

LEASE AMENDMENT AND EXTENSION OF LEASE

THIS LEASE AMENDMENT AND EXTENSION OF LEASE ("Amendment") is entered into effective as of the 31st day of July, 2005, by and between PINEY BRANCH LIMITED PARTNERSHIP, a Maryland limited partnership ("Landlord"), whose address is c/o Finmarc Management, Inc., 4733 Bethesda Avenue, Suite 650, Bethesda, Maryland 20814 and MONTGOMERY COUNTY, MARYLAND, a body corporate and political and politic, a subdivision of the State of Maryland ("Tenant" or the "County"), whose address is c/o Office of Real Estate, 101 Monroe Street, 10th Floor, Rockville, Maryland 20850, with a copy (that does not, in and of itself, constitute notice) to Montgomery County, Maryland, Office of the County Attorney, 101 Monroe Street, 3rd Floor, Rockville, Maryland 20850.

RECITALS:

A. Landlord and Tenant entered into a Lease Agreement, dated December 8, 1998 ("Lease"), whereby said Tenant let those certain premises containing approximately four thousand eight hundred (4,800) square feet located at 8513 Piney Branch Road, Silver Spring, Maryland 20910 (the "Premises") in the Piney Branch Shopping Center, Silver Spring, Maryland ("Shopping Center"), for a term expiring on January 31, 2004;

B. From and after February 1, 2004, Tenant has occupied the Premises as a holdover Tenant on a month-to-month basis pursuant to Section 17 of the Lease; and

C. Landlord and Tenant desire to extend the term and amend said Lease in certain respects as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby reciprocally acknowledged, Landlord and Tenant agree as set forth below.

1. Recitals. The foregoing recitals and representations form a material part of this Amendment and are incorporated herein by this reference.

2. Term. The term of the Lease is hereby extended and revised so that the expiration date of the term of the Lease shall be July 31, 2010 instead of January 31, 2004. The period from August 1, 2005 through July 31, 2010 is hereafter referred to as the "Extended Term". Any provision in the Lease, whether express or implied, which could be construed as providing Tenant a further right to extend the term of the Lease past the expiration date of the Extended Term set forth in the preceding sentence shall no longer be applicable.

3. Periodic Rent. During the Extended Term, periodic monthly rent shall be as follows:

<u>Period</u>	<u>Monthly</u>	<u>Annually</u>
8/1/05-7/31/06	\$5,300.00	\$63,600.00
8/1/06-7/31/07	\$5,459.00	\$65,508.00
8/1/07-7/31/08	\$5,622.77	\$67,473.24
8/1/08-7/31/09	\$5,791.45	\$69,497.40
8/1/09-7/31/10	\$5,965.19	\$71,582.28

4. Landlord's Work. On or before the date that is thirty (30) days after the date of this Amendment, Landlord shall complete the work described in Exhibit A attached hereto ("Landlord's Work"). Except for completion of such Landlord Work, Tenant accepts continued possession of the Premises in "as is" condition.

5. Broker. Each of the parties hereto represents and warrants that, other than the brokerage commission payable by Landlord to Finmarc Management, Inc. pursuant to a separate agreement, there are no other brokerage commissions or finders' fees of any kind due in connection with this Amendment, and each of the parties hereto agrees to indemnify the other against, and hold it harmless from, any and all liabilities, damages, costs, claims and obligations arising from any such claim (including, without limitation, the cost of attorneys' fees in connection therewith).

6. Notices. Section 25 of the Lease is hereby modified to provide that notices to Landlord and Tenant shall be sent to the parties at their respective addresses set forth above.

7. Defined Terms. Terms that are defined in the Lease shall have the same meanings when such terms are used in this Amendment.

8. Confirmation of Terms. All of the terms, covenants and conditions of the Lease, except as are herein specifically modified and amended, shall remain in full force and effect and are hereby adopted and reaffirmed by the parties hereto.

9. Landlord's Liability. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not be liable to Tenant, its employees, agents, contractors, business invitees, licensees, customers, clients, family members, guests, or any other person claiming under or through Tenant, for any damage, compensation or claim arising from the necessity of repairing or replacing any portion of the Premises, the interruption in the use of

