

Lessor at long its terms constituting such Software. At Lessor's request, Lessee shall also certify in a form acceptable to Lessor that: (1) Lessee has complied with the above Software return procedures; (2) Lessee will not use the Software after the expiration or earlier termination of the Lease Term; and (3) Lessee shall permit Lessor and/or the Vendor of the Software to inspect Lessee's locations to verify compliance with the terms herein.

If the item of the System is delivered to a carrier at Lessor's instructions and at the Lessee's sole expense, Lessee shall remain responsible for the shipping of the item and its insurance in transit in accordance with the Lessor's instructions and at the Lessor's sole expense. The Lessor, at its sole expense, and at its sole convenience and discretion, may inspect the Lessee's property, all without liability of the Lessor to the Lessee, or to any person claiming through or under the Lessee, for damage or loss caused by such inspection and disconnection. The Lessee, at its sole expense, shall pack or crate the System or its component parts carefully and in accordance with any recommendations of the Manufacturer with respect to storage, move, software and system bottoms surrounding the System to the Lessor. The Lessee shall deliver to the Lessor the places, equipment, operating manuals and other warranties and documents furnished by the Manufacturer or vendor of the System and such other documents as the Lessee's possession relating to the installation and methods of operation of such System.

Where a term of Software or System is surrendered to the Lessor it shall be in the condition and repair required to its functioning under this Agreement. It will also be free of all evidence of advertising or illegal use or by the Lessor or any agent of legal and regulatory conditions necessary for the Lessor to sell or lease it to a third party and free of all fees. If Lessor reasonably determines that an item of Software or System, once it is returned, is not in the condition required hereby, Lessor may cause the repair, service, upgrade, modification or overhauling of the item of Software or System to achieve such condition and upon demand, Lessee shall promptly reimburse Lessor for all amounts reasonably expended in connection with the foregoing.

Should Lessee not return the System at the end of the Lease Term, Lessee shall continue to make Lease Payments to Lessor in the sum equal to the last Lease Payment and at the same intervals as set out in the Lease as it stood immediately prior to the Lessee's acceptance of such System by Lessor. The acceptance of such System by Lessor shall not waive Lessor's right to have the System promptly returned to Lessor pursuant to the provisions hereof, nor shall the acceptance of such System be deemed to be an extension of the Lease Term.

Upon written request of the Lessor, the Lessee shall provide free storage for any item of System for a period not to exceed 60 days after expiration of its Lease Term before returning it to the Lessor. The Lessee shall attempt for the item to be returned to Lessor in the condition required by the Lessor and with respect to such item during its storage period and the Lessor shall reimburse the Lessee on demand for the incremental premium cost of providing such storage.

10. LOSS OR DAMAGE: Lessee hereby assumes and shall bear the entire risk of loss (including theft, destruction of, or damage to, or loss of, or destruction or damage to the System from any and every cause whatsoever, whether or not known), if the System is returned to Lessor. No such loss or damage shall relieve Lessee from any obligation under this Agreement or any Lease Termination, which shall continue to be full force and effect, in the event of damage to or loss or destruction of the System (or any part thereof). Lessee shall promptly notify Lessor in writing of such fact and shall, at the option of Lessor, (a) place the same in good repair, condition and working order, (b) replace the Software and/or System and transfer title to or to a right to use, at appropriate, such Software and/or replacement System to Lessor, whereupon such Software and/or System shall be subject to the Lessee and be deemed the System for purposes hereof, or (c) on the due date for the next Lease Payment or upon the expiration of the Lease, whichever first occurs, pay to Lessor: (i) the Stipulated Loss Value, thereby as may be specified in the Lease plus all Lease Payments then due; or (ii) the Lessee does not provide for Stipulated Loss Value, (B) the present value of the cost of all unpaid Lease Payments for the entire Lease Term plus the estimated fair market value of the System at the end of the originally selected Lease Term or the agreed upon purchase option price, if any, of which shall be discounted to the date of payment by Lessee at an annual rate equal to the lesser of (A) a per annum interest rate equivalent to that of a U.S. Treasury constant maturity bond (as reported by the U.S. Treasury Department) that would have a repayment term equal to the remaining Lease term, all as reasonably determined by Lessor; or (B) \$10 per annum (back the "Present Value Rate"), whereupon the Lessee shall terminate with respect to the System, all proceeds of insurance received by Lessor as a result of such loss or damage shall, where applicable, be applied toward the replacement or repair of the System or the payment of the consequences of Lessee's failure to do so.

