

SECOND AMENDMENT TO GROUND LEASE

THIS SECOND AMENDMENT TO GROUND LEASE (the "Second Amendment") is made and entered into this 14 day of September, 2000, by and among Montgomery County, Maryland, a body corporate and politic, having its principal office at 101 Monroe Street, Rockville, Maryland 20850 (hereinafter called "Lessor") and Ring House Corporation, a non-profit corporation duly organized under the laws of the State of Maryland, having its principal office at 1801 East Jefferson Street, Rockville, Maryland 20852 (hereinafter called "Lessee").

WHEREAS, Lessor and Hebrew Home of Greater Washington, Inc. ("Hebrew Home") entered into a Ground Lease dated November 29, 1986 recorded among the Land Records of Montgomery County, Maryland at Liber 7803, folio 501 (the "Original Ground Lease"); and

WHEREAS, by Amendment to Lease dated November 9, 1988 recorded among the Land Records of Montgomery County, Maryland at Liber 8559, folio 501 (the "First Amendment") the Lessee's interest under the Ground Lease was assigned to Lessee and certain amendments made to the Original Ground Lease (the Original Ground Lease, as amended by the First Amendment is hereinafter referred to as the "Ground Lease"); and

WHEREAS, Lessee constructed an elderly housing project (as more fully defined in the Ground Lease, the "Project") which was permanently financed by a loan to Lessee from the Housing Opportunities Commission of Montgomery County, Maryland ("HOC"), secured by a Leasehold Deed of Trust constituting a first lien on the Demised Premises and the Project, and

WHEREAS, Lessee is obtaining substitute permanent financing in the amount of \$18,375,000 from the proceeds of a tax-exempt revenue bond issuance sold by HOC (the "2000 HOC Loan"); and

MP FID SURE \$ 0.00
RECORDING FEE 0.00
TOTAL 0.00
Res#1000 Rcrt#1999999
MONT. CL. D. 0114454
Sep 26, 2000 01:05 PM

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MOLLY O. RUIH
CLERK'S OFFICE
HONORABLE CLERK

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MONTGOMERY COUNTY CIRCUIT COURT, STOLLENBERG, ROGERS, GENERAL, DEPT. OF RECORDS & ADMINISTRATION, 11921 ROCKVILLE PIKE, THIRD FLOOR, ROCKVILLE, MARYLAND 20852-2743, ATTN: LESLIE KEANE, FILE NO. 029-054-027, NO FEE - MONTG. CO. MD., TITLE COMPANY: LAWYERS TITLE INSURANCE CORP., 0026, MSA_CE63_18376, Date available 06/20/2005, Printed 09/05/2023.

WHEREAS, the parties desire to make certain modifications to the terms of the Ground Lease.

NOW, THEREFORE, the parties intending to be legally bound do hereby agree as follows:

1. Definitions. All terms used, but not specifically defined, herein shall have the meanings given to them in the Ground Lease.
2. Release of Hebrew Home. In confirmation of Paragraph 1 of the First Amendment, it is hereby agreed that the obligations of Lessee under the Ground Lease are solely those of Ring House Corporation and that Hebrew Home is released from all obligations as the initial Lessee under the Ground Lease.
3. Approval of New Financing - Ground Lease in Effect. The 2000 HOC Loan is hereby approved by the Lessor. Lessor acknowledges that it has been notified that contemporaneously with the execution and delivery of this Second Amendment, Lessee is executing and delivering a certain Leasehold Deed of Trust of even date herewith from Lessee, as Grantor to John B. Walsh, Jr. and William J. Chen, Jr. as Trustees for the benefit HOC, conveying all of Lessee's right, title and interest in and to the Project, and securing, among other things, the timely repayment of the 2000 HOC Loan. Lessor hereby consents to Lessee's encumbrance of such right, title and interest by the Deed of Trust for all purposes for which such consent may be required. Lessor represents and warrants (as of the date hereof) to, and covenants and agrees with, HOC that:
 - (i) except for the First Amendment and this amendment, the Original Ground Lease has not been modified or supplemented;
 - (ii) the Ground Lease is valid and remains in full force and effect;

(iii) all approvals by the State of Maryland described in Subsection 1B of the Ground Lease and/or otherwise required in connection therewith have been given and remain in full force and effect;

(iv) to the best of Lessor's knowledge, information and belief, Lessee is not in default in the performance or observance of any covenant, agreement and/or condition contained in the Ground Lease that is required to be performed or observed by it; and

(v) Lessor has no offset, counter-claim, defense and/or dispute relating to the Ground Lease.

