1, 2010	\$22,765
April 1, 2010	\$22,765
May 1, 2010	\$22,765
June 1, 2010	<u>\$22,767</u>
Total	\$273,182

- D. County may withhold all or part of Contractor's total payment if the Director of Children and Family Services or her designee determines reasonably that Contractor has not satisfactorily performed the services described in Exhibit B.
- E. In no event shall the total exceed **FIVE HUNDRED FORTY SIX THOUSAND THREE HUNDRED SIXTY FOUR DOLLARS (\$546,364)** for the term of the Agreement.
- F. All payments under this Agreement must directly support services specified in this Agreement.
- G. Provision of services is subject to availability of State funds and acceptable program performance. In the event that the County does not receive the adequate funding from the State, the contract may be re-negotiated and/or rescinded.
- H. County will give thirty (30) days prior written notice to Contractor of County's intent to withhold payment.
- I. If County reasonably determines that circumstances warrant immediate action, County may withhold payment immediately, without the thirty (30) day waiting period, upon County's written notice with justification to Contractor.

Exhibit C1

**Aspiranet
July 1, 2008 through June 30, 2010
Budget Table**

Budget for the Term of July 1, 2008 through June 30, 2010
--

FY 2008-09

EXPENSE CATEGORY	FY 2008-2009		Wage Parity Subsidy	
Payroll				
Program Manager (Salary) 40+ Hours per week	40			\$28,251
Social Worker	40			12,500
2 CCW III – 40 hr wk	80	21.00	8.24	34,278
CCW I – AM - 56 hr wk	56	17.50	8.24	23,976
CCW I – PM - 56 hr wk	56	17.50	8.24	23,976
CCW I - PM - 96 hr wk	96	17.50	8.24	41,102
CCW I – NS - 96 hr wk	96	17.50	8.24	41,102
Total Payroll	464			205,185
Benefits				36,933
Total Payroll & Benefits				242,118
Administrative Overhead				25,065
Less Occupancy Fee charged by County of San Mateo				<1.00>
Transportation				6,000
Total Amount of County of San Mateo Obligation				\$273,182

**Aspiranet
July 1, 2008 through June 30, 2010
Budget Table**

FY 2009-10

	FY 2009-2010		Wage Parity Subsidy	
EXPENSE CATEGORY				
Payroll				
Program Manager (Salary) 40+ Hours per week	40			\$28,251
Social Worker	40			12,500
2 CCW III – 40 hr wk	80	21.00	8.24	34,278
CCW I – AM - 56 hr wk	56	17.50	8.24	23,976
CCW I – PM - 56 hr wk	56	17.50	8.24	23,976
CCW I - PM - 96 hr wk	96	17.50	8.24	41,102
CCW I – NS - 96 hr wk	96	17.50	8.24	41,102
Total Payroll	464			205,185
Benefits				36,933
Total Payroll & Benefits				242,118
Administrative Overhead				25,065
Less Occupancy Fee charged by County of San Mateo				<1.00>
Transportation				6,000
Total Amount of County of San Mateo Obligation				\$273,182

**Aspiranet
July 1, 2008 through June 30, 2010
Program Monitoring**

Program Monitoring

Monitoring

The “Change of Placement Program” operated by the Contractor will be monitored on a monthly basis by the Human Services Program Manager. Program integrity will be monitored by:

- Reviews of individual Needs and Services Plans and any modifications to same for all residents;
- Case reviews of any resident who escalates to 602 Ward (602 Ward refers to residents that are under the supervision of probation), is hospitalized for psychiatric reasons or is discharged on an unplanned basis;
- Reviews of individual Runaway Plans as developed, AWOLS and interventions, if any;
- Reviews of any deviations from Discharge/Transfer Policy;
- Reviews of instances of use of emergency restraints;
- Review of unusual Incident Reports; and
- Review of any Resident Complaint Forms.

Fiscal reviews will be held on a quarterly basis and will consider:

- Capacity issues; and
- Any budget issues.