the Premises, accident or damage resulting from the use or operation (by Landlord, Tenant or any other person or persons whatsoever) of the Premises or the Shopping Center or any part thereof or anything contained therein, or the termination of the Lease by reason of the destruction of the Premises, or from any fire, and/or any other casualty, robbery, theft or mysterious disappearance, or for any personal injury arising from the use, occupancy and condition of the Premises, unless any of the foregoing is solely attributable to the gross negligence or willful act of Landlord. In no event shall Landlord or its agents or employees have any liability to Tenant for lost profits or any consequential damages whatsoever, or for any damage caused by any other tenants or occupants of the Premises or the Shopping Center or any other person claiming under or through Tenant, or their agents or employees, or for any damage caused by governmental or quasi-governmental authorities or public utilities or their agents or employees. Subject to the provisions of Paragraph 15 of the Lease, Tenant shall not be entitled to any abatement or diminution of rent as a result of any of the foregoing occurrences, nor shall the same release Tenant from its obligations under the Lease (as amended hereby) or constitute an eviction. Any goods, property or personal effects of Tenant, its employees, agents, contractors, business invitees, licensees, customers, clients, family members or guests, stored or placed in or about the Premises shall be at their sole risk, and the Landlord shall not in any manner be held responsible therefor. Tenant acknowledges that Landlord is not under any obligation to carry insurance on the Premises or Tenant's furniture, furnishings, fixtures, equipment and/or improvements in or to the Premises.

Notwithstanding anything contained in the Lease, as amended hereby, any indemnification given by Tenant under the Lease (as amended hereby) may be limited to the damage caps, notification provisions and types of damages specified in the Local Government Tort Claims Act (the "LGTCA"), MD. Code Ann. Cts. & Jud. Proc. §§ 5301 et seq. (2002 Repl. Vol.); Md. Code Ann. Art 25A, §§ 1A (2003 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. § 509 (2002 Repl. Vol.), all as amended from time to time.

Tenant shall neither assert nor seek to enforce any claim for breach of the Lease (as amended hereby) against any of Landlord's assets other than Landlord's interest in the Shopping Center, or any portion thereof, and Tenant agrees to look solely to such interest for the satisfaction of any liability of Landlord under the Lease (as amended hereby). This Paragraph 9 shall not limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord.

10. Waiver of Jury Trial. LANDLORD AND TENANT EACH HEREBY WAIVE ANY RIGHT TO A TRIAL BY JURY OF ANY OR ALL ISSUES ARISING IN ANY ACTION OR PROCEEDING BETWEEN LANDLORD AND TENANT OR THEIR SUCCESSORS, ASSIGNS, PERSONAL OR LEGAL REPRESENTATIVES AND HEIRS UNDER OR IN CONNECTION WITH THE LEASE (AS AMENDED HEREBY) OR ANY OF ITS PROVISIONS. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY LANDLORD AND TENANT, AND LANDLORD AND TENANT EACH ACKNOWLEDGE THAT NEITHER LANDLORD NOR TENANT NOR ANY PERSON ACTING ON BEHALF OF LANDLORD OR TENANT HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. LANDLORD AND TENANT EACH FURTHER ACKNOWLEDGE THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS AMENDMENT WITH LEGAL COUNSEL.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have executed this Amendment under their respective seals effective as of the day and year first above written.

WITNESS:

Mullin

ATTEST:

By: Rebecca S Domaruk
Typed Name: Rebecca S Domaruk
Title: SEAL

[Corporate Seal]

LANDLORD:

PINEY BRANCH LIMITED PARTNERSHIP,
a Maryland limited partnership
by Marc Audi, Inc. G.P.

By: *Marc F Solomon* (SEAL)
Typed Name: Marc F Solomon
Title: Resident

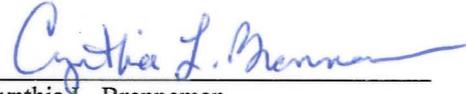
TENANT:

MONTGOMERY COUNTY, MARYLAND, a body corporate and political and politic, a subdivision of the State of Maryland

By: *Joseph F Beach* (SEAL)
Joseph F. Beach
Assistant Chief Administrative Officer

APPROVED AS TO
FORM AND LEGALITY
OFFICE OF COUNTY ATTORNEY
BY *Giles J. Brannon*
DATE 9/28/2005

Recommended



Cynthia L. Brenneman
Director, Office of Real Estate

LANDLORD'S WORK

**AMERICAN EXTERIORS, INC.**

P.O. BOX 4665
ALEXANDRIA, VIRGINIA 22303-0665
(703) 765-1010 FAX (703) 765-9674
www.americancxteriors.com

July 21, 2005
Proposal #04-0758

Finmarc Management
4733 Bethesda Avenue, #500
Bethesda, MD 20814

Sally Bennison, Property Manager
301 656-4111
301 656-0515 Fax

Re: TESS Center
8500 Piney Branch Road
Silver Spring, MD

INTERIOR PAINTING PROPOSAL**AREAS OF WORK**

We propose to prepare, prime as needed and apply one (1) coat of applicable paint to the previously painted walls, ceilings, doors and frames and metal rails located on the two (2) levels of the office at the above reference Center. Areas to be painted include the lobby, cubicles, restrooms, stairwells and the two (2) lower level meeting rooms. Wall hangings shall be removed by the tenant prior to the start of the painting work and replaced by the tenant after the painting is completed. **Please note:** The storage room, furnace room and the WIC office as well as any other areas of work, surfaces, items or procedures not specifically detailed and noted above are excluded from this proposal. Work shall be performed after normal hours of operation.

