SECOND AMENDMENT TO LEASE AGREEMENT

This Second Amendment to Lease Agreement made and executed this $\frac{g^{n}}{\text{August}}$, 2010, by and between Milford Mill Limited Partnership (the "Landlord") and Mortgomery County, Maryland, a body corporate and politic (the "County").

WHEREAS, the Landlord entered into a Lease Agreement with the County dated October 6, 2000 as amended by the First Amendment to Lease dated August 2, 2005 (collectively the "Lease") for approximately 7,000 square feet of retail space in the Poolesville Town Center (the "Shopping Center") known as Stores 4,5,6,7,8 and 9, having an address of 19623, 19652, 19627, 19629, 19631 and 19633 Fisher Avenue, Poolesville, Maryland (the "Premises"); and

WHEREAS, the Extended Term is set to expire on September 30, 2010; and

Whereas, the Landlord and County agree to modify the Extended Term so that the Extended Term shall end at the earlier date of June 30, 2010;

WHEREAS, the Landlord and County desire to amend the Lease by extending the term of the Lease for an additional Ten (10) year period, commencing July 1, 2010 and ending June 30, 2020; and

WHEREAS, the Landlord and County mutually desire to amend the Lease upon the terms, conditions, covenants and agreements set forth in this Second Amendment to reflect the same.

NOW THEREFORE, for the mutual promises herein contained and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

- 1. <u>Definitions.</u> Unless otherwise set forth in this Second Amendment to Lease, all capitalized terms shall have the same meanings as set forth in the Lease.
- 2. <u>Term.</u> Section 2 of the Lease is hereby amended by adding the following to the end of the Section as a new paragraph:

"The Extended Term shall be revised so that the expiration date of the Extended Term shall be June 30, 2010 in lieu of September 30, 2010. Any provision regarding Rent in the Lease, past the expiration date of the Extended Term shall no longer be applicable.

Effective as of the date hereof, the term of the Lease shall be extended for Ten (10) additional years, commencing July 1, 2010 and ending June 30, 2020, which term shall be defined as the "Second Extended Term". Any provision in the Lease, whether expressed or implied, which could be construed as providing the County a further right to extend the term of the Lease, past the expiration date of the Second Extended Term shall no longer be applicable.

- 3. Rent: During the Second Extended Term, the Base Rent for the lease year effective July 1, 2010 through June 30, 2011 shall be equal to One Hundred and Forty Thousand Dollars and Zero Cents (\$140,000.00), payable in equal monthly installments of Eleven Thousand Six Hundred Sixty Six Dollars and Sixty Six Cents (\$11,666.66). However, Landlord and County have agreed to abate fifty percent (50%) of the annual base rent for the first ten (10) months of the Second Extended Term, effective July 1, 2010 through April 30, 2011, for a total rent abatement of Fifty Eight Thousand Three Hundred Thirty Three Dollars and Thirty Three Cents (\$58,333.33). Therefore County's monthly payments for the period commencing July 1, 2010 through April 30, 2011 shall be equal to Five Thousand Eight Hundred Thirty Three Dollars and Thirty Three Cents (\$5,833.33).
- 4. <u>Consumer Price Index:</u> Landlord and County agree that the annual Base Rent will increase Three (3%) on each July 1, for the term of the Second Extended Term, beginning July 1, 2011. Notwithstanding anything to the contrary herein and in lieu of a 3% increase on July 1, 2015 the annual Base Rent for this year only will be determined by application of the following formula:

The Base Rent for year one (1) under this Addendum (\$140,000) will be multiplied by a fraction the numerator of which is the index known as the "U.S. Department of Labor, Bureau of Labor Statistics, Revised CPI-U, all items U.S. City Average 1997-100" (Consumer Price Index) for the month of June 2015 and the denominator of which is the monthly CPI Index for July 2010. Beginning July 1, 2016 the Base Rent will be increased by three percent (3%) per year on each anniversary of the Amendment thereafter.

Example:

Base Rent Year 1 beginning July 1, 2010CPI Index for June 2015 (estimated)
CPI Index for July 2010

\$140,000.00
235.000
218.178

New rent July $2015 = \$140,000 \times 235,000/218.178 = \$150,794.30$

In the event the said index is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made ins such index, the parties hereto shall arrange to agree on an alternative formula in accordance with such statistics as may be recommended by a department or agency of the United States Government for such purpose, or absent such a recommendation, in such manner as may reasonably be determined by agreement of Landlord and County.

5. <u>Notices.</u> Section 38 of the Lease is hereby amended by deleting lines (4) through ten (10) in their entirety and adding the following in lieu thereof:

"IF TO THE COUNTY:

Montgomery County, Maryland Department of General Services Office of Real Estate 101 Monroe Street, 9th Floor Rockville, Maryland 20850

Attn: Director

WITH COPY NOT TO CONSTITUTE

NOTICE TO:

Montgomery County, Maryland Office of the County Attorney 101 Monroe Street, 3rd Floor Rockville, Maryland 20850 Attn: County Attorney"

- 6. <u>Broker.</u> Landlord represents and warrants to the County that the Landlord has not dealt with any broker, agent or finder in carrying on the negotiations relating to this Second Amendment, other than Transwestern and Jones Lang LaSalle Americas, Inc. The County represents and warrants to the Landlord that the County has not dealt with any broker, agent or finder in carrying on the negotiations relating to this Second Amendment, other than Jones Lang LaSalle Americas, Inc. Landlord agrees to pay all fees associated with the use of the Broker and the County is not to be held responsible for any Broker Fee due and owing to Transwestern and Jones Lang LaSalle Americas, Inc., or any other broker in connection with this Second Amendment.
- 7. <u>Alterations.</u> The County accepts the Premises in its "AS IS" condition. Except as may be set forth in the Lease, Landlord is under no obligation to make any structural or other alterations, decorations, additions, improvements, renovations or other changes in or to the Premises.
- 8. This Second Amendment to Lease is incorporated into the Lease and shall be deemed a part thereof and all provisions of the Lease where not inconsistent herewith will remain in full force and effect.

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the Landlord and the County hereto have caused this Second Amendment to Lease to be properly executed.

WITNESS: LANDLORD: MILFORD MILL LIMITED **PARTNERSHIP** Milford Mill Corporation, General Partner Constant longlins 7/15/10 Date: WITNESS: COUNTY: MONTGOMERY COUNTY, MARYLAND Diane R. Schwartz Jones, Assistant Chief Administrative Officer Date: APPROVED AS TO FORM & LEGALITY RECOMMENDED: OFFICE OF THE COUNTY ATTORNEY Cynthia L. Brenneman, Director Office of Real Estate Date: 8/3/16Date: