LEASE AMENDMENT AND EXTENSION OF LEASE

THIS LEASE AMENDMENT AND EXTENSION OF LEASE ("Amendment") is entered as of 10/2, 1997, by and among MUDDY BRANCH SQUARE LIMITED PARTNERSHIP, whose address is c/o Rappaport Management Company, 8081 Wolftrap Road, 2nd Floor, Vienna, Virginia 22182, hereinafter referred to as "Landlord", and MONTGOMERY COUNTY, MARYLAND, whose address is Department of Facilities & Services, 110 N. Washington Street, 3rd Floor, Rockville, Maryland 20850, Attn: Real Estate Management, hereinafter referred to as "Tenant."

RECITALS:

A. Landlord and Tenant entered into a Lease Agreement dated June 26, 1987, as amended by that certain Supplement 1 to Lease dated June 26, 1987 (collectively the "Lease") whereby said Tenant let those certain premises located in Muddy Branch Square Shopping Center (hereinafter referred to as the "Original Premises"), for a period expiring on September 1, 1997; and

B. Landlord and Tenant desire to extend the term and amend said Lease in certain respects as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby reciprocally acknowledged, Landlord and Tenant agree as set forth below.

1. Term. The term of the Lease is hereby extended and revised so that the termination date shall be September 1, 2002 instead of September 1, 1997. The period from September 2, 1997 through September 1, 2002 is hereafter referred to as the "Extended Term." Any provision in the Lease, whether express or implied, which could be construed as providing Tenant a further right to extend the Term past the termination date of the Extended Term set forth in the preceding sentence shall not be applicable to the Extended Term.

2. Minimum Rent. During the Extended Term, Minimum Rent shall be as follows:

Period	Annually	Monthly
9/2/1997 through 9/1/1998	$70,200.00	$5,850.00
9/2/1998 through 9/1/1999	$72,306.00	$6,025.50
9/2/1999 through 9/1/2000	$74,475.24	$6,206.27
9/2/2000 through 9/1/2001	$76,709.52	$6,392.46
9/2/2001 through 9/1/2002	$79,010.76	$6,584.23

3. Termination. (a) Notwithstanding anything to the contrary contained in the Lease, 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 term of the Lease or any renewal or extension thereof (including the Extended Term), 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.

(b) Notwithstanding anything to the contrary contained in the Lease, and provided that Tenant does not elect to expand its Leased Premises by exercising its right of first offer pursuant to Paragraph 6 below, Tenant shall have the right to terminate the Lease at any time after September 1, 2000 by providing Landlord with written notice of Tenant's election to terminate one hundred eighty (180) days in advance of such termination. In the event of such a termination, rental payments and other payments as herein

specified shall be adjusted to the date of termination.

(c) Nothing contained in this section in any way modifies or limits the provisions of Section 35 of the Lease. Section 40 of the Lease is deleted in its entirety.

4. Assignment. Notwithstanding anything set forth in the Lease to the contrary (including, but not limited to Paragraph Ten), 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 of the Premises solely for the purpose set forth in Paragraph Seven of the Lease (except for the trade name of Tenant), provided, however, that such assignee shall (a) assume in writing all of Tenant's obligations thereunder, (b) place a reasonable security deposit with Landlord, and (c) agree to any other terms and conditions reasonably requested by Landlord and execute an instrument in writing evidencing same. Landlord shall have the right to negotiate in advance with Assignee the security deposit and such other terms and conditions reasonably requested by Landlord. 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 the Lease.

5. Notices. Section 42 of the Lease is hereby deleted in its entirety, and in lieu thereof the following shall apply:

> "All notices required or permitted under this Lease shall be in writing and deemed to be properly served if sent by registered or certified mail or Federal Express or similar courier service with overnight delivery or via professional messenger service to the addresses set forth below, or to such other address as either party may designate in writing in accordance with this Paragraph. All notices shall be effective when delivered, refused, or returned as undeliverable. All requests, consents and approvals required or permitted under the Lease shall be in writing.
>
> If to Landlord:
> MUDDY BRANCH SQUARE LIMITED PARTNERSHIP
> c/o Rappaport Management Co.
> 8081 Wolftrap Road, 2nd Floor
> Vienna, Virginia 22182
>
> With a copy to:
> Ronald M. Hirschel, Esq.
> Hirschel, Savitz, Parker & Hollman, P.A.
> 481 N. Frederick Avenue
> Suite 200
> Gaithersburg, Maryland 20877
>
> If to Tenant:
> Montgomery County Government
> Department of Facilities & Services
> 110 N. Washington Street
> 3rd Floor
> Rockville, Maryland 20850
> Attn: Real Estate Management

6. Right of First Offer. Landlord is planning to construct a new building at the northeast corner of the building presently occupied by Giant Food which new building shall contain approximately six thousand four hundred (6,400) square feet of retail space and which building Landlord plans to construct generally in accordance with the plan attached hereto as Exhibit A (the "New Premises"). As of the date hereof, Landlord estimates that such New Premises will be ready for delivery on or about September 1, 1998, which estimate is subject to modification in

