

EXHIBIT B

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO LEASE AGREEMENT dated December 27, 1996, by and between MONTGOMERY COUNTY, MARYLAND, hereinafter referred to as the "Landlord", and SUGARLOAF CITIZENS ASSOCIATION, INC., hereinafter referred to as the "Tenant", is made this 1st day of August, 2000.

WHEREAS, the parties entered into a Lease Agreement from the County to Sugarloaf for certain real property located immediately adjacent to the County's Yard Waste Compost Facility, the "Facility," dated December 27, 1996, the "Lease,"; and

WHEREAS, the Lease was in connection with, and as a result of, a written agreement between the parties of settlement and compromise dated April 19, 1996, hereinafter referred to as the "Agreement"; and

WHEREAS, the Lease was amended by a First Amendment to Lease Agreement dated June 5, 1997; and

WHEREAS, the parties have been engaged in negotiations for additional modifications of the Agreement and the Lease.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby agree to further amend the Lease as follows:

1. Renewal. Paragraph 3. of the Lease is hereby deleted in its entirety and, in lieu thereof, the following substituted therefor:

3. RENEWAL. Assuming the Tenant has faithfully performed its duties and obligations under this Lease and is not in default thereunder, the Tenant may, at the Tenant's option and sole discretion, renew this Lease for two (2) additional and consecutive terms of five (5) years each following the expiration of the initial term hereof, and thereafter continue to renew for additional five (5) years terms each, so long as at the time of renewal the Landlord shall not have terminated its operations of the Montgomery County Yard Waste Compost Facility and declared the Premises as surplus property for disposition at public sale. Said renewal terms shall be deemed automatic absent prior written notice by the Tenant to the Landlord of an intent not to renew provided to the Landlord at least six (6) months prior to expiration of an existing term.

2. Subleasing and Licensing. The introductory portion of Paragraph 6. of the Lease and subparagraphs A.1. and A.2 thereof are hereby deleted in their entirety (subparagraph B. of Paragraph 6 remains unchanged) and, in lieu thereof, the following substituted therefor:

6. SUBLEASING AND LICENSING: The Tenant may sublet or grant a license for use of portions of the dairy barn for charitable or educational purposes or for matters or functions of concern or interest to the community generally. All subtenants and licensees must conform with existing zoning laws and to the Use provision in Paragraph 8 of this Lease.

A. FINANCIAL RESTRICTIONS.

1. The County and the Tenant agree that the subleasing or licensing of all or any portion of the dairy barn located on the Leased Premises by the Tenant shall have as its primary goal the use of the building by the community for charitable or educational purposes or for matters or functions of concern or interest to the community generally. The County and the Tenant further agree that the subleasing or licensing of all or any portion of the dairy barn shall have as a secondary goal the recovery of reasonable operating and leasing expenses incurred by the Tenant in the operation, maintenance, improvement, and administration of the Leased Premises. The Tenant may, but shall not be obligated to, charge a rent for use of the dairy barn. The Tenant agrees that rental amounts, if any, charged to a subtenant or licensee for the use of the dairy barn shall be limited to the subtenant's or licensee's prorated share of actual operation, maintenance and administrative expenses incurred by Tenant, which expenses may include any costs for improvements made to the dairy barn or its immediate surroundings or to any furnishings or equipment purchased for use in the dairy barn.

2. Tenant acknowledges and agrees that all funds received by Tenant as the result of any sublease or license of any portion of the dairy barn or its immediate surroundings shall be used by the Tenant exclusively for the operation, maintenance, improvement, and administration of the Leased Premises, and shall not result in any profit or financial gain in excess of that permitted under Paragraph A.1. hereof. Pursuant to the provisions of this Paragraph, the County may require the Tenant to provide written evidence of compliance hereunder.

