

AMENDMENT TO LEASE

THIS AMENDMENT TO LEASE is made and entered into this 24th day of March, 1997 by and between SAUL SUBSIDIARY I LIMITED PARTNERSHIP (hereinafter referred to as "Landlord") successor in interest to B. F. SAUL REAL ESTATE INVESTMENT TRUST and MONTGOMERY COUNTY, MARYLAND T/A WHITE OAK LIQUOR & WINE, MCDLC (hereinafter referred to as "Tenant"),

WHEREAS, Landlord's predecessor and Tenant have entered into that certain Lease dated May 20, 1992 (the "Lease") for approximately 4,055.25 square feet of space in the White Oak Shopping Center located at 11267 New Hampshire Avenue, Silver Spring, Maryland 20904; and

WHEREAS, the parties hereto desire to enter into this Amendment to Lease for the purposes hereinafter set out.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **TENANT'S RELOCATION.** Subject to the provisions and conditions set forth herein, Tenant will relocate from the Premises currently leased by Tenant containing approximately 4,055.25 square feet to other space within the Shopping Center containing approximately 5,499 square feet (the "New Premises") as shown on Exhibit A attached hereto and made a part hereof.

(a) Tenant shall be responsible for all costs associated with the relocation of Tenant's business to the New Premises.

(b) Tenant shall vacate the Premises originally leased to Tenant in accordance with the terms of the Lease and shall open for business in the New Premises within thirty (30) days after the date Landlord delivers the New Premises to Tenant.

(c) From and after the date Tenant relocates Tenant's business to the New Premises, the term "Premises" as used in the Lease shall refer to the New Premises and not to the premises originally leased to Tenant under the Lease, and except as modified herein, all terms, covenants and conditions of the Lease shall apply with full force and effect to the New Premises throughout the remainder of the term of the Lease as if the New Premises had originally been leased to Tenant in the Lease.

2. **TERM.** Article 2 of the Lease captioned "Term" is hereby modified to extend the term of the Lease for sixty (60) months commencing on the Effective Date (as hereinafter defined).

3. **MINIMUM RENT.** (a) Article 3 of the Lease captioned "Rent" is hereby modified to provide that Tenant shall pay Minimum Rent in the amount of One Hundred Fifteen Thousand Four Hundred Seventy-Nine and No One-Hundredth Dollars (\$115,479.00) per year in equal monthly installments of Nine Thousand Six Hundred Twenty-Three and Twenty-Five One-Hundredth Dollars (\$9,623.25) each for the period commencing on the Effective Date and ending on the last day of the first Lease Year thereafter; and

(b) On the first day of the anniversary of the Effective Date and on the first day of each succeeding Lease Year thereafter during the term as hereby extended (including any Option Term(s) provided for herein), the Minimum Rent shall be adjusted to reflect any increases in the "Consumer Price Index" (the "CPI" as hereinafter defined). Such adjustment shall be accomplished by multiplying the Minimum Rent in effect from time to time pursuant to paragraph 3(a) hereof by a fraction, the numerator of which shall be the CPI applicable to the third month prior to the date of adjustment, and the denominator of which shall be the CPI applicable to the third month prior to the Effective Date. In no event shall any adjustment made pursuant to this Article result in a reduction of the then-current Minimum Rent. Notwithstanding the foregoing, in no event shall Minimum Rent for the second Lease Year after the Effective Date or for any succeeding Lease Year (i) increase by less than two percent (2%) over the Minimum Rent payable with respect to the immediately preceding Lease Year or (ii) increase by more than five percent (5%) over the Minimum Rent payable with respect to the immediately preceding Lease Year.

(c) The Consumer Price Index is hereby defined to be the "Consumer Price Index - Seasonally Adjusted, United States City Average, For All Items For All Urban Consumers (1982-1984 = 100),"

published monthly in the "Monthly Labor Review" of the Bureau of Labor Statistics of the United States Department of Labor ("CPI-U"). If the CPI-U is discontinued, the "Consumer Price Index-Seasonally Adjusted, United States City Average, For All Items For Urban Wage Earners and Clerical Workers (1982-1984 = 100)," published monthly in the "Monthly Labor Review" by the Bureau of Labor Statistics of the United States Department of Labor ("CPI-W"), shall be used. If the CPI-W is discontinued, comparable statistics on the purchasing power of the consumer dollar published by the Bureau of Labor Statistics of the United States Department of Labor shall be used. If the Bureau of Labor Statistics shall no longer maintain statistics on the purchasing power of the consumer dollar, comparable statistics published by a responsible financial periodical or recognized authority selected by the Landlord shall be used. If the base year "(1982-1984 = 100)" or other base year used in computing the CPI is changed, the figures used shall be changed accordingly, so that all increases in the CPI are taken into account notwithstanding any such change in a base year.

