AGREEMENT OF LEASE

This Agreement of Lease ("Lease") is made and entered into this _____ day of July, 2002, by and between 2210 ADAMS PLACE, NE, LLC, a Maryland limited liability company ("Landlord"), and BANNUM, INC., a Kentucky corporation ("Tenant" or "Bannum").

WITNESSETH, that for and in consideration of the mutual benefits to be derived hereby Landlord and Tenant hereinafter covenant and agree as follows:

Section 1 - Premises

Landlord hereby leases and demises to Tenant, the Premises known as part of 2210 Adams Place, NE, Washington, DC (hereinafter referred to as the "Premises") as shown on Exhibit "A" attached hereto and made a part hereof, containing approximately 12,739 square feet of space more or less, and comprising (for purposes of this Lease) forty-two (42%) of the Building. Tenant hereby accepts the Premises in its as-is condition and Landlord shall have no obligation to make any repairs or improvements to the Premises.

Section 2 – Term & Effective Date. Rent Commencement and Tenant Right to Terminate

2.01 Term & Effective Date. The term of this Lease (the "Term") shall begin on the 1st day of December, 2002, (the "Lease Commencement Date") or later date to conform to and run concurrently with the performance of Bannum's Federal Contract # J200C-576 and end upon expiration, cancellation or other termination of base period, all option periods and extensions. However, under no circumstances shall the period of occupancy under this lease extend beyond a period of sixty-six (66) months from the commencement of performance by Bannum of its Government Contract with the United States Department of Justice, Bureau of Prisons ("BOP"). It is provided further that in no event shall the expiration of Bannum's occupancy of the Premises under this Lease be later than December 31, 2009. The date of execution of this Lease shall be the effective ("Effective Date"). Commencing on the Effective Date, all of the non-monetary aspects of this Lease shall be in full force and effect and Tenant shall have access to the Premises during usual business hours for the purpose of planning and design of its tenant improvements as hereinafter described.

2.02 Rent Commencement Date. Tenant's obligation to pay Base Rent and Additional Rent shall commence on the first to occur of the day on which Tenant occupies the Premises and is open for the conduct of its business therein, or December 1, 2002 ("Rent Commencement Date"). Landlord and Tenant shall execute a memorandum in the form attached hereto as Exhibit "B" confirming the Rent Commencement Date; provided, that the execution and delivery of said Memorandum is not a condition precedent to Tenant's obligation to pay Rent on such date.

2.03 Intentionally Omitted.

BZA
Case No. 16998
Exhibit No. 79

Board of Zoning Adjustment
District of Columbia
CASE NO. 16998
EXHIBIT NO. 79

as Landlord may direct and in the event of any dispute between Landlord and Tenant as to the application of any portion of the security deposit, Tenant shall make no claim against Walter N. Propps with respect to any security deposit so delivered or applied but shall look solely to Landlord for satisfaction of any such claims. Notwithstanding the foregoing, Tenant shall have the right, in lieu of delivering the personal guaranty of Arnold Rich, on the Effective Date, to tender Landlord or Landlord's Agent the additional sum of [redacted] in cash which, when combined with the previously identified cash deposit shall total [redacted] and shall be the Security Deposit, and shall be governed by the provisions hereof pertaining to the cash form of security.

Section 4 – Covenants of Landlord

Landlord hereby covenants and agrees as follows:

4.01 To permit Tenant quiet enjoyment of possession of the Premises during the Term subject to the provisions of this Lease, or for so long as Tenant shall pay all Rent provided for herein and carry out all other obligations herein made binding upon Tenant.

4.02 To furnish only such services and facilities as may be specifically set forth in this Lease, if any, and no other.

4.03 To make such repairs as become necessary after obtaining actual knowledge of the need for such repairs, with respect to the foundation, roof (excluding sky-lights and signs) and exterior structural walls (but no plate glass, windows, window glass, doors or the interior surfaces of any walls or ceilings) of the Premises, as well as pipes and conduits located beyond the boundaries of the Premises (including, but not limited to, gas lines and waste lines), and in the structural components of the building in which the Premises are located (the "Building"), and all repairs to any sidewalk(s) or parking lot adjacent to the Premises; provided, however, that Landlord shall not be required to make any repairs necessitated by reason of any act omission of Tenant, or its employees, agents, licensee, invitees, or anyone claiming under Tenant, or caused by any alteration, addition or improvement made by Tenant or anyone claiming under Tenant or anyone entering the Premises by force, and that if Landlord does make any such repairs Tenant shall promptly upon demand reimburse Landlord the cost thereof.