PAINT - COLORS

We shall prime as necessary and apply one (1) coat of oil or acrylic paint to the above mentioned surfaces. Duron, Coronado, McCormick or Sherwin Williams paint shall be used throughout. Colors are to be chosen by the owner or management company. Stock colors are recommended for ease in future touchup or repair.

PRICES - TERMS - CONDITIONS

Contractor will furnish all necessary labor, equipment and materials for the above scope of work, unless other arrangements are agreed upon.

Any additional work or repairs not covered in this proposal shall be charged at the rate of per man hour plus materials and equipment rental fees. American Exteriors shall be instructed and/or directed by only the owner, property manager and/or on-site contact person. No additional work shall be performed without prior written consent of the owner/agent.

If color scheme specifications are not provided, then our proposal is predicated on repainting with the existing color schemes. Any variation, additional coats of paint or applications may result in additional charges. When client or owner-provided specifications include contradictory information, American Exteriors will execute the contract per the least costly specified system. Lead abatement or removal is not considered a part of this proposal. Caulking is not guaranteed as weather proofing when performed as surface preparation. Storm window removal/replacement is the responsibility of the owner. All work shall be performed after normal business hours, Monday through Friday. Other hours may be arranged with agreement of all parties. Any work requiring access to a unit shall be scheduled for one specific time. Thereafter, all missed units, doors and windows shall be painted in the closed position or left unpainted and any other work shall be completed to the extent possible without gaining access to that unit. Client shall be responsible for providing 110 electrical power; if swing stage work is required, both 110 and 220 electrical power shall be provided for contractor use. American Exteriors will not be liable for delays caused by other contractors at the job site, nor shall our punchlist items be contingent upon their work or delays. Contractor warrants the labor provided by Contractor pursuant to the contract shall be free from defects in workmanship. This limited Contractor's Warranty shall not be valid until executed by both parties following receipt of all monies due under the contract. Materials and/or equipment provided pursuant to this contract shall be warranted by the manufacturer to the owner and are specifically excluded under the terms of the limited Contractor's Warranty. This warranty supersedes any other warranty, guarantee or representations, written or oral, made with respect to the workmanship of Contractor. Any deviation from these terms and conditions must be in writing and agreed upon by both parties prior to commencement of our work. Management company/owner/agent agrees not to employ contractor's personnel for two years after contract completion or cancellation. This proposal may be withdrawn by us if not accepted within sixty (60) days. Only one discount offer, when applicable, per contract.

PAYMENT SCHEDULE

25% deposit for materials and mobilization. Bi-weekly draws against percentage of completion with the remaining balance due in full upon completion. Invoice(s) for completed work must be paid in full within ten (10) days. Retention payment due within thirty (30) days of job completion. Late payments shall be subject to late payment fees of 1.5% per month interest charges on the unpaid

balance.

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American Exteriors is licensed and fully insured. Certificates of insurance will be issued upon request. In the event of a breach of this Agreement by either party, the breaching party shall pay all reasonable attorney's fees, collection fees and costs of the other party incident to any action brought to enforce this Agreement. All claims, disputes and other matters and questions arising out of or relating to this Contract or the breach thereof, shall be decided by an arbitrator and/or arbitration board of the American Arbitration Association. Decisions of the arbitrator shall be legally binding to all parties.

Thank you for the opportunity to bid your work. In the above proposal we have included those surfaces you have indicated. Any discrepancies should be noted prior to the beginning of work. A preliminary walk through is requested to avoid any misunderstandings. We look forward to hearing from you and your office in the near future.

Respectfully,

AMERICAN EXTERIORS, INC.


Corporate Officer

Any questions or concerns regarding this proposal, please contact the person listed below:

DANIEL BLUEETT
Cell phone #202 498-5933
Office #703 765-1010

ACCEPTANCE

The above prices, terms and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment(s) will be made as outlined above. A 1.5% per month late payment charge will apply if not paid within thirty (30) days of invoice.

Date: _____

By: _____