11. INSURANCE: Prior to the Lease Commencement Date, Lessee shall obtain, maintain and keep the System insured against all risks of damage from every cause whatsoever, including, without limitation, loss by fire, theft, "mishandling" (including, but not limited to, collision, earthquake, flood and such other risks as are customarily insured against on the type of System leased hereunder by businesses of the type in which Lessee is engaged, in an amount not less than the replacement cost or Stipulated Loss Value of the System, whichever first occurs, without deductible and without co-insurance). Lessee shall maintain such insurance coverage for the entire Lease term. Lessee shall obtain, maintain and contribute for the entire Lease term, comprehensive public liability insurance covering liability for bodily injury, including death, and property damage resulting from the purchase, ownership, use, maintenance, use, operation or return of the System with a combined single limit of not less than Two Million Dollars (\$2,000,000.00) per occurrence. If Lessee is a doctor, hospital or other health care provider, Lessee shall furnish Lessor with evidence of sufficient professional liability insurance. All such insurance shall be in a form and an amount and with companies reasonably satisfactory to Lessor. Lessor's cancellation or non-renewal, shall be the sole reason to loss policy with respect to insurance for damage to or loss of the System and shall be deemed an addition insured on the public liability insurance. Lessee shall pay all premiums for such insurance and shall deliver to Lessor the original policy or policies of insurance, certificates of insurance, or other evidence satisfactory to Lessor evidencing the insurance required thereby, along with proof, satisfactory to Lessor, of the payment of the premium for such insurance policies. All insurance shall provide for at least sixty (60) days advance written notice to Lessor before any cancellation, expiration or material modification thereof and shall provide that no act or default of any person other than Lessor, its agents or those claiming under Lessor, will affect Lessor's right to recover under such policy or policies in case of loss. Lessee hereby irrevocably appoints Lessor as Lessee's attorney-in-fact (which power shall be deemed coupled with an interest) to make claim for, receive payment of, and execute and endorse all documents, checks or draft received in payment for loss or damage under any such insurance policy. Unless Lessor is in default, Lessee may wish the prior written approval of Lessee's credit and adjust all such claims. Lessee agrees if Lessee fails to timely procure, maintain, and pay for such insurance, Lessor shall have the right, but not the obligation, to obtain such insurance on behalf of Lessee at the expense of Lessee, and add to insurance fee the amount due from the Lessee, on which the Lessee makes a profit.

11. TAXES AND DEDUCTIBILITY: Lessee covenants and agrees to indemnify, defend and keep harmless Lessor, its agents and employees, from and against any and all losses, damages, injuries, claims, demands and expenses, including legal, consulting and expert expenses (other than such as may directly and predominantly result from the gross negligence or willful misconduct of Lessor, its agents or employees), arising out of account of the ordering (whether by Acquisition Agreement or otherwise), acquisition, delivery, installation, maintenance or removal of the System, the possession, maintenance, use, utilization (including rental, lease, sale, assignment, transfer or other disposition by Lessor or Lessee), any claim in tort for strict liability, any claim for patent, trademark or copyright infringement or violation of any laws of the System, and by otherwise used or operated, during the Lease term with respect to that loss of the System, the loss, damage, destruction, environmental impact, removal, return, surrender, sale or other disposition of the System, or any item thereto. Lessee shall give Lessor prompt notice of any claim or liability hereby indemnified against, Lessee shall be entitled to control the defense thereof, so long as Lessor is not in default hereunder; provided, that Lessor shall have the right to approve defenses counsel selected by Lessee. The obligations contained in this paragraph continue beyond the termination of this Agreement, see the Lessee.