4. Use of Project. The parties recognize that the Regulatory Agreement referred to in the First Amendment is to be superseded by a Restated and Amended Regulatory Agreement to be executed simultaneously with the closing of the 2000 HOC Loan (the "2000 Regulatory Agreement"). All references in the Ground Lease to the "Regulatory Agreement" are hereby deemed to refer to the 2000 Regulatory Agreement. Compliance by Lessee with the use requirements in the Regulatory Agreement shall be deemed to satisfy all requirements with respect to use under the Ground Lease. All covenants, approvals, waivers and other actions by Lessee pursuant to the Regulatory Agreement shall be effective for all purposes under the Ground Lease.

5. References to MHF Deleted. All references in the First Amendment to MHF are hereby deleted inasmuch as MHF is not providing any insurance or otherwise participating in the 2000 HOC Loan..

6. Release of a Portion of the Demised Premises. The parties acknowledge that the Lessee or Hebrew Home or an affiliate thereof desires to develop an assisted living facility on a certain portion of the land which forms a part of the Demised Premises (the "Assisted Living

Facility Land"). Upon request, and upon the satisfaction of the conditions set forth below, Lessor agrees to release from the Demised Premises the Assisted Living Facility Land, and to simultaneously amend this Lease to reduce the amount of land subject to this Lease, and to enter into a new Ground Lease with Hebrew Home (or its affiliate designee) for a term equal to the then remaining term of the Ground Lease for a nominal rent of One Dollar (\$1.00) per annum and to enter into such cross-easements as may be necessary and convenient for the proper operation of the Project and the assisted living facility. Upon such release and amendment, the provisions of this Ground Lease and the Regulatory Agreement shall be inapplicable to the Assisted Living Facility Land and all buildings and other improvements thereon. The Ground Lease shall be further amended at such time to reduce on a pro-rata basis all purchase option prices referred to on behalf of the Lessee in Section 18A and on behalf of Lessee's mortgagee in Section 16 in the same proportion as the square footage remaining under the Ground Lease and the square footage constituting the Assisted Living Facility Land each bear to the total square footage of the land currently comprising the Demised Premises under the Ground Lease. By way of example, if the reduced Demised Premises shall constitute sixty percent (60%) of the current Demised Premises, all purchase prices referred to in the Ground Lease shall be reduced to sixty percent (60%) of the amounts specified in the Ground Lease and all such purchase prices to be included in the ground lease of the Assisted Living Facility Land shall represent forty percent (40%) of such prices. All options shall be exercisable separately by each Lessee under each ground lease. All of the adjustments referred to in the First Amendment shall be based on such recalculated base number as if that number were originally inserted in the First Amendment.

7. Conditions for Release. The release and amendment of the Ground Lease and execution of the ground lease for the Assisted Living Facility Land shall be entered into by Lessor immediately upon receipt of a written request from Lessee and satisfaction by Lessee of the following conditions:

(i) It shall provide appropriate evidence that the release of the Assisted Living Facility Land will not, of itself, cause the Property to violate any zoning requirements applicable to the Project.

(ii) It shall provide appropriate evidence that the Assisted Living Facility Land satisfies all zoning requirements for the operation of an assisted living facility.

(iii) It shall provide a written opinion of counsel satisfactory to Lessor to the effect that the release and amendment to the Ground Lease will have no adverse affect on the enforceability of the Ground Lease with respect to the remaining portion of the Demised Premises.

(iv) It shall provide written drafts of the amendment to the Ground Lease and the separate Ground Lease for the Assisted Living Facility Land which shall contain substantially the same terms and conditions as the Ground Lease except to the adjustments provided for in Section 5 hereof.

(v) It shall pay all costs and expenses, including reasonable attorney's fees incurred by Lessor in connection with the release, amendment to Ground Lease and Ground Lease.

8. Lessor Cooperation. Lessor agrees to cooperate with Lessee and the lessee of the Assisted Living Facility Land in its efforts to develop the Assisted Living Facility Land and/or the Project by consenting to and/or joining in as a co-applicant if necessary for any applications

for zoning, subdivision, ownership plat, use permit, record plat, building permits and other related actions or approval processes, with costs and expenses thereof being borne by Lessee or the lessee of the Assisted Living Facility Land. Lessor agrees to cooperate with Lessee and/or the lessee of the Assisted Living Facility Land in its requests for rights of way, easements and rights of access to public rights-of-way, covenants and other similar conveyances that are necessitated by the land use, zoning and development approval requirements for the lessee of the Assisted Living Facility Land development and operation of improvements on the Assisted Living Facility Land.