Landlord's sole discretion. Landlord may or may not construct any such New Premises and nothing contained herein shall be construed to require Landlord to construct any New Premises. In the event Landlord does construct the New Premises, Landlord agrees to provide Tenant with written notice, one hundred twenty (120) days in advance ("Landlord's Delivery Notice"), of the estimated date upon which the New Premises will become available for delivery to Tenant. Tenant shall thereafter have the one-time right to Lease the New Premises upon the terms, covenants, and conditions contained in the Lease Modification Agreement attached hereto as Exhibit B (the "Agreement"). Tenant's election to Lease the New Premises shall be made by giving Landlord written notice of such election ("Tenant's Election Notice") within fifteen (15) days after Tenant's receipt of Landlord's Delivery Notice. Tenant's Election Notice shall be accompanied by four (4) copies of the Agreement, executed by Tenant.

7. Defined Terms. Terms that are defined in the Lease shall have the same meanings when such terms are used in this Amendment.

8. Confirmation of Terms. All of the terms, covenants and conditions of the Lease, except as are herein specifically modified and amended, shall remain in full force and effect and are hereby adopted and reaffirmed by the parties hereto. In the event of a conflict between the terms and conditions of the Lease and this Amendment, the terms and conditions of this Amendment shall prevail.

IN WITNESS WHEREOF, the parties have executed this Amendment on the day and year first above written.

WITNESS:

Margaret E. Dilley

ATTEST:

By: _____
Typed Name: _____
Title: _____

LANDLORD:
MUDDY BRANCH SQUARE LIMITED PARTNERSHIP

By: Samuel Lehrman
Typed Name: Samuel Lehrman
Title: President
Lehrco Corporation, General Partner

TENANT:
MONTGOMERY COUNTY, MARYLAND

By: _____
Typed Name: Gordon Aoyagi
Title: Sr. Asst. Chief Administrative Officer
Montgomery County, Maryland

RECOMMENDED BY:

By: _____
Typed Name: Rey Junquera
Title: Leasing Manager
Montgomery County, Maryland