12. TAX TREATMENT AND DEPRECIATION: (1) Unless otherwise provided for in a specific Lease, it is acknowledged and agreed by the parties that they are retaining into this Agreement, post such Lease on the following basis: (a) depreciation: (i) the Lessor and the consolidated group of which Lessor is a member (all references to Lessor in this Section shall include such consolidated group) shall be treated for all federal income tax purposes (and for state and local tax purposes) as the owner of all System based pursuant to this Agreement and such Lease; (ii) for federal and state income tax purposes, such Lease will be treated as a "true lease" of the Equipment; (iii) lessor Lessor will be entitled to take a (d) accelerated depreciation deduction (as applicable) each year ("Depreciation Deduction"); (iv) accelerated cost recovery deductions ("Recovery Deductions") under Section 167(e) and Section 158 (b)(1) of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder ("the Code"); and (v) the special depreciation allowance ("Bonus Deduction") under Code Section 168 (H); and (vi) that Lessor will have the maximum federal and state allowances for tax credits to corporations. In effect as of the date of Lessor's Lease execution ("Determinant Date") during each applicable Lease term (which maximum federal and state income tax shall remain constant during such term).

(b) The Lessee acknowledges and agrees that each Lease has been executed by Lessor based upon the following representations and warranties of Lessor: (i) Lessor will, under the Code, be required to include in its gross income, for federal income tax purposes, any amount with respect to any improvement, modification or addition made, or permitted to be made, by Lessee to any item of Equipment; (ii) at the time the Lessee accepts each item of System under each Lease, each such item of System shall have been placed in service within the meaning of Code Section 167 and Code Section 158, but not prior thereto, and the "original user" (as the term is used under the Code) of such item shall commence with Lessor; (iii) Lessor shall be entitled to (a) the maximum available Depreciation Deductions applicable to corporations (determined as of the Determinant Date) based on the cost of each item of System as specified in the applicable Lease ("Cost"), (b) Recovery Deductions based upon each item of System Cost over the recovery period, and in those percentages of the Equipment's unadjusted basis (reduced under any Code regulation) for the years, indicated in the applicable Lease, by taking (A) the 200% declining balance method permitted under Code Section 168, changing to straight line at such time as will maximize the recovery deductions, (B) the half year convention and (C) no straight value, unless otherwise required by application of Code Section 118 (d) (3) (A), and (c) the Bonus Deduction based upon the applicable SystemCost for the year and percentages indicated in the applicable Lease; (iv) for purposes of determining the amount of the Recovery Deductions, Les's cost for the System will be determined as Lessor's System Cost; (v) no item of System is limited cost property within the meaning of Rev. Proc. 75-21, 76-30 or 78-48 or (vi) for federal income tax purposes, all amounts included in the gross income of Lessor with respect to each item of System will be treated as derived from or allocable to sources within the United States; and (vii) all System information furnished by Lessee in writing to Lessor or Lessor's agents was accurate at the time given.

(c) By reason of (1) the breach or inaccuracy in law or in fact of any of the representations or warranties set forth in Subsection (b) of this Section, (2) the inaccuracy of any statement of information in any letter or document furnished to Lessor by or on behalf of Lessee in connection with the transactions contemplated under this Agreement or any Lease ("Related Documents"), (3) the Lessee, as Affiliate (defined below), assignee or sublessee of Lessor or any lessor or parent or subsidiary in possession of any System(s) concerning any act, irrespective of whether such act is required or permitted by this Agreement or any Lease (including, but not limited to any improvement, modification, addition, maintenance, substitution, replacement or reduction of any item of Equipment), or (4) failing or omitting to take any action required under this Agreement, or any Lease or Related Document or otherwise or (4) any change in the Code occurring after the date hereof, Lessor will (i) have the right to claim or shall not claim as the result of a good faith determination that such claim is not properly allowable, or shall suffer a disallowance or denial of, or taxed as required to recapture all or any portion of the Recovery Deductions, Depreciation Deductions and Bonus Deduction as to any item of the Equipment, (ii) be required to include in its gross income any amount, in respect to (i) any alteration, modification or addition, any item, even if not otherwise, modification or addition which is permanent without adverse tax consequences to Lessor under Rev. Proc. 75-21, 76-30 or 78-48 or (y) any transactional conduct permitted by this Agreement or any Lease (other than rent paid by the Lessee), or (iii) suffer a decrease in Lessor's net return over the then remaining portion of the Lease Term (pay such occurrence referred to hereafter as "Loss"), then at Lessor's option either (x) the net will, or after the next succeeding date for the payment thereof (not later than 60 days after the date hereof), pay to Lessor the net return over the term of the Lease in respect of the System to equal to the net return that would have been available if such Loss had not occurred (y) such net return computations to be determined by Lessor, (z) such Loss occurs after the expiration or termination of a Lease, Lessor will claim indemnification and the reason for such adjustment in reasonable detail, which will cause Lessor's net return over the then remaining portion of the Lease Term (taking into account the tax effect of determined utilization of tax basis resulting from changes in the method of calculating Recovery Deductions, Depreciation Deductions and Bonus Deduction) to equal the net return that would have been available if such loss had not occurred, or (V) in lieu of a net return, Lessee shall pay to Lessor on such next succeeding date for the payment of such sum such as will cause Lessor's net return over the term of the Lease in respect of the System to equal to the net return that would have been available if such Loss had not occurred (el) such net return computations to be determined by Lessor, (3) such Loss occurs after the expiration or termination of a Lease, Lessor will notify Lessee of such Loss and Lessee will, within thirty (30) days after such notice, pay to Lessor such sum as required by the preceding clause (y). Lessee will nevertheless pay on demand to Lessor an amount on an interest basis which will be equal to the amount of any interest and/or penalties which may be assessed by the United States or any state against Lessor as a result of the Loss.