3. Use. Paragraph 8. of the Lease is hereby deleted in its entirety and, in lieu thereof, the following substituted therefor:

8. USE: A portion of the dairy barn may be used by the Tenant for its office space. The remaining portions of the dairy barn and surrounding leased areas, including adjacent yards and parking areas, shall be used only for charitable or educational purposes or for matters of concern or interest to

the community generally and which are lawful. The single-family residence may only be used for residential purposes. The Southern Field, located northeast of the intersection of Martinsburg and Wasche Roads and immediately south of the Compost Facility, as more particularly shown as part of Parcel B on Exhibit 1, may only be used for agricultural purposes, defined as those uses categorized as "Agricultural" and permitted by right in Section 59-C-9.3 of the Montgomery County Code (1994) as now existing or hereafter amended. All of the aforesaid features are more particularly shown in Exhibit 1 and Exhibit 2, attached hereto and incorporated herein by reference. Tenant agrees that all uses of the Leased Premises, including those of any subtenants and licensees, shall conform with all applicable zoning ordinances.

4. Insurance. Paragraph 14 of the Lease, "INSURANCE", is hereby amended by adding a new Paragraph 14.H. as follows:

H. In the event any portion of the Premises should be leased back to the Landlord by the Tenant, the requirements for insurance coverage to be maintained by the Tenant as set forth in this Paragraph 14, specifically and only with regard to that portion of the Premises leased back to the Landlord, shall be waived and the Tenant shall not be required to provide such insurance for that portion of the Premises during any period of such a lease-back, and the Landlord shall self-insure for any damages or injuries occurring thereon.

4. Access. Paragraph 20 of the Lease, "ACCESS", is hereby amended by adding the following sentence at the end thereof:

Notwithstanding the foregoing, absent an immediate emergency which threatens life or property, the County, its contractors, agents or employees may only enter that area of the Dairy Barn devoted to the Tenant's office when accompanied by a representative of the Tenant.

5. Affirmation of Lease. In all other respects, the Lease shall remain in full force and effect, and the provisions thereof and Exhibits thereto, except as expressly amended herein, shall continue in full force and effect, and the parties hereby expressly ratify and confirm the same.

IN WITNESS WHEREOF, the parties hereto, intending to be fully bound hereby for themselves, successors and assigns, and the undersigned warranting their authority to bind their respective principals, have hereunto set their hands and seals on the day and first hereinabove written.

MONTGOMERY COUNTY, MARYLAND

Patricia C. Cook
Witness

By: Douglas M. Duncan (SEAL)
DOUGLAS M. DUNCAN,
County Executive

SUGARLOAF CITIZENS ASSOCIATION, INC.

W. J. Zuber
Witness

By: Jane S. Hunter (SEAL)
JANE S. HUNTER,
Treasurer

APPROVED AS TO FORM AND LEGAL SUFFICIENCY:

David A. Thompson for
CHARLES W. THOMPSON, JR.,
County Attorney

SUGARLOAF CITIZENS ASSOCIATION, INC.

THIS IS TO CERTIFY that, at a regular meeting of the Board of Directors of Sugarloaf Citizens Association, Inc., the "Association," duly held on the 28th day of June, 2000, the Board of Directors of the Association duly voted by resolution introduced, seconded, and appropriately passed by a majority of said Board of Directors, to authorize Jane S. Hunter, Treasurer and immediate past President of the Association:

1. To conduct negotiations with Montgomery County, Maryland, the "County," as authorized agent and officer of the Association, relating to bagging operations of the finished compost product on the site of the Montgomery County Yard Waste Composting Facility;
2. To negotiate the terms of any documents in connection therewith, including:
 - A. Any amendment to the Agreement of Settlement & Compromise dated April 19, 1996, including exhibits thereto, between the Association the County;
 - B. Any amendment to the Lease Agreement between the County as Landlord and the Association as Tenant dated December 27, 1996;
 - C. Any Lease-Back Agreement between the County as Tenant and the Association as Landlord for the use of the Feed Barn located on the premises which is the subject of the aforesaid Lease Agreement;

and

3. To execute and acknowledge on behalf of the Association, as a duly authorized agent and Officer of the Association, any and all of the aforesaid documents.



ROBERT ZARNETSKE, President

ATTEST:



CLAIRE GUNSTER-KIRBY, Secretary