MUDDY BRANCH SQUARE

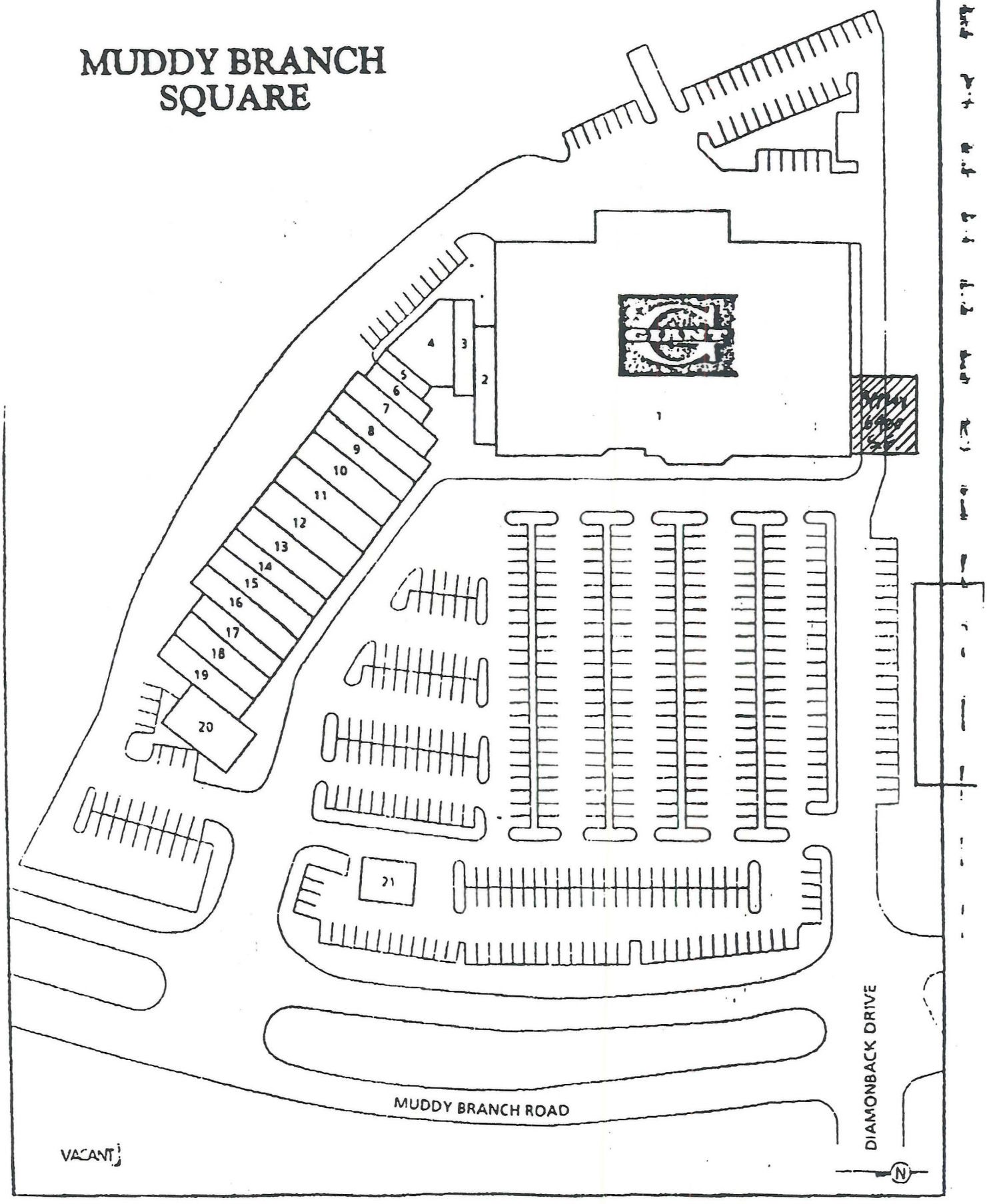

Exhibit "A"
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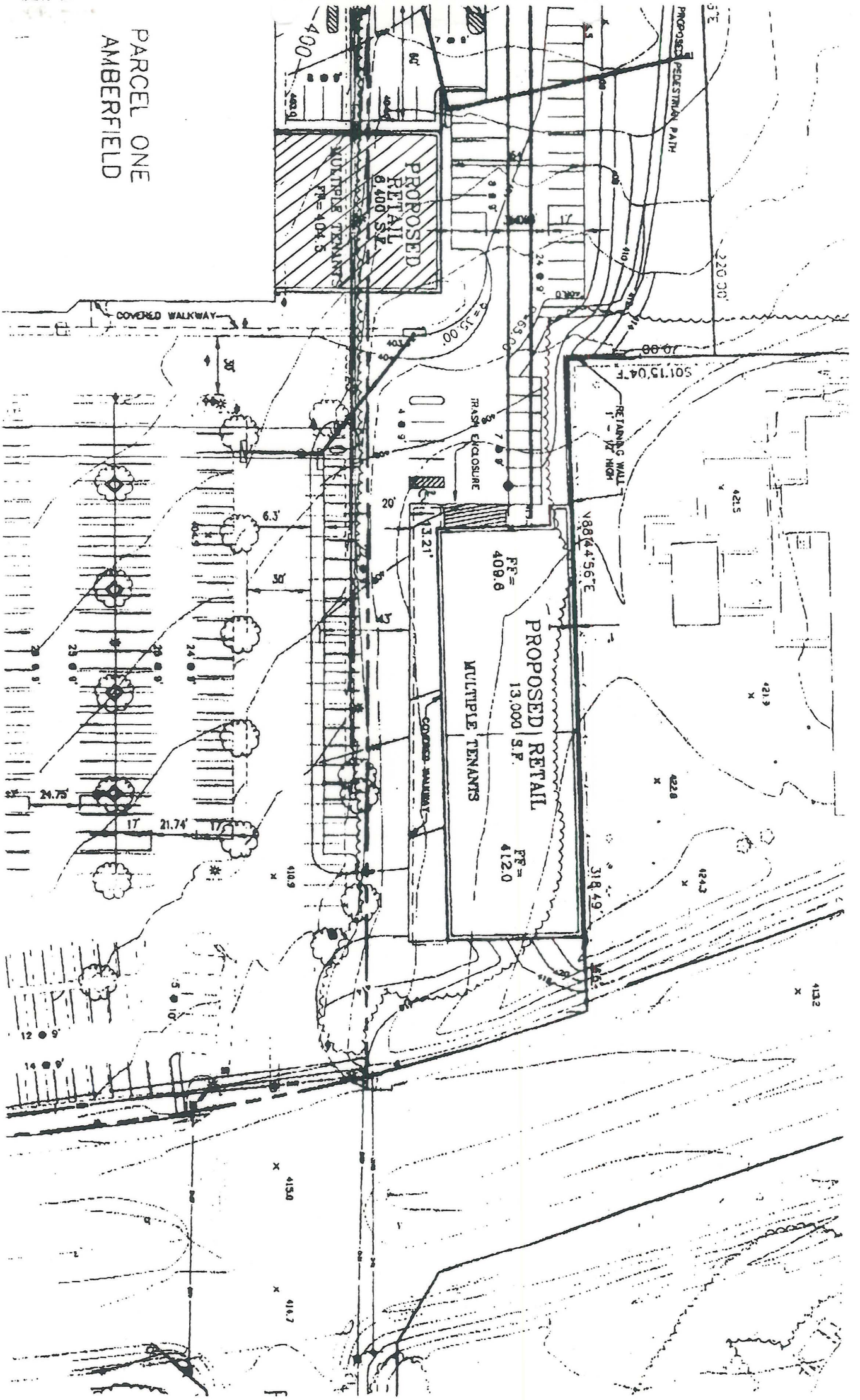

Exhibit "A"
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