

AMENDMENT TO LEASE

Liquor
Leisureworld

THIS FIRST AMENDMENT TO LEASE (this "Amendment") is made this 18th day of July, 1997, by and among ROSSMOOR - IDI COMMERCIAL CENTER ASSOCIATES LIMITED PARTNERSHIP, a Maryland limited partnership ("Landlord"), and MONTGOMERY COUNTY, MARYLAND T/A MONTGOMERY DEPARTMENT OF LIQUOR CONTROL - LEISUREWORLD STORE ("Tenant").

W I T N E S S E T H

RECITALS:

R-1. Landlord and Tenant entered into a certain Lease Agreement dated April 21, 1992 (the "Lease"), for premises located at 3824-3826 International Drive, Silver Spring, Maryland 20906 (the "demised premises") which are located in a shopping center known as Leisureworld Plaza Shopping Center.

R-2. The parties desire to amend and modify the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the agreements herein contained, the parties hereto agree as follows:

1. Incorporation of Recitals. The recitals set forth above are incorporated herein and made a part of this Amendment to the same extent as if set forth herein in full.

2. Extension of Term. The initial term of the Lease is hereby extended for a term of five (5) years commencing on April 1, 1997 and expiring on March 31, 2002 (the "First Renewal Term"), upon the same terms, covenants and conditions as are set forth in the Lease, except as amended by this Amendment. All references in the Lease to the "Lease Term" shall hereafter include the First Renewal Term.

3. Fixed Minimum Rent. Notwithstanding any contrary provision of the Lease, Article TWO of the Lease is hereby revised to provide that during the First Renewal Term, the fixed minimum rent payable by Tenant shall be as follows:

The fixed annual minimum rent shall be EIGHTY FOUR THOUSAND AND NO/100 DOLLARS (\$84,000.00) per annum, payable by Tenant in equal and successive monthly installments of SEVEN THOUSAND AND NO/100 DOLLARS (\$7,000.00) each, which monthly installments shall be paid in advance, on or before the first day of each calendar month during the First Renewal Term.

Commencing on the first (1st) day of the second (2nd) Lease Year of the First Renewal Term and continuing on the first day of each and every Lease Year of the First Renewal Term thereafter, the fixed annual minimum rent shall be adjusted by multiplying the fixed annual minimum rent set forth above by a fraction, the numerator of which is the current "CPI" (as hereinafter defined) figure for the last month of the immediately preceding Lease Year and the denominator of which is the CPI figure for the first month of said immediately preceding Lease Year; provided, however, that the increase of the fixed annual minimum rent from one Lease Year to the next succeeding Lease Year shall not be less than One Hundred Three and One-Half Percent (103.5%) of the fixed annual minimum rent due in the immediately prior Lease Year, nor more than One Hundred Six and One-Half Percent (106.5%) of the fixed annual minimum rent due in the immediately prior Lease Year. For example, if the first Lease Year of the First Renewal Term commenced in January, 1997 and the monthly rental was \$1,000, then the new fixed annual minimum rent for the second Lease Year of the First Renewal Term would be calculated as follows:

$\$1,000 \times \frac{\text{CPI figure for December, 1997}}{\text{CPI figure for January, 1997}} = \text{new fixed annual minimum rent}$

The "CPI" is defined to be the United States Bureau of Labor Statistics, Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items for the Washington, D.C., Standard Metropolitan Statistical Area (Base: 1982-1984 equals 100).

Landlord shall give Tenant notice of the increase in the fixed annual minimum rent under this Section within a reasonable time after Landlord has obtained the data necessary to compute same. In the event that, for whatever reason, the fixed annual minimum rent for any applicable Lease Year has not yet been determined by the end of the preceding Lease Year, then until such time as the fixed annual minimum rent during the preceding Lease Year is determined, Tenant shall continue to pay monthly installments of fixed annual minimum rent at the rate payable by Tenant during the immediately preceding Lease Year just ended as adjusted and increased pursuant to this Section 3. After the fixed annual minimum rent has been determined for the applicable Lease Year, Landlord shall notify Tenant of the new fixed annual minimum rent and the sum of fixed annual minimum rent owed by Tenant which has accrued since the commencement of the applicable Lease Year. Tenant shall have fifteen (15) days after receipt of the notice to pay any such accrued sum in full and, commencing with the next monthly installment of fixed annual minimum rent which is due, Tenant shall pay fixed annual minimum rent at the new rate.