Contractor will prepare and submit to County’s Human Services Program Manager an annual report of actual budget costs. This report will be submitted within 90 days after the end of each fiscal year.

(Required only from Contractors who provide services directly to the Public on the County's behalf.)

Assurance of Compliance with Section 504 of the Rehabilitation Act of 1973, as Amended

The undersigned (hereinafter called the "Contractor(s)") hereby agrees that it will comply with Section 504 of the Rehabilitation Act of 1973, as amended, all requirements imposed by the applicable DHHS regulation, and all guidelines and interpretations issued pursuant thereto.

The Contractor(s) gives/give this assurance in consideration of for the purpose of obtaining contracts after the date of this assurance. The Contractor(s) recognizes/recognize and agrees/agree that contracts will be extended in reliance on the representations and agreements made in this assurance. This assurance is binding on the Contractor(s), its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the Contractor(s).

The Contractor(s): (Check a or b)

a. employs fewer than 15 persons.

b. employs 15 or more persons and, pursuant to section 84.7 (a) of the regulation (45 C.F.R. 84.7 (a)), has designated the following person(s) to coordinate its efforts to comply with the DHHS regulation.

Name of 504 Person - Type or Print

Aspiranet

Name of Contractor(s)-Type or Print

400 Oyster Point Blvd #501

Street Address or P.O. Box

So. San Francisco, CA 94015

City, State, Zip Code

I certify that the above information is complete and correct to the best of my knowledge.

Date

Signature and Title of
Authorized Official

*Exception: DHHS regulations state that:

"If a recipient with fewer than 15 employees finds that, after consultation with a disabled person seeking its services, there is no method of complying with (the facility accessibility regulations)...other than making a significant alteration in its existing facilities, the recipient may, as an alternative, refer the handicapped person to other providers of those services that are accessible."

**County of San Mateo
Contractor's Declaration Form**

I. CONTRACTOR INFORMATION

Contractor Name:	Aspiranet	Phone:	650.866.4080
Contact Person:	Vernon Brown	Fax:	650.866.8041
Address:	400 Oyster Point Blvd. #501 So, San Francisco, CA 94015		

II. EQUAL BENEFITS (check one or more boxes)

Contractors with contracts in excess of \$5,000 must treat spouses and domestic partners equally as to employee benefits.

- Contractor complies with the County's Equal Benefits Ordinance by:
 - offering equal benefits to employees with spouses and employees with domestic partners.
 - offering a cash equivalent payment to eligible employees in lieu of equal benefits.
- Contractor does not comply with the County's Equal Benefits Ordinance.
- Contractor is exempt from this requirement because:
 - Contractor has no employees, does not provide benefits to employees' spouses, or the contract is for \$5,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to offer equal benefits when said agreement expires.

III. NON-DISCRIMINATION (check appropriate box)

- Finding(s) of discrimination have been issued against Contractor within the past year by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. Please see attached sheet of paper explaining the outcome(s) or remedy for the discrimination.
- No finding of discrimination has been issued in the past year against the Contractor by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other entity.

IV. EMPLOYEE JURY SERVICE (check one or more boxes)

Contractors with original or amended contracts in excess of \$100,000 must have and adhere to a written policy that provides its employees living in San Mateo County up to five days regular pay for actual jury service in the County.

- Contractor complies with the County's Employee Jury Service Ordinance.
- Contractor does not comply with the County's Employee Jury Service Ordinance.
- Contractor is exempt from this requirement because:
 - the contract is for \$100,000 or less.
 - Contractor is a party to a collective bargaining agreement that began on _____ (date) and expires on _____ (date), and intends to comply when the collective bargaining agreement expires.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that I am authorized to bind this entity contractually.