4. **ANNUAL OPERATING COSTS.** Commencing on the Effective Date, Article 4 of the Lease captioned "Annual Operating Costs" shall be modified to provide that Tenant shall pay an estimated minimum annual charge of Fifteen Thousand Six Hundred Seventy-Two and Fifteen One-Hundredth Dollars (\$15,672.15) per year, in equal monthly installments of One Thousand Three Hundred Six and One One-Hundredth Dollars (\$1,306.01) each, subject to adjustment as provided in the Lease.

5. **REAL ESTATE TAXES.** Commencing on the Effective Date, Article 5 of the Lease captioned "Real Estate Taxes" shall be modified to provide that Tenant shall pay an estimated annual charge of Eleven Thousand Nine Hundred Thirty-Two and Eighty-Three One-Hundredth Dollars (\$11,932.83) per year, in equal monthly installments of Nine Hundred Ninety-Four and Forty One-Hundredth Dollars (\$994.40) each, subject to adjustment as provided in the Lease.

6. **ASSIGNMENT.** Article 42 of the Lease is hereby deleted in its entirety and of no further force or effect. 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 of the Premises solely for the purpose set forth in Article 8 of the Lease (except for the trade name), provided, however, that (1) such assignee shall possess qualifications for conducting the business at the Premises to the satisfaction of Landlord; (2) such assignee shall assume in writing all of Tenant's obligations thereunder; and (3) such assignee shall meet Landlord's financial qualifications or obtain a guaranty, on Landlord's form, with individual(s) or an entity with financial qualifications satisfactory to Landlord. In the event Tenant shall assign the Lease as provided in this paragraph, then commencing on the effective date of such assignment the Minimum Rent shall increase to One Hundred Sixty-Four Thousand Nine Hundred Seventy and No One-Hundredth Dollars (\$164,970.00) per year payable in equal monthly installments of Thirteen Thousand Seven Hundred Forty-Seven and Fifty One-Hundredth Dollars (\$13,747.50) each, subject to adjustment as provided in paragraph 3(b) above.

7. **LANDLORD WORK.** Except as provided for herein, Tenant accepts the New Premises in "as is" condition, it being expressly understood that Landlord has made no representations or warranties with respect to the New Premises and Tenant has inspected the same and has found the New Premises to be satisfactory. Tenant shall not make any alterations or improvements to the New Premises without Landlord's prior written approval. Prior to delivery of the New Premises to Tenant, Landlord shall, at its sole cost and expense, perform the work described in Exhibit B attached hereto and made a part hereof.

8. **OPTION.** Paragraph (c) of Article 2 of the Lease is hereby deleted in its entirety and of no further force or effect. Commencing on the Effective Date, Tenant shall have the option to renew the term of this Lease for one (1) additional term of five (5) years, following the expiration of the original term as extended herein (the "Option Term"), provided that this Lease is in full force and effect, that the Tenant named herein or a permitted assignee shall be in possession and occupying the Premises, and Tenant shall not be in default in the performance or observance of any of the terms, provisions, covenants and/or conditions of the Lease, either on the date of the exercise of any Option Term granted herein or on the day the Option Term begins. All such rights of renewal must be exercised by delivery to Landlord of an unequivocal written notice of Tenant's intention to renew at least six (6) but not more than nine (9) months prior to the expiration of the original term of the Lease as extended herein. The Option Term shall be on the same terms, covenants and conditions as the original term, except that the Minimum Rent during the Option Term shall be increased as provided in paragraph 3(b) above.