If the CPI index is converted to a different standard reference base or otherwise revised, the adjustment provided for above shall be made with the use of the conversion factor, formula or table for converting the index which is published by the Bureau of Labor Statistics, or, if the Bureau shall not publish the same, then the use of the conversion factor, formula or table which is published by Prentice Hall, Inc., or failing such publication, by any other nationally recognized publisher of similar statistical information. In the event the index ceases to be published and the conversion cannot be made, there shall be substituted for the index such other index as Landlord and Tenant shall agree upon; if they are unable to agree within thirty (30) days after the index ceases to be published, the cost of living adjustment standard to be employed hereunder shall be determined in Washington, D.C., by binding arbitration in accordance with the then prevailing rules of the American Arbitration Association.

4. Renewal Term. Subject to the provisions of this Section 4, Tenant shall have the right to extend the Lease Term on the same terms and conditions as provided in the Lease (except for rent, as hereinafter provided) for one (1) additional "Extension Term" of five (5) years so long as Tenant is open and operating in accordance with the Lease, commencing upon the expiration of the First Renewal Term.

Tenant shall give Landlord written notice of its intention, if any, to extend the Lease Term at least twelve (12) months prior to the expiration of the initial Lease Term ("Renewal Exercise Notice").

The annual rental rate for the Extension Term shall be at the market rate for tenants at the Shopping Center, as determined by Landlord in its sole, but good faith, discretion, notwithstanding any vacancy factors or new tenant fix-up costs, and otherwise assuming a stable rental market for such space; provided that the fixed annual minimum rent for the first (1st) Lease Year of the Extension Term shall in no event be less than the fixed annual minimum rent for the Lease Year immediately preceding the first (1st) Lease Year of the Extension Term (the "Market Rental Rate"). Landlord, in its sole discretion, may elect by written

notice to Tenant prior to the commencement of the Extension Term, to base the annual rental rate for the Extension Term on the CPI in lieu of the Market Rental Rate, in which event, commencing on the first (1st) day of the first (1st) Lease Year of the Extension Term and continuing on the first day of each and every Lease Year of the Extension Term thereafter, the fixed annual minimum rent shall be adjusted by multiplying the fixed annual minimum rent due in the immediately preceding Lease Year by a fraction, the numerator of which is the current CPI figure for the last month of the immediately preceding Lease Year (i.e. in the case of the first Lease Year of the Extension Term this would be the last Lease Year of the First Renewal Term) and the denominator of which is the CPI figure for the first month of said immediately preceding Lease Year; provided however that in no event shall the fixed annual minimum rent in any Lease Year of the Extension Term be: (i) less than One Hundred Three and One-Half percent (103.5%) of the fixed annual minimum rent in the immediately preceding Lease Year, nor (ii) more than One Hundred Six and One-Half percent (106.5%) of the fixed annual minimum rent in the immediately preceding Lease Year (the "CPI Rental Rate"). Landlord shall provide Tenant with notice of the Market Rental Rate for the Extension Term, or Landlord's election to use the CPI Rental Rate for the Extension Term (either, a "Rent Notice") within thirty (30) days of Landlord's receipt of the Renewal Exercise Notice.

Upon Tenant's receipt of a Rent Notice, Tenant shall have thirty (30) days within which to give Landlord written notice of Tenant's objections to the annual rental rate, determined by Landlord. If Tenant does not object to the annual rental rate set forth in the Rent Notice during said 30-day period, Tenant shall be deemed to have accepted the same. If Tenant does object to the annual rental rate put forth by Landlord within said 30-day period, then, at any time prior to the commencement of the Extension Term, either Landlord or Tenant by written notice to the other may nullify and render void Tenant's notice opting for an Extension Term, whereupon the right to any further Extended Terms shall lapse and this Lease shall end upon expiration of the then current term.