9. Ground Lease to Remain in Effect. All other provisions of the Ground Lease shall remain in full force and effect.

[END OF TEXT]

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this
Second Amendment to Ground Lease the day and year first above written.

WITNESS:

LESSOR

MONTGOMERY COUNTY, MARYLAND

By: _____ (SEAL)

Name: _____

Title: _____

WITNESS:

LESSEE:

RING HOUSE CORPORATION

Debra D. Z...

By: *[Signature]* (SEAL)

Name: Paul Ventis

Title: President

IN WITNESS WHEREOF, the parties hereto have set their hands and seals to this
Second Amendment to Ground Lease the day and year first above written.

WITNESS:

LESSOR

MONTGOMERY COUNTY, MARYLAND

Patricia C. Cook

By: Douglas M. Duncan (SEAL)

Name: Douglas M. Duncan

Title: County Executive

WITNESS:

LESSEE:

RING HOUSE CORPORATION

By: _____ (SEAL)

Name: _____

Title: _____

APPROVED AS TO FORM AND LEGALITY
OFFICE OF COUNTY ATTORNEY

BY Gileen J. Busman

DATE 9/12/2000

STATE OF MARYLAND)
) to wit:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on the ____ day of September, 2000, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared _____, who acknowledged himself/herself to be the _____ of Montgomery County, Maryland, a body corporate and politic, and that he/she, as such officer of Montgomery County, Maryland, being authorized to do so, executed this Second Amendment to Ground Lease for the purposes contained in the document, by signing the name of Montgomery County, Maryland by himself/herself as such officer.

IN WITNESS WHEREOF, I set my hand and official seal.

[Notary Seal]

Notary Public

My Commission Expires: _____

STATE OF MARYLAND)
) to wit:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on the ____ day of September, 2000, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Paul Gentes, who acknowledged himself/herself to be the President of Ring House Corporation, a non-profit corporation, and that he/she, as such officer of Ring House Corporation, being authorized to do so, executed this Second Amendment to Ground Lease for the purposes contained in the document, by signing the name of Ring House Corporation by himself/herself as such officer.

IN WITNESS WHEREOF, I set my hand and official seal.

[Notary Seal]

Faith R. Horlick
Notary Public

My Commission Expires: December 1, 2000

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) MQR 18422, p. 0034, MSA_CE63_18376. Date available 06/20/2005. Printed 09/05/2023.

STATE OF MARYLAND)
) to wit:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on the 13th day of September, 2000, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared Douglas M. Duncan, who acknowledged himself/herself to be the County Executive of Montgomery County, Maryland, a body corporate and politic, and that he/she, as such officer of Montgomery County, Maryland, being authorized to do so, executed this Second Amendment to Ground Lease for the purposes contained in the document, by signing the name of Montgomery County, Maryland by himself/herself as such officer.

IN WITNESS WHEREOF, I set my hand and official seal.

[Notary Seal]

Jo Anne Peore
Notary Public

My Commission Expires: June 1, 2002

STATE OF MARYLAND)
) to wit:
COUNTY OF MONTGOMERY)

I HEREBY CERTIFY that on the _____ day of September, 2000, before me, the subscriber, a Notary Public of the State of Maryland, personally appeared _____, who acknowledged himself/herself to be the _____ of Ring House Corporation, a non-profit corporation, and that he/she, as such officer of Ring House Corporation, being authorized to do so, executed this Second Amendment to Ground Lease for the purposes contained in the document, by signing the name of Ring House Corporation by himself/herself as such officer.

IN WITNESS WHEREOF, I set my hand and official seal.

[Notary Seal]

Notary Public

My Commission Expires: _____

MONTGOMERY COUNTY CIRCUIT COURT (Land Records) MQR 18422, p. 0035, MSA_CE63_18376. Date available 06/20/2005. Printed 09/05/2023.



**HOUSING
OPPORTUNITIES
COMMISSION**
OF MONTGOMERY COUNTY, MD

10400 Detrick Avenue
Kensington, Maryland 20895
(301) 933-9750

Chen, Walsh, Tecler & McCabe
200A Monroe Street, Suite 300
Rockville, Maryland 20850

Gentlemen:

Please record the enclosed document on behalf of The Housing Opportunities Commission of Montgomery County. Present this letter when recording the document as proof of authorization to record the said document on behalf of the Commission and to avoid paying the usual recording fee. The Commission is a State-created agency authorized to buy and sell property pursuant to Article 44A of the Annotated Code of Maryland is exempt from transfer and recording fees.

Very truly yours,

Kenneth B. Tecler
Counsel for Housing Opportunities
Commission of Montgomery County

