EXHIBIT 1

SUBRECIPIENT AGREEMENT BY AND BETWEEN
THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY
AND
ARLINGTON COUNTY VIRGINIA

This Subrecipient Agreement (hereinafter referred to as "the Agreement"), made and entered into this ___ day of December, 2008 by and between the Washington Metropolitan Area Transit Authority (hereinafter referred to as "WMATA") and the County Board of Arlington County Virginia (hereinafter referred to as "Arlington").

WITNESSETH:

WHEREAS, on August 2, 2000, Arlington and WMATA entered into an agreement for the Design and Approval (Phase One) of certain public transportation projects, including the Clarendon Canopy and Metro Park Improvement Project; and

WHEREAS, WMATA obtained grants from the Federal Transit Administration (hereinafter referred to as the "FTA") to fund, in part, the Clarendon Canopy Project and Metro Park Improvement Project, FTA Grants No. DC-03-0038-00 ($305,374) and No. DC-90-X071-00 ($22,393) (hereinafter referred to jointly as the "Grants") and the Arlington County Business Improvement Program Bonds ("County Bond Funds") ($33,000) ; and

WHEREAS, WMATA designed and constructed the Clarendon Canopy Project; and

WHEREAS, there are funds remaining on deposit with WMATA in the amount of $301,471 (consisting of $222,213 in FTA Grant funds, $55,554 in local match funds, and $23,704 in County Bond Funds) (hereinafter referred to jointly as "Remaining Funds") for the Metro Park Improvement Project; and

WHEREAS, Arlington is planning on completing the plaza in and around the Clarendon Station (hereinafter referred to as the "Clarendon Metro Plaza") which work, upon execution of this Agreement, will be eligible for reimbursement from the Remaining Funds under the Grants; and

WHEREAS, this Sub-Recipient Agreement is the most efficient means for Arlington to complete the work and obtain reimbursement under the Grants.

NOW, THEREFORE, the parties do mutually agree as follows:

PART I
PROJECT

1.01. Arlington is designing and plans to construct certain improvements in and around the Clarendon Metrorail Station, including pedestrian paving, seating, bike parking, wayfinding, integrated art, landscaping and lighting ("Project").

1.02. Arlington previously provided matching funds in an amount equal to twenty percent (20%) of the Grants funds paid under this Agreement as documented in the WMATA Office of Accounting Source and Use Statement dated July 31, 2008.

Part II
FUNDING

2.01. There are Remaining Funds in the Project in the total amount of $301,471 (consisting of $222,213 in FTA Grant funds, $55,544 in local match funds and $23,704 FY99 Arlington County Business Improvement Program Bonds).

2.02. Arlington certifies that $55,544 in local funds have been provided by Arlington to WMATA as local match for the federal funds.

2.03. In order for Arlington to obtain from WMATA the Remaining Funds for the Project, Arlington shall submit requests for reimbursement to the WMATA designated project manager. The requests shall include contractor invoices and an Arlington certification that the work is complete and eligible for payment pursuant to this Agreement. WMATA shall process properly submitted requests for reimbursement within thirty (30) days of receipt by WMATA. Payments shall be made to Treasurer, Arlington County and send to:

Arlington County Department of Environmental Services
Division of Transportation
2100 Clarendon Blvd Suite 900
Arlington Virginia, 22201
Attn: Tom Hutchings

2.04. In no event shall reimbursement for Project costs from the FTA Grant funds exceed $ 222,213. If the FTA determines that any Grant funds were not properly expended by Arlington, then Arlington agrees to reimburse the FTA or WMATA for any sums (excepting the $55,554 local match funds and the $23,704 County Bond Funds) deemed ineligible for payment with Grant funds or improperly expended.