Notwithstanding anything set forth herein to the contrary, if (i) at the time Tenant exercises its option to extend and/or (ii) from the time Tenant exercises its option to extend until the date of commencement of the Extension Term, Tenant shall be in default in the payment of rent hereunder and/or in default of any other terms, conditions and/or provisions of the Lease, then Tenant shall have no right to any such Extension Term.

The Extension Term shall commence immediately upon the expiration of the prior term. Upon exercise of the renewal option the last date of the Lease Term, shall automatically become the last day of the Extension Term. Once Tenant has exercised the renewal option, Tenant may not thereafter revoke such exercise. Tenant shall take the demised premises "as is" for the Extension Term and Landlord shall have no obligation to make any improvements or alterations to the demised premises. The right to exercise any of the above-referenced renewal options shall be personal to Tenant and shall not apply to any assignees or sublessees.

Landlord and Tenant hereby confirm that the Tenant's options to extend the term of the Lease (other than as set forth in this Section 4) have expired or been exercised and there are no remaining options to extend the term of the Lease other than as set forth in this Section 4.

5. Termination Option. Anything hereinabove to the contrary notwithstanding, Tenant shall have the right to terminate the Lease in the event of privatization and/or legislation that would remove Montgomery County's Department of Liquor Control from the retail liquor business at any time during the Lease Term or any renewal or extension thereof, if applicable, by providing Landlord

one hundred eighty (180) days' prior written notice of its intention to terminate the Lease and if Tenant gives Landlord such termination notice, the Lease shall terminate upon the one hundred eightieth (180th) day after receipt by Landlord of such notice. In the event of such a termination, rental payments and other payments as herein specified shall be adjusted to the date of termination.

6. Assignment. Notwithstanding anything set forth in the Lease to the contrary, in the event of the privatization of liquor stores in Montgomery County, Maryland, Tenant shall have the one (1) time right, exercisable only within one (1) year of such privatization upon thirty (30) days prior written notice to Landlord, to assign the Lease, for the use and occupation of the demised premises solely for the purpose set forth in Article 7 of the Lease (except Tenant's trade name shall be changed); provided, however, that such assignee shall assume in writing all of Tenant's obligations under the Lease in an assumption agreement satisfactory in form and substance to Landlord. Landlord shall have the right to negotiate in advance with Assignee a reasonable security deposit and other terms and conditions. In the event Tenant does assign the Lease as provided in this paragraph, then commencing on the effective date of such assignment the Landlord will look solely to such assignee to fulfill any and all of Tenant's obligations under the Lease.

7. Ratification of Lease/Conflict. All terms and conditions of the Lease are hereby ratified and affirmed, as modified by this Amendment. To the extent there is any inconsistency between the Lease and this Amendment, the provisions of this Amendment control.

8. No Waiver. Tenant hereby acknowledges that Landlord's execution of this Amendment shall not (a) constitute a waiver of any of Landlord's rights and remedies under the Lease or at law with respect to the Tenant's obligations under the Lease and (b) be construed as a bar to any subsequent enforcement of any of Landlord's rights or remedies against Tenant.

9. Capitalized Terms. All capitalized terms in this Amendment shall have the same meanings as in the Lease unless expressly provided otherwise herein.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: Bethanne Nessel

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: Gordon Aoyagi
GORDON AOYAGI, SENIOR ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 7/18/97

WITNESS:

By: Kathleen T. DeGuz

LANDLORD:

ROSSMOOR-IDI COMMERCIAL CENTER
ASSOCIATES LIMITED PARTNERSHIP,
a Maryland Limited Partnership *

By: Michael J. Jones

Title: Executive Vice President

Date: June 27, 1997

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Diane R. A. Jones

RECOMMENDED

By: Rey Junquera
REY JUNQUERA, LEASING MANAGER
DIVISION OF FACILITIES AND SERVICES

Date: 6/16/97
as modified by 6/16/97

Date: 6/16/97

* By: IDI-Commercial Center Associates
Limited Partnership

By: IDI-Maryland, Inc.