9. **RIGHT TO TERMINATE.** Provided that Tenant is not in default of any of the terms, conditions, obligations or provisions of this Lease, Tenant shall have the right, at anytime after eighteen (18) months following the Effective Date, to terminate this Lease, by giving Landlord one hundred eighty (180) days advance written notice of its intention to terminate. In the event this Lease is assigned as provided in paragraph 6 above, then, Tenant's right to terminate as provided herein shall be null and void and of no further force and effect.

10. **ADVERTISING AND PROMOTIONAL SERVICE.** (a) Landlord may establish an Advertising and Promotional Service to furnish and maintain advertising and sales promotions for the benefit of the Shopping Center. Contributions paid by Tenant pursuant to this Article together with similar contributions Landlord may receive from time to time from other tenants of the Shopping Center shall be used to establish the Promotion Fund. The Promotion Fund shall be used by Landlord to pay costs and expenses associated with the formulation and carrying out by Landlord of an ongoing program for the promotion of the Shopping Center, which program may include, without limitation, special events, shows, displays, signs, decor, seasonal events, and other activities within the Shopping Center designed to attract customers. In addition, Landlord may use the Promotion Fund to defray the costs of administration of the Promotion Fund, including (without limitation) the salary of any promotion and advertising director and related secretarial personnel, rent and insurance.

Commencing on the Effective Date and continuing each Lease Year thereafter, Tenant shall pay to Landlord \$100.00 per year (the "Annual Promotion Fund Contribution"), payable in equal monthly installments of \$8.33. The aforesaid monthly amount shall be payable to Landlord at the same time and place and together with the monthly installments of rental required to be paid under this Lease, and shall be considered Additional Rental and non-payment shall entitle Landlord to the remedies available to it for non-payment of rent. During each Lease Year, Landlord shall contribute to the Annual Promotion Fund an amount equal to 20% of the aggregate contributions made by the other contributors to the Annual Promotion Fund during the same Lease Year.

(b) At such time or times as Landlord shall elect not to provide the Advertising and Promotional Service hereinabove set forth, Landlord may cause to be established a Merchants' Association for the tenants of the Shopping Center, and Tenant agrees to become and remain a member of such Merchant's Association for the entire term of this Lease and any renewal or extension thereof. Tenant agrees to pay as dues to said Merchants' Association as Additional Rental, the amount hereinabove set forth for the Advertising and Promotional Service, to be payable in the same manner. Landlord shall contribute during each Lease Year to such Merchants' Association a sum of money not less than 20% of the total amount paid in such year by Tenant toward the expense of advertising and promotional activities with respect to the Shopping Center of which the Premises are a part. At the option of the Landlord, the Landlord may elect to contribute part or all of the services of a promotion director and/or secretary in lieu of a cash contribution. The promotion director shall be under the exclusive control and supervision of the Landlord who shall have the sole authority to employ and discharge the promotion director. Money so paid by tenants and contributed by Landlord shall be expended for said activities by or under the direction of Landlord, or by such person, firm, corporation or association to whom or to which Landlord may delegate such authority. Whenever during the term of this Lease, there shall be in existence a Merchant's Association approved by Landlord for the purpose, said Association shall receive and expend such fund for the aforesaid purposes.

11. **HVAC DELIVERY.** Landlord shall cause the existing heating, ventilation and air conditioning unit(s) serving the New Premises to be in good working order on the date Landlord delivers possession of the New Premises to Tenant.

12. **LANDLORD'S REPRESENTATION.** Landlord represents that, upon delivery of the New Premises to Tenant, the New Premises will not be in violation of any applicable fire codes or of the Americans with Disabilities Act, as amended.

for purposes of Articles 3, 4, 5 and 10 above, _____

13. **EFFECTIVE DATE.** The Effective Date of this Amendment to Lease shall be the first to occur of (i) February 1, 1997 or (ii) thirty (30) days after the date Landlord delivers the New Premises to Tenant. MF/

14. Except as specifically modified hereby, the Lease shall remain in full force and effect in accordance with the terms contained therein and is hereby ratified, approved and confirmed in all respects.

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

16. Any agreement, obligation or liability made, entered into or incurred by or on behalf of Landlord binds only its property and no shareholder, trustee, officer, director, employee, partner or agent of the Landlord assumes or shall be held to any liability therefor.

17. The provisions of this Amendment to Lease shall be binding upon the parties hereto, their successors, and to the extent permitted under the Lease, their assigns.