PART III
GRANT REQUIREMENTS

3.01. The terms of FTA's Grant Award for Grant No. DC-03-0038-00 and No. DC-90-X071-00, Attachments 1 and 2 respectively, and the FTA Assistance Programs Certifications and Assurances, FFY 2008 dated October 25, 2007, and the FTA Master Agreement, FTA MA (13), dated October 1, 2006, including all documents incorporated therein, and all applicable laws, regulations, and circulars, are incorporated herein by reference as if fully set forth herein. Arlington shall be a subrecipient under the Grants. For the purposes of this Agreement unless the context clearly indicates otherwise, each reference in the forgoing documents to "Recipient" or "Applicant" shall mean Arlington and, where appropriate to make Arlington obligations under such documents due and owing to WMATA, "Government" or "FTA" shall mean WMATA. Arlington shall perform the Clarendon Metro Plaza Project work in strict accordance with the provisions of the Grants.

3.02. In addition, Arlington shall comply with the following:

3.02.a. Federal Changes: Arlington shall at all times comply with all applicable Federal statutes, executive orders, FTA circulars, regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement, as they may be amended or promulgated from time to time during the term of this subrecipient agreement. Arlington's failure to comply shall constitute a material breach of this Agreement.

3.02.b. Arlington shall make all applicable Certifications and Assurances which the FTA may require of grant recipients, and any revised, updated or reissued versions of the Certification and Assurances.

3.02.c. The parties agree that Arlington's Certifications and Assurances are material representations of fact upon which WMATA has relied in deciding whether to enter into this Agreement and award the subgrant from the Grant proceeds. The submission of the Certification and Assurances is a prerequisite for the award of the subgrant from the Grant proceeds under various federal laws including 31 U.S.C. 1352. Failure to make the required certifications or the making of false certifications is punishable under federal law and can include civil penalties in excess of $10,000 for each unmade or incorrect certification.

3.02.d. Procurement: In accordance with FTA Circular 4220.1E, Arlington shall adhere to the applicable federal procurement regulations, including, but not limited to, the following:

(12774) General: Arlington may enter into third party contracts for procurement of design, engineering and construction services required to

construct improvements in and around the Clarendon Metro Plaza. Arlington must ensure that these services are obtained in free and open competition, prices are fair and reasonable, and are in compliance with the provisions of applicable Federal, State, and local laws. This includes affording procurement opportunities to small and disadvantaged business enterprises.

(12775) Conformance with State and Local Law: Arlington shall use its own procurement procedures that reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law, including the requirements and standards identified in this Agreement.

(12776) Contract Administration System: Arlington shall maintain a contract administration system that ensures that third-party contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

Statutory and Regulatory Requirements. A current and comprehensive list of statutory and regulatory requirements applicable to grantee procurements (such as Disadvantaged Business Enterprise, Clean Air, and Buy America) is contained in the FTA Master Agreement (Attachment 4). Arlington is responsible for evaluating these requirements for relevance and applicability to each procurement. Arlington agrees to comply with all applicable statutory and regulatory requirements referenced in the FTA Master Agreement. For example, procurements involving the purchase iron, steel and manufactured products will be subject to the "Buy America" requirements in 49 C.F.R. Part 661. Further guidance concerning these requirements and suggested wording for contractual clauses may be found in FTA's Third Party Procurement Manual (FTA Circular 4220.1E http://www.fta.dot.gov/laws/circulars/leg_reg_4063.html, and the Best Practices Procurement Manual, http://www.fta.dot.gov/funding/thirdpartyprocurement/grants_financing_6037.html)

3.02.e. Access to Records and Reports:

(12859) In accordance with 49 CFR 633.17, Arlington shall require third-party contractors to provide Arlington, WMATA, the Secretary of Transportation and the Comptroller General, access to the Contractor's records related to the contracts for which Arlington receives reimbursement, in whole or in part, with funds from the Grant.

(12860) Arlington shall require the contractor to permit any of the foregoing parties in subsection (1) of section 3.01.n to reproduce by any

means whatsoever or to copy excerpts and transcriptions as reasonably needed.