(d) Lessee agrees that neither he nor any person controlled by him, in control of it, or under common control with it, directly or indirectly (an "Affiliate"), will at any time file any Federal, state or local income tax return in the United States that is inconsistent with the computations set forth in Subsection (a) of this Section or with the representations and warranties set forth in Subsection (b) of this Section or the any other documents in a manner that causes a Loss. Lessee and each Affiliate will file such returns, execute such documents and take such actions as may be reasonable and necessary to facilitate accomplishment of the intent hereof. Lessee will maintain such records to enable the Lessor to determine and verify its federal and state income tax liability with respect to the transactions contemplated by such Lease and to determine and verify its potential liability with respect to each other taxing jurisdiction. In addition, within 30 days after notice Lessee shall provide such information as Lessor may reasonably require to enable Lessor to hold its tax return filing obligation, to respond to requests for information, to verify information in connection with any income tax audit and to participate effectively in any tax contest.

(e) For purposes of this Section, a Loss will occur upon the earliest of (1) the happening of any event which may cause such Loss, (2) the payment by Lessor to the Internal Revenue Service of the tax increase resulting from such Loss, or (3) the adjustment of the tax return of Lessor to reflect such Loss. Lessor will be responsible for, and will not be entitled to a payment under this Section on account of any Loss due solely to one or more of the following events: (i) the failure of Lessor to lease sufficient taxable income to Lessor from the Recovery Deductions, Depreciation Deductions and/or Bonus Deduction; (ii) any disposition of the System by Lessor prior to an Event of Default which has occurred and is continuing under the Lease; or (iii) the failure of Lessor to timely or properly claim the Recovery Deductions, Depreciation Deductions and/or Bonus Deduction as to an item herein, unless Lessor shall have previously determined, based upon a written opinion of tax counsel to Lessor, that substantial authority does not exist in favor of making such claim or such failure is due to Lessee not timely providing Lessor with information required by Subsection (d).

(f) The indemnities and assumptions of liability provided herein and all Lessor's rights and privileges herein are in the benefit of Lessor's successors and assigns and will continue in full force and effect notwithstanding the expiration or termination of the Lease.

13. EVENTS OF DEFAULT: The term "Event of Default" shall mean any one or more of the following:

(1) Lessor shall fail to make any payment of any Lease Payment, or any other payment, as it becomes due and such failure is not cured within 10 days;

(2) Lessor shall fail to perform or observe any of the covenants set forth in Paragraph 10; or

(3) Lessor shall fail to perform or observe any of the covenants set forth in Paragraph 11;

(4) Lessor shall fail to perform or observe any condition or agreement to be performed or observed by it hereunder or in any Lease and such failure is not cured within 30 days after the date of notice thereof by Lessor to Lessee; or

(5) Lessor shall enter into any insolvency or reorganization of all or substantially all of its assets ("Assets") unless the surviving entity or new transfer or otherwise dispose of all or substantially all of its Assets ("Assets") unless the surviving entity or new entity assuming such Assets incurs all the duties and obligations of Lessee hereunder and which merger, consolidation, sale or transfer must be approved in writing by Lessor; or