18. The submission of this Amendment for examination does not constitute an agreement, an option or an offer, and this Amendment becomes effective only upon execution and delivery thereof by Landlord. Neither party shall have any legal obligation to the other in the event that the Amendment contemplated herein is not consummated for any reason. Discussions between the parties respecting the proposed Amendment described herein, shall not serve as a basis for a claim against either party or any officer, director or agent of either party. Captions and headings are for convenience and reference only and shall not in any way define, limit or describe the scope or content of any provision of this Amendment. Whenever in this Amendment (i) any printed portion, or any part thereof, has been stricken out, or (ii) any portion of the Lease (as the same may have been previously amended) or any part thereof, has been modified or stricken out, then, in either of such events, whether or not any replacement provision has been added, this Amendment and the Lease shall hereafter be read and construed as if the material so stricken out were not included, and no implication shall be drawn from the text of the material so stricken out which would be inconsistent in any way with the construction or interpretation which would be appropriate if such material had never been contained herein or in the Lease. The Exhibits referred to in this Amendment and attached hereto are a substantive part of this Amendment and are incorporated herein by reference.

19. During the period between the date Landlord delivers the New Premises to Tenant, as described in 13 above, and the Effective Date, Tenant shall simultaneously occupy the New Premises and the premises originally leased to Tenant in accordance with the provisions of the original Lease as amended by this amendment.

(SIGNATURES ON NEXT PAGE)



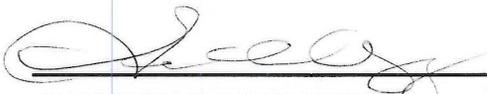
IN WITNESS WHEREOF, the parties hereto have caused this agreement to be properly executed.

WITNESS:

By: Rebecca S Domaruk

TENANT:

MONTGOMERY COUNTY, MARYLAND

By: 
GORDON AOYAGI, SENIOR ASSISTANT
CHIEF ADMINISTRATIVE OFFICER

Date: 2/24/97

WITNESS:

By: Stephanie D. Pack (MF)

LANDLORD:

SAUL SUBSIDIARY I LIMITED
PARTNERSHIP

By: Saul QRS, Inc., General Partner

By: 
Philip D. Caraci

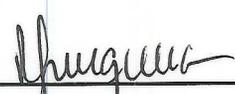
Title: President

Date: 2/27/97

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

By: 
(subject to advertisement
of Lease)

RECOMMENDED

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

Date: 2/26/97

Date: 3/17/97

EXHIBIT "B"
LANDLORD'S WORK

Landlord shall perform the following improvements in the Premises at its sole cost and expense in a workmanlike manner and in accordance with applicable building codes.

1. Replace and/or repair all missing, broken or damaged ceiling tiles.
2. One (1) handicap accessible bathroom, including not more than: one (1) water closet, one (1) water fountain, and one (1) utility sink; and all required partitions, doors and hardware.
3. Relocate the sign currently being utilized by Tenant from the Premises to the New Premises; however, if the cost to relocate the sign exceeds \$1,500.00, then Tenant shall reimburse Landlord the amount which exceeds \$1,500.00 within ten (10) days after the sign is relocated and installed on the New Premises.
4. Demolish the existing sales counter and dressing rooms per specifications mutually agreed to by Landlord and Tenant.
5. Install two (2) Streater/Joyce Brand check out counters, one (1) 84" model #4020154 and one (1) 96" model #4020155. Tenant shall order and provide Landlord with the counters and Landlord shall within thirty (30) days after the date Landlord receives the invoice for the counters from Tenant pay to Tenant the lesser of (i) the actual cost of the counters or (ii) \$2,800.00.
6. Construct one (1) 8 foot x 10 foot x 6 foot tall free standing managers office with 4 foot opening and two (2) 110 volt standard electrical duplex outlets.
7. Supply and install two (2) 110 volt power poles on a separate circuit for the electronic cash registers.

All other improvements not specified above shall be performed by Tenant at its sole cost and expense. NO CREDIT SHALL BE GIVEN to Tenant for any items above not provided by Landlord at Tenant's request, unless otherwise agreed to in writing prior to the commencement of Landlord's construction.