Section 5 – Covenants of Tenant

Tenant hereby covenants and agrees as follows:

5.01 Not to use the Premises for any disorderly or unlawful purpose, but only for conducting therein of a Residential Community Corrections Center in accordance with Bannum's Government Contract.

5.02 To obtain at Tenant's expense, as and when required by applicable laws, and thereafter to

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maintain full force and effect, and to furnish copies to Landlord, upon receipt, any and all permits, licenses and the like, required to permit Tenant to occupy the Premises for the purpose herein stated. In connection herewith, Tenant acknowledges that it has investigated zoning, building code and other local laws and regulations. Tenant acknowledges that the current zoning applicable to the Premises may place a three (3) year restriction on the planned and permitted use within the Premises. Tenant agrees that it shall bear the responsibility, at its sole risk and expense, to obtain any necessary governmental approvals to extend the period of permitted use of the Premises for its intended purpose. Landlord covenants and agrees to cooperate in Tenant's efforts to obtain any required approvals, and Tenant agrees to reimburse Landlord for its actual and reasonable expenses associated therewith. Tenant covenants and agrees not to operate its business within the Premises without compliance with applicable zoning and other laws. Tenant acknowledges that Landlord has no responsibility to Tenant in the event that Tenant does not obtain the required approvals to extend the period of its use. In the event that Bannum cannot obtain governmental approval to extend the period of permitted use of the premises, Bannum can cancel the lease and will have no further liability under this lease.

5.03 To keep the Premises, the entrance(s) and approaches thereto clean and free from rubbish, to keep any lawn mowed, to remove snow and ice from the adjacent sidewalks and any loading dock areas, and to keep the show windows and sign neat, clean and in good order; and not to store any material or trash of any nature whatever on the exterior of the Premises, nor to erect any screen or fence.

5.04 To pay all charges, for all utilities, including, but not limited to, electricity, gas, fuel, water, sewer charges and telephone services for the Premises, as they become due and payable and to transfer all accounts therefor to Tenant's name at the outset of the Term. All utilities serving the Premises that can be separately metered, may be separately metered by Tenant, at Tenant's sole cost and expense. The charge for any utilities not separately metered shall be paid to Landlord as additional rent, based upon Landlord's reasonable estimate of the amount of the charge for such utility consumed by Tenant in the Premise. Notwithstanding the foregoing, Tenant covenants and agrees that it shall cause its Premises to be separately metered or sub-metered for the purpose of establishing charges for the utilities described in the first sentence above, and shall open accounts in its own name with the utility companies.

5.05 To refrain from keeping gasoline or other inflammable material, or any explosives, in the Building or parking and storage areas, if any, except as provided in Section 5.21 (b) hereof and from doing any act or thing which may make void or voidable, or increase the cost of, Landlord's insurance against fire and other casualty, and to conform to all rules or regulations from time to time established by the appropriate insurance rating organization.

5.06 Commencing on the Rent Commencement Date, and continuing for so long as Tenant occupies the Premises, Tenant shall pay Landlord monthly (or on demand if request for payment thereof is made other than on a monthly basis), or shall pay third parties if Tenant has accounts for such goods, services, or utilities with such parties, as follows:

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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names and affixed their seals, on the day and year first hereinabove mentioned (in case either party is a corporation, its name has been hereunto subscribed and its seal hereunto affixed and attested by its duly authorized officers, and such corporation has appointed their respective attorneys-in-fact, to acknowledge and deliver this lease according to law).

WITNESS OR ATTEST:

LANDLORD:
2210 Adams Place, NE, LLC

BY:

TENANT:
BANNUM, INC.

(Corporate Seal)
No Seal

BY:

LEASING AGENT: WALTER N. PROPPS

BY:

MANAGING AGENT: WALTER N. PROPPS

BY:

Personal Guarantor:

Arnold Rich