(6) Lessor or any guarantor of Lessor's obligations hereunder ("Guarantor") shall commence any action for relief under any statute or law by virtue of any law jurisdiction, domestic or foreign, related to bankruptcy, insolvency, receivership or relief of debtors, or (7) ceasing appointment of a receiver, custodian or other similar officer for it or for its Assets or failing and/or abandoning a general assignment for the benefit of its creditors; or (8) there shall be commenced against Lessor any action (A) of a nature referred to in clause (i) which results in the entry of an order for relief or any such other order and remains undischarged for a period of 30 days, or (9) seeking injunction, execution, attachment, garnishment or similar process against its Assets which results in the entry of an order for any such action or (10) Lessor or any Guarantor shall die or (7) an entity liquidate or dissolve itself or be liquidated or terminated; or

(9) Any representation or warranty made by Lessee herein or otherwise furnished Lessor in connection with this Agreement or any Lease hereunder shall prove at any time to have been untrue or misleading in any material respect; or

(10) Lessee or any Guarantor defaults on any indebtedness for borrowed money, leases, or installment sales obligation, in each case when any applicable grace period for such obligation has expired and the holder, lessor or creditor has commenced to exercise any remedy, but only if the indebtedness or other obligation is in an amount equal to or in excess of \$50,000.00;

(11) Lessee shall reasonably deem itself insolvent as a result of a material adverse change in Lessee's financial condition or operations;

(12) Lessee shall default in its obligations under a Lease;



14. REMEDIES: Upon the occurrence of any Event of Default, Lessor may declare this Agreement or any Lease hereunder to be in default and proceed any one or more of the following remedies:

- (1) Deduct the entire unpaid balance of Lease Payments for the unexpired term of the Lease hereunder immediately due and payable and similarly accelerate the balance due under any other Lease between Lessor and Lessee without notice or demand; (2) sue for and recover all Lease Payments and other monies due and to become due under the Lease hereunder, plus interest accrued thereon from the date of the end of the originally scheduled Lease Term or any agreed upon Purchase Option, all of which shall be deducted in the date of default at the Present Value Rate (defined in Section 9 hereof), but only to the extent permitted by law;
- (3) Charge Lessee interest on all amounts due Lessor at the rate of eighteen percent (18%) per annum from the date of default until paid but in no event more than the maximum rate permitted by law; (4) Charge Lessee a returned-check or non-existent funds charge ("NSF Charge") in recharges Lessor for the time value expense incurred with respect to each check that is returned for any reason, including non-sufficient or insufficient funds, such NSF Charge is deducted and applied to \$25.00; (5) Repossess to assemble all System and Software at Lessor's expense, of a place reasonably designated by Lessor; (6) Remove any physical obstructions for removal of the System from the place where the System is located and take possession of any or all items of System, without damage or notice, whether same may be located, disconnecting and separating such items of the System from any other property, who or without any court order or pre-existing hearing or other process of law, it being understood that liability of responsibility in the event of default is a basis for the financial accommodation reflected by this Agreement or any Lease hereunder; Lessee hereby waives any and all damages occasioned by such rehanging such damages as may be caused by Lessor's gross negligence or willful misconduct. Lessee may, at its option, sue, file, start or repeat any or all items of the System if removed and shall put, lease or otherwise dispose of any such System at its private or public sale. Lessee may expose the System and result in loss or damage to Lessor's premises at reasonable business hours without being required to remove the System. In the event Lessor disposes of the System, Lessor will give Lessee credit for any sums received by Lessor from the sale or lease of the System after deduction of the expenses of sale or lease. The credit for any sums to be received by Lessor from such items during the remaining portion of the Lease Term shall be discounted to the commencement date of such items at an annual rate equal to the implicit rate of interest of such items. Lessee shall also be liable for and shall pay to Lessor all expenses incurred by Lessor in connection with the enforcement of any of Lessor's remedies, including all expenses of repossessing, storing, shipping, repairing and selling the System; and (7) Lessor's reasonable attorney's fees. Lessee and Lessor acknowledge the difficulty in establishing a value for the unexpired Lease Term and owing to such difficulty agree that the provisions of this paragraph represent an agreed measure of damages and are not to be deemed a forfeiture or penalty.

