THE ESTATE OF WILBUR D. STUBBS

SUCCESSOR TO WILBUR D. STUBBS

AND

MONTGOMERY COUNTY, MARYLAND

SECOND AMENDMENT TO LEASE AGREEMENT AND ELECTION TO RENEW

THIS AGREEMENT made and executed this 1st day of May, 1997 by and between WILBUR D. STUBBS (hereinafter referred to as "Landlord") and MONTGOMERY COUNTY, MARYLAND, a body politic and corporate, (hereinafter referred to as "Tenant").

WITNESSETH

WHEREAS, Landlord and Tenant are parties to a Lease Agreement dated February 10, 1987 (hereinafter jointly referred to as the "Lease") and an Addendum to the Lease dated March 16, 1987, and a First Amendment to Lease Agreement and Election to Renew dated May 18, 1992, which are attached hereto and made a part hereof as Exhibit "A", and under which Lease the Tenant occupies the premises described as approximately 4,850 square feet of space within the Stubbs Shopping Center, 3733 University Boulevard, West, Kensington, Maryland; and

WHEREAS, the term of the Lease expires on February 14, 1997; and

WHEREAS, pursuant to the Lease, Tenant has the right to renew the Lease for one additional consecutive four (4) year eleven (11) month period, the option period to begin upon expiration of the term of the Lease; and

WHEREAS, the Lease provides that in the event Tenant exercises the option to renew, all terms of the Lease shall apply to the option periods except the rental adjustment which option period rental adjustment is defined therein; and

WHEREAS, Tenant hereby elects to renew the Lease for the second four (4) year eleven (11) month option period subject to certain amendments of the Lease agreed upon by Landlord and Tenant as follows:

I. RENT:

(A) During the lease year commencing on February 15, 1997, Tenant shall pay Base Rent to the Landlord in the annual amount of NINETY-FOUR THOUSAND FIFTY THREE AND 72/100 ($94,053.72) DOLLARS payable in equal monthly installments in the amount of SEVEN THOUSAND EIGHT HUNDRED THIRTY-SEVEN AND 81/100 ($7,837.81) DOLLARS.

(B) CONSUMER PRICE INDEX: It is agreed between the parties that the annual rent payable by the Tenant shall be adjusted at the beginning of the second lease year under the option period (for purposes of this provision, Lease Year shall be defined as February 15 through February 14), and every lease year thereafter, as determined by the application of the following formula:

To the annual rent payable by Tenant during the previous lease year shall be added that sum representing one hundred (100%) percent of the resulting amount, if any, after multiplying said annual rent payable during the previous lease year by a fraction, the numerator of which shall be the index now known as the "U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for all Urban Consumer, All Items (1987=100)", for the month prior to the last month of the previous lease year and denominator of which shall be said index for the

month prior to the first month of the previous lease year, and subtracting from such product the annual rent payable during the previous lease year.

The resulting new Basic Rent shall in no event be less than the Basic Rent payable during the preceding twelve months, shall not exceed the Basic Rent payable during the previous lease year by more than 8%, and shall be payable in twelve equal installments on the first day of each month of the applicable year.

In the event the CPI is discontinued, ceases to incorporate a significant number of the items now incorporated therein, or if a substantial change is made in such CPI, the parties hereto shall attempt to agree on an alternative formula and if agreement cannot be reached the matter shall be submitted to arbitration under the rules of the American Arbitration Society then in effect.

II. Tenant's monthly contribution for Common Area maintenance as set forth in Section 8(B) of Paragraph 8 entitled COMMON AREAS shall be $789.18.

III. Tenant's monthly installment for its proportionate share of real estate taxes as set forth in Section 9(D) of Paragraph 9 entitled REAL ESTATE TAXES shall be $596.72 through the close of the 1997 calendar year.

IV. Anything hereinabove to the contrary notwithstanding, Tenant shall have the right to terminate this Lease at any time during the term of this Lease or any renewal or extension thereof, if applicable, by providing to Landlord one hundred eighty (180) days' notice of its intention to so terminate and the Lease shall terminate upon the one hundred eightieth (180) 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.

V. 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, with thirty (30) days written notice to Landlord, to assign the Lease, for the use and occupation solely for the purpose set forth in Article 7 of the Lease (except Trade name); provided, however, that the Assignee shall assume in writing all of Tenant's obligations thereunder. In the event Tenant does assign the Lease as provided in this paragraph, then commencing on the effective date of the assignment, the Landlord will look solely to the Assignee to fulfill any and all obligations under this Lease. Any assignment shall be subject to the approval and consent of the Landlord. Landlord's approval and consent shall not be unreasonably withheld. However, the Landlord reserves the right to negotiate, prior to the effective date of the assignment, a mutually agreeable rent with the Assignee for the balance of the lease term and any option period(s) available under the Lease.

VI. Landlord and Tenant agree that all terms, conditions and covenants in the Lease dated February 10, 1987, the Lease Addendum dated March 10, 1987 and the First Amendment to Lease Agreement and Election to Renew dated May 18, 1992, shall remain in full force and effect without any change or modifications except as otherwise indicated in the Amendment.

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

WITNESS:

By: Bethanne Nesselt

LESSEE:
MONTGOMERY COUNTY, MARYLAND

By: _____
GORDON AOYAGI, SENIOR ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 5/6/97

WITNESS:

By: _____

LESSOR:
THE ESTATE OF WILBUR D. STUBBS

By: Mary E. Ommundsen
MARY ELLEN OMMUNDSEN, P.R.

Title: Secy/Treas.

Date: April 16, 1997

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: Diane R. A. Jones

Date: 4/7/97

RECOMMENDED

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

Date: 4/22/97

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