Signature

Name

Date

Title

Child Abuse Prevention and Reporting

Contractor agrees to ensure that all known or suspected instances of child abuse or neglect are reported to a child protective agency. Contractor agrees to fully comply with the Child Abuse and Neglect Reporting Act, Cal Pen Code 11164 et seq. Contractor will ensure that all known or suspected instances of child abuse or neglect are reported to an agency (police department, sheriff's department, county probation department if designated by the county to receive mandated reports, or the county welfare department) described in Penal Code Section 11165.9. This responsibility shall include:

- A. A requirement that all employees, consultants, or agents performing services under this contract who are required by the Penal Code to report child abuse or neglect, sign a statement that he or she knows of the reporting requirement and will comply with it.
- B. Establishing procedures to ensure reporting even when employees, consultants, or agents who are not required to report child abuse under the Penal Code gain knowledge of, or reasonably suspect that a child has been a victim of abuse or neglect.
- C. Contractor agrees that its employees, subcontractors, assignees, volunteers, and any other persons who provide services under this contract and who will have supervisory or disciplinary power over a minor or any person under his or her care (Penal 11105.3) will be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children with whom Contractor's employees, subcontractors, assignees or volunteers have contact. All fingerprinting services will be at County's sole discretion and Contractor's sole expense.

FINGERPRINTING CERTIFICATION FORM

Agreement with Aspiranet

For

“Change of Placement Program” at the Tower House Receiving Home

Contractor agrees that its employees and/or its subcontractors, assignees and volunteers who, during the course of performing services under this agreement, have contact with children will be fingerprinted in order to determine whether they have a criminal history which would compromise the safety of children with whom contractor’s employees, assignees and subcontractors or volunteers have contact in accordance with Paragraph 9, Child Abuse Prevention and Reporting, of this Agreement

Name (Signature)

Title

Date

Exhibit I

**Description of “Premises” at
326 Paul Scannell Drive, San Mateo, CA 94402**

The Premises consist of a parcel of land, certain site improvements and building improvements generally described as follows:

Improvements are set on a portion of a County-Owned parking lot in San Mateo County, California. The parcel is approximately 80 feet by 120 feet and set at the westerly end of the larger improved parking lot.

Site improvements include asphalt paved parking areas, concrete curbs, landscaping, fencing and decking.

Five 12-foot by 60-foot leased modular units have been put into place on the parcel and improved with office, residential, kitchen and bath facilities.

A rough schematic of the land and improvements follows this page.

Exhibit J

088620



GE Modular Space
modspace.com

LEASE AGREEMENT NO.: 3368-203604
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: 650 596 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'	7971263S22066	\$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: 1)	***
DISMANTLING	
TEAR DOWN COMPLEX* (Qty: 1)	***

MONTHLY CHARGES	
COMPLEX	\$2,000.00
Total	\$2,000.00
Sales Tax(Monthly Lease Items)	\$165.00
Grand Total(Monthly)	\$2,165.00

Total \$0.00
Sales Tax(One Time) \$0.00
Grand Total(OneTime) \$0.00

DAILY: \$65.75
WEEKLY: \$460.25

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

#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.)

Early 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.



GE Modular Space
modspace.com

LEASE AGREEMENT NO.: 203604
RENEWAL AGREEMENT NO.: 336829
ACCOUNT NO.: 74101
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

(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 warranties 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 27TH day of MARCH, 2007.

By [Signature]
GE-MODULAR SPACE AUTHORIZED AGENT

By [Signature]
CUSTOMER OR AUTHORIZED AGENT

Name GRANT ROBERTSON

Name ROSE JACOBS GIBSON
(please print)

Accepted and Del. By: _____
Freight Vendor

Date: _____

Remarks: _____

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

Date: _____

Certificate of Delivery
(Government Code Section 25103)
I certify that a copy of the original document filed in
the Office of the Clerk of the Board of Supervisors
San Mateo County has been delivered to the
President of the Board of Supervisors.
[Signature]
Clerk of the Board of Supervisors


GE Modular Space

modspace.com

Form:

US20021216

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 retained 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, rental, 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.

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) GEMS'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, war of God, or any circumstances beyond GEMS's control (including but not limited to breaches by GEMS'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. GEMS will have the right to inspect the Equipment from time to time until the Return Date and if GEMS believes the Equipment to be misused, abused or neglected, GEMS 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, teardown, 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 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 be. 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. GECMS' 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.