In the case of Software, it is acknowledged and agreed that the unauthorized use, disclosure or transfer of the Software could cause Lessor irreparable and irretrievable harm. Thereafter, if Lessor is found to be using (in whatever manner) any portion of the Software after the applicable Lease Term or after an Event of Default and Lessor's written demand for Lessee to return the Software or to the licensor of the Software, Lessee shall provide a License or Lessor's right to use the Software license, then liquidated damages shall immediately be payable to Lessor in an amount equal to two (2) times the license fees paid or payable with respect to the Software being used.

Whenever any payment is not made by Lessee when due thereunder, Lessee agrees to pay to Lessor, within one month, a late charge of five percent (5%) of the amount of the payment, plus a minimum charge of \$10.00, but only to the extent permitted by law. Such amount shall be payable to Lessor in full and by Lessee as a result of the exercise of any of the remedies herein provided.

All remedies of Lessee hereunder are cumulative, in addition to any other remedies provided for by law, and may, to the extent permitted by law, be exercised concurrently or separately. The exercise of any one remedy shall not be deemed to be an excuse of such remedy or to preclude the exercise of any other remedy. No action on the part of the Lessor to enjoin such and no delay in exercising any right or remedy shall operate as a waiver thereof or modify the terms of this Agreement or any Lease hereunder. A waiver of default shall not be a waiver of any other or subsequent default. Lessor's recovery hereunder shall in no event exceed the maximum recovery permitted by law.

15. LEASE REGULATIONS AND TAXES: Lessee shall comply with all laws, regulations and orders relating or pertaining to the System, the Agreement or any Lease hereunder and Lessee shall be responsible for, as and when due, and shall indemnify and hold Lessor harmless from and against all present and future taxes and other governmental charges, or any interest thereon, including interest, without limitation, sales, use, excise, license and stamp taxes and license and registration fees and amounts in lieu of such taxes and charges and any penalties or interest on any of the foregoing, imposed, levied upon, or collected, either by or as a result of the purchase, ownership, delivery, leasing, possession or use of the System, or of any part thereof, or by the Lessor Payments or by Lessor with respect to this Agreement or any Lease hereunder. Lessee shall not, however, be obligated to pay any taxes or interest on Lessor's net income. Lessee authorizes Lessor to deduct the amount of such Lessor Payment, or otherwise, from the payment of any taxes or interest on or measured by such Lessor Payment. Lessee shall pay Lessor all taxes, use or leasing tax that may be imposed on or measured by such Lessor Payment. Lessee shall pay Lessor all taxes, as calculated and paid, on the personal property rights required to be paid by Lessor as owner of the System, plus a fee for Lessor collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities and interest thereon of the highest legal rate allowed, from the date due until fully paid. In the event Lessee does not pay any taxes specified above, Lessee has the right, but not the obligation, to pay the same if Lessee shall be in default of any of the aforementioned, then the Lessee shall make such amount with the next Lessor Payment plus a fee for Lessor collecting and administering any taxes, assessments or fees and remitting them to the appropriate authorities.

16. USE POLICIES AND FINANCIAL STATEMENTS: Lessee authorizes Lessor to do a financing statement with respect to the System signed only by the Lessor where permitted by the Uniform Commercial Code or other applicable law. Lessee hereby warrants to Lessor that Lessor's attorney-in-fact to execute such financing statements on Lessor's behalf and to do all acts or things which Lessor may deem necessary to protect Lessor's title and interest hereunder. Lessor and Lessee further agree that a carbon, photographic or other reproduction of this Agreement or any Lease hereunder may be filed as a financing statement and shall be sufficient as a financing statement under the Uniform Commercial Code or other applicable law. It is the intent of the parties that this is a true lease, and the filing of a financing statement under the Uniform Commercial Code or other applicable law shall not be construed as evidence that any security interest was intended to be created, but only to give public notice of Lessor's ownership of the System. If any Lease hereunder has a \$1.00 purchase option, the Lessee is required to purchase the System at the end of the Lease term or this Agreement or any Lease hereunder is otherwise terminated at any time to be one intended as security, then Lessee grants Lessor a security interest in the System and the proceeds from the sale, lease or other disposition of the System. Lessee agrees to pay Lessor a fee to reimburse Lessor's expenses for the preparation and filing of all such financing statements, for Lessor's other documentation costs and for all ongoing administration costs during such Lease term.

