

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT (this "Second Amendment") is dated as of the 7th day of October, 1997, by and between POTOMAC PLACE LIMITED PARTNERSHIP ("Landlord") and MONTGOMERY COUNTY, MARYLAND, a body politic and corporate ("Tenant").

WITNESSETH

WHEREAS, Landlord and Tenant entered into that certain Lease Agreement dated November 17, 1989; and

WHEREAS, Landlord and Tenant entered into that certain First Amendment to Lease Agreement dated October 2, 1990; and

WHEREAS, pursuant to the terms of the Original Lease and the First Amendment Tenant currently leases from Landlord the premises described as Store Number 11, within the Potomac Place Shopping Center (the "Building" or the "Shopping Center") located at 10132 River Road, Potomac, Maryland 20854, and comprising 2,786 square feet of space (the "Leased Premises"); and

WHEREAS, Landlord and Tenant desire to amend in this Second Amendment certain terms of the Original Lease and the First Amendment (the Original Lease and the First Amendment are hereinafter collectively referred to as the "Lease") to reflect an extension of the Term and as otherwise provided herein.

NOW THEREFORE, for and in consideration of the mutual covenants herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Term.

- (a) The term of the Lease is extended for an additional period of five (5) years (the "Extended Term") and, subject to the terms of the Lease, shall expire on October 31, 2002.
- (b) Provided (i) that this Lease shall be in full force and effect; (ii) that Tenant shall be in possession of the Leased Premises; (iii) that Tenant shall not be in default under any of the terms, provisions, covenants or conditions of this Lease, then, and only in such event, Tenant shall have the right, at Tenant's sole option, to extend the term of this Lease for one (1) additional period of five (5) years ("Option Term"). Such extension option shall be exercisable by Tenant giving written notice of the exercise of such extension option to Landlord no later than three hundred sixty (365) days prior to the expiration date of the then-current term; provided, however, in the event Tenant fails to execute the option to extend during the aforesaid time period, such extension option shall become null and void and all rights with respect thereto shall automatically terminate and expire. The Option Term shall be upon the terms, covenants and conditions as set forth herein with respect to the term, except that the Base Rent for the Option Term shall be payable in accordance with the provisions of Section 2(b) below.
- (c) From and after the date hereof, Paragraph 2A (Renewal Options) of the Lease shall be deleted from the Lease in its entirety.

2. Base Rent.

- (a) The Base Rent that is payable during the Extended Term shall be as follows:

<u>Period</u>	<u>Base Rent</u>	<u>Monthly Base Rent</u>
11/1/97-10/31/98	\$146,877.92	\$12,239.83
11/1/98-10/31/99	\$149,815.47	\$12,484.63
11/1/99-10/31/00	\$152,811.77	\$12,734.31
11/1/00-10/31/01	\$155,868.00	\$12,989.00
11/1/01-10/31/02	\$158,985.36	\$13,248.78

(b) The Base Rent that is payable during the Option Term shall be as follows:

<u>Period</u>	<u>Base Rent</u>	<u>Monthly Base Rent</u>
11/1/02-10/31/03	\$168,524.48	\$14,043.71
11/1/03-10/31/04	\$171,894.96	\$14,324.58
11/1/04-10/31/05	\$175,332.85	\$14,611.08
11/1/05-10/31/06	\$178,839.50	\$14,903.30
11/1/06-10/31/07	\$182,416.29	\$15,201.36

(c) From and after November 1, 1997, Paragraph 4 (Consumer Price Index) of the Lease shall be deleted from the Lease in its entirety.

3. Appropriation

In the event that the Montgomery County Council fails to appropriate the necessary funds to pay the Base Rent and other charges that are due under the Lease for any ensuing fiscal year of Tenant, then, provided Tenant pays to Landlord the sum equal to the product of the then Monthly Base rent payable Tenant under the Lease (as amended by this Second Amendment) multiplied by three (3), Tenant shall have the right, upon forty-five (45) days prior notice to Landlord (but in no event prior to the commencement of the fiscal year for which the funds were not appropriated) to terminate this Lease. In the event that Tenant terminates the Lease in strict accordance with the foregoing provisions of this Section 3, then from and after the date that occurs forty-five (45) days after the date that Landlord receives such notice, the Lease shall be deemed terminated and the parties shall thereafter have no further obligations under the Lease.

4. Brokerage

Landlord and Tenant warrant and represent to each other that there are no claims for broker's commissions or finder's fees associated with this transaction.

5. Controlling Document

In the event of a conflict between the provisions of this Second Amendment and the provisions of the Lease, the provisions of this Second Amendment shall control.

6. Full Force and Effect

Except as modified herein, all other terms and conditions of the Lease shall remain in full force and effect.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the date last set forth below.

WITNESS

LANDLORD

POTOMAC PLACE LIMITED PARTNERSHIP

By: Potomac Place Shopping Center, Inc.

By: [Signature]

By: [Signature]
Shelton Zuckerman, President

WITNESS

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: _____

By: [Signature]

Name: Gordon Aoyagi

Title: Assistant Chief Administrative Officer

Date: 4/22/98

RECOMMENDED BY:

By: [Signature]

Name: Rey Junquera

Title: Leasing Manager

Date: 1/12/98

APPROVED AS TO FORM & LEGALITY
OFFICE OF COUNTY ATTORNEY

By: [Signature]

Name: _____

Title: Assistant County Attorney

Date: 1/2/98