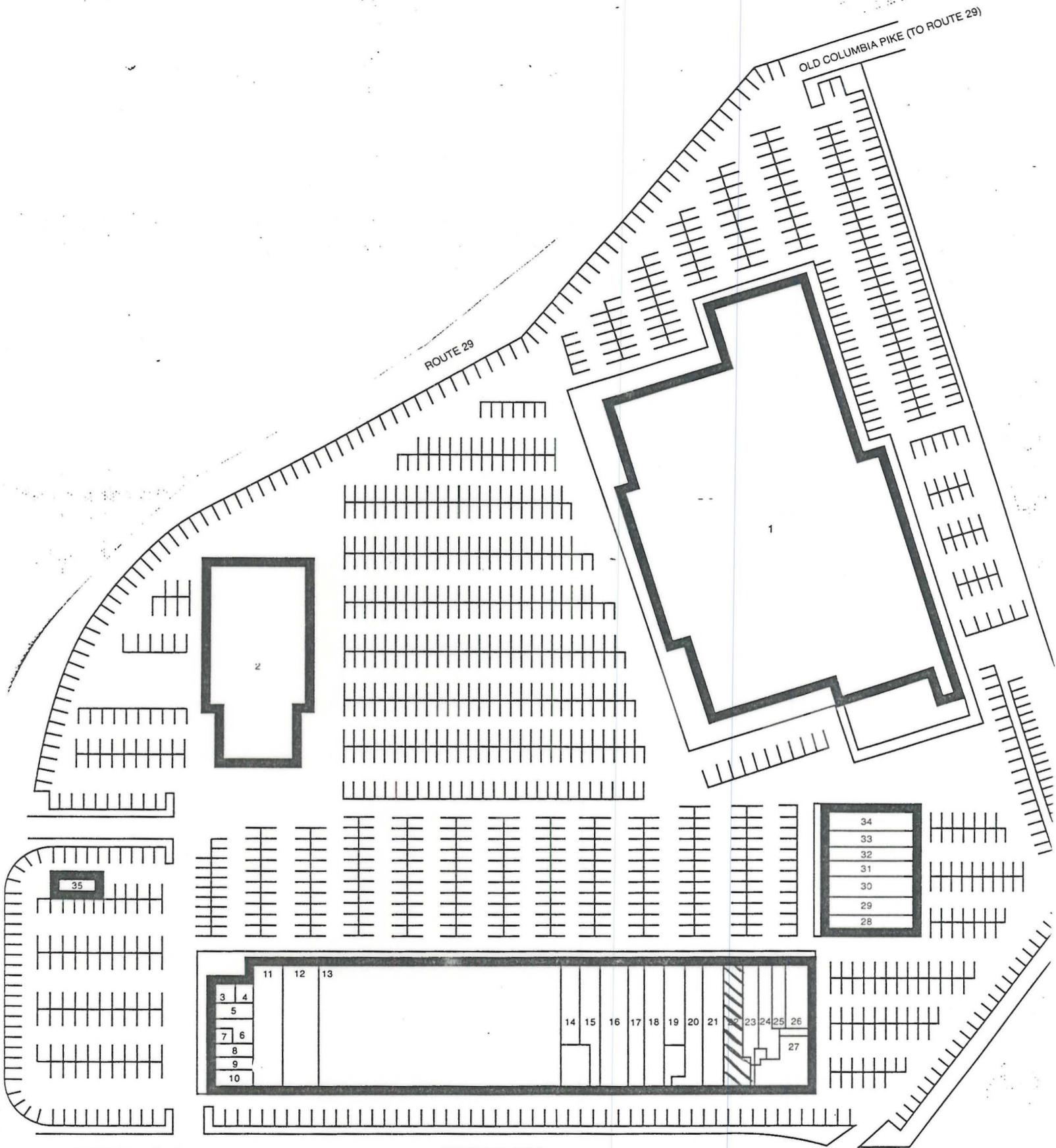


EXHIBIT "A"
 WHITE OAK SHOPPING CENTER

"This site plan is presented solely for the purpose of identifying the approximate location and size of the buildings presently contemplated by the owner. Building sizes, site dimensions, access and parking areas, existing tenant locations and identities are subject to change at the owner's discretion, except as otherwise expressly restricted herein."