Lessee agrees to submit financial statements or the return if his financial statements are constructed within 45 days from the end of its fiscal year and Lessee warrants to Lessor that all financial statements furnished and to be furnished hereinafter and will be prepared in accordance with generally accepted accounting principles, are an accurate reflection of Lessee's financial condition and that there has been no material adverse change in the financial condition of Lessee or any guarantor of Lessee's obligations since the date of preparation and submission of the financial statements submitted to Lessor. Lessee agrees to deliver to Lessor at any time or times hereafter such information documents, holding, without limitation, certified resolutions, financial statements and legal opinions, as Lessor may request.

17. SECURITY DEPOSIT: Lessor shall retain any security deposit set forth on each Lease as security for the performance by Lessee of its obligations hereunder. Any security deposit so held shall be non-interest bearing. Lessor may, but shall not be obligated to, apply any security deposit to cure any Event of Default hereunder, in which event Lessee shall promptly return any excess so applied. If Lessor is not in default in any of Lessor's obligations hereunder, any security deposit will be returned to Lessor at the termination of the Lease related thereto. Lessee hereby grants to Lessor a security interest in the cash comprising the security deposit from time to time together with the proceeds thereof to secure the prompt performance of and when due of all obligations of Lessee hereunder.

18. WARRANTY OF BUSINESS PURPOSE: Lessee hereby warrants and represents that the System will be used for business purposes, and not for personal, family or household purposes. Lessee acknowledges that Lessor has relied upon this representation in entering into this Agreement and each Lease hereunder.

19. LESSOR REPRESENTATIVES AND WAIVER: Lessee hereby represents, covenants and agrees to Lessor the following with respect to each Lessor or the other Lessor, including the Primary and Acceptance Receipt related thereto: (1) Lessor is organizationally independent under the laws of the state of its organization, with adequate power and capacity to enter into the Lessor's documents related to the purchase of the System and any other documents required to be delivered in connection with the Lease or the System (hereinafter "Documents") and is duly qualified to do business wherever necessary to carry on its principal business, including all states where the System is to be located; (2) the Documents have been duly authorized, executed and delivered by Lessor and constitute valid, legal and binding agreements, enforceable in accordance with their terms, except to the extent that the enforcement of remedies therein provided may be limited under applicable bankruptcy and insolvency laws; (3) no approval, consent or withholding of objections is required from any federal, state or local governmental authority or instrumentality with respect to the entry into or performance by Lessee of the Document(s), except such as have already been obtained; (4) the entries and performance by Lessee of its obligations under the Document(s) will not (i) violate any law, contract, order, rule or regulation applicable to Lessor or (ii) result in any breach of, constitute a default under or result in the creation of, or set off, charge, security interest or other encumbrance upon any form or title system pursuant to any instrument, mortgage, deed of trust, lease, loan or credit agreement or other instrument (other than the Lease or any purchase money security interest retained by any supplier to which Lessee is a party); (v) there are no suits or proceedings pending or threatened in court or before any regulatory commission, board or other administrative agency against or affecting Lessee, which will have a material adverse effect on the ability of Lessee to fulfill its obligations under the Lease; (vi) the balance sheet and statement of income of Lessee, or any consolidated group of which Lessee is a member, heretofore delivered to Lessor have been prepared in accordance with generally accepted accounting principles and fairly present the financial position of Lessee or the consolidated group of which Lessee is a member on and as of the date thereof and the results of its or their operations for the period or periods covered thereby; (vii) since the date of such balance sheet and statement of income there has been no material adverse change in the financial or operating condition of Lessee or its consolidated group.

20. BREACHES; LIENS:

All collections of the Lease, if more than one, shall be joint and several. All paragraphs headings are for reference purposes only and shall not affect the interpretation or meaning of this Agreement or any Lease hereunder. Lessee agrees to execute or obtain and deliver to Lessor at Lessor's request such additional documents as Lessor may reasonably deem necessary to protect Lessor's interest in the System, this Agreement and any Lease.

21. NOTICES: Written notices to be given hereunder shall be deemed to have been given when delivered personally or deposited in the United States mails, postage prepaid, addressed to such party at its address set forth above or at such other address as such party may have subsequently provided in writing.

22. SUPPLIER'S CONTRACT: Lessor and Lessee agree that each Lease is a separate Lease as that term is defined in Article 2A of the Uniform Commercial Code. Lessee acknowledges that Lessor has informed Lessee of the identity of the System supplier. Lessor hereby notifies Lessee that Lessee may have rights pursuant to the contract with the supplier and the Lessor may contact the supplier for a description of any rights or warranties that Lessee may have under this contract.

23. LESSOR'S WOLVERINE: Lessee hereby waives any and all rights and remedies granted Lessee by Sections 508 through 522 of Article 2A of the Uniform Commercial Code including, by way of example only and not as a limitation, the right to repudiate any Lease and reject the System; the right to cancel any Lease; the right to receive acceptance of the System; the right to grant a security interest in the System in Lessee's possession and control for any reason; the right to recover damages therefrom for any breach of warranty or for any other reason distinct from or any part of the claimed damage resulting from Lessor's default, if any, under any Lease; the right to accept partial delivery of the System; the right to "cover" by making any purchase or leases of or contract to purchase or lease System in substitution for those due from Lessor; the right to recover any general, special, incidental or consequential damages, for any reason whatsoever; and the right to specific performance, replevin, re-lieu, reparation, re-delivery and the like for the System. The waivers contained herein shall not constitute a waiver by Lessee of any of his rights or remedies against the Vendor under Wolverine's terms of the System.

24. CHOICE OF LAW: This Agreement and each Lease hereunder shall be binding and effective when accepted by Lessor at its corporate office in Wayne, Pennsylvania, shall be deemed to have been made in Wayne, Pennsylvania, and, except for local filing requirements and laws relating to conflict of laws, shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania. Lessee hereby consents and agrees that non-exclusive jurisdiction, personal or otherwise, over Lessee and the System shall be with the courts of the Commonwealth of Pennsylvania or the Federal District Court for the Eastern District of Pennsylvania, solely at Lessor's option, with respect to any provision of this Agreement or any Lease hereunder. Lessee agrees that service of process in any action or proceeding may be duly effected upon Lessee by mailing such process via certified mail, return receipt requested. Lessee also agrees to waive its right to a trial by jury.

25. ENTIRE AGREEMENT, MODIFICATION AND AMENDABILITY: This Agreement and each Lease hereunder contain the entire agreement and understanding between Lessee and Lessor relating to the subject matter of each Lease. No agreements or understandings shall be binding on the parties hereto unless set forth in writing and signed by the parties. Time is of the essence in this Agreement and each Lease hereunder. No waiver by Lessor of any breach or default shall constitute a waiver of any additional or subsequent breach or default by Lessor nor shall it be a waiver of any of Lessor's rights. Any provision of this Agreement or any Lease hereunder which for any reason may be held unenforceable in any one jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions of this Agreement or any Lease hereunder, and any such unenforceability in any one jurisdiction shall not render such provision enforceable in any other jurisdiction.

26. FINGERPRINT IDENTIFICATION: You agree that a facsimile copy of the Lease with facsimile signatures may be treated as original and will be admissible as evidence of the Lease.

27. IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their authorized representatives as the date set forth below.

Charles K. Schubert

You agree to all of the Terms and Conditions contained in this Agreement, and in any attachments to same, all of which are included by reference, and become part of this Agreement. You acknowledge that you have read and agreed to all the Terms and Conditions and understand that the Leases are non-cancelable for the full term shown thereon. This Agreement shall not be binding upon Lessor or become enforceable unless and until Lessee executes the Agreement. The Equipment, subject to this Agreement and the Leases is not for home or personal use.

Charles K. Schubert

6/25/07
Charles K. Schubert
Treasurer
Lessee

ALLIED HEALTH CARE SERVICES, INC.

Lessor Signature: *John P. Hall* Date: 6/28/07
Print Name: John P. Hall
Title: Vice President

For: *John P. Hall*
Cntract Spec 150

Lease Number:
Vendor ID Number:

OSACR007