Arlington shall require the contractor to maintain all books, records, accounts, and reports for a period of not less than three years after the date of termination or expiration of its contract, except in the event of litigation or settlement of claims, in which case, contractor shall agree to maintain the same until WMATA, Arlington, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

(12861) Arlington will give WMATA, the FTA, the Comptroller General of the United States, and if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the award, and will establish a proper accounting system in accordance with generally accepted standards of agency directives. Arlington will also require its third-party contractors to do the same.

3.02.f. Breaches and Dispute Resolution:

(12869) Claims for Damages. Should either party to the Agreement suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefore shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.

(12870) Remedies. Unless this Agreement provides otherwise, all claims, counterclaims, disputes and other matters in question between Arlington and WMATA arising out of or relating to this subrecipient agreement or its breach may be decided by a mutually agreeable form of alternative dispute resolution, or in a court of competent jurisdiction within the Commonwealth of Virginia.

(12871) Rights and Remedies. The duties and obligations imposed by the Agreement documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed by law. No action or failure to act by WMATA or Arlington shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.

3.02 g. WMATA Oversight: WMATA may inspect the Project to ensure compliance with the Agreement. Inspection by WMATA of the project work does not relieve Arlington of its responsibilities and liabilities as the responsible party for carrying out the Grants.

3.02.h Termination of Sub-Recipient Agreement: In the event that Arlington fails to perform services or to provide the matching funds required under the Agreement in the manner called for by the Agreement, WMATA may terminate the Agreement for default. Termination shall be effective by serving a notice of termination on Arlington setting forth the manner in which Arlington is in default. Arlington will only be reimbursed for services performed in accordance with the manner of performance set out in the Agreement.

(1) Opportunity to Cure: WMATA in its sole discretion may, in the case of termination for breach or default, allow Arlington time to cure the default. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions. If Arlington fails to remedy to WMATA's satisfaction the breach or default or any terms, covenants, or conditions of this Agreement within ten (10) business days after receipt of the written notice from WMATA setting forth the nature of the breach or default, WMATA shall have the right to terminate the Agreement without any further obligation to Arlington. Any such termination for default shall not in any way operate to preclude WMATA from also pursuing all available remedies against Arlington for said default or breach.

3.03. Contractors and Subcontractors: Arlington shall place in its contractors and subcontractors those obligations which the Master FTA Agreement requires recipients to include in third party contracts and subcontracts. Arlington agrees to include in its contracts entered into and for the Project the same certifications, assurances, and agreements which Arlington is obligated under Section 3.01.

3.04. No Obligations to Third Parties: Arlington acknowledges and agrees that, notwithstanding any concurrence by the Federal Government and/or WMATA in or approval of a third party contract, absent express written consent by the Federal Government and/or WMATA, neither the Federal Government nor WMATA is a party to the third party contract and shall not be subject to any obligations or liabilities to the third party contractor, or any other party (whether or not a party to the contract) pertaining to any matter resulting from the underlying contract.

Arlington agrees to include the above clause in each third party contract for which Arlington will receive reimbursement, in whole or in part, from Grant funds. It is further agreed that the clause shall not be modified, except to identify the third party contractor who will be subject to its provisions.

3.05. Incorporation of Federal Transit Administration Terms: The proceeding provisions include, in part certain Standard Terms and Conditions required by DOT,

whether or not expressly set forth in the proceeding Memorandum of Understanding provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1E are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of conflict with other provisions contained in this Agreement, Arlington shall not perform any act, fail to perform any act, or refuse to comply with any WMATA requests which would cause Arlington to be in violation of the FTA terms and conditions.

3.06. Recitals: The recitals are incorporated into this Agreement.

PART IV
NOTICES

All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when either: personally delivered; or received by certified or registered mail, first class, postage paid, return receipt requested to any party hereunto as follows:

If to WMATA: Raymond B. Griswold
Managing Director of the Office of Procurement and Material
600 5th Street, NW
Washington, DC 20001
cc: Carol Kissal
Assistant General Manager and Chief Financial Officer

And

If to Arlington: Richard D. Warren Jr.
Purchasing Agent
Arlington Office of the Purchasing Agent
Suite 500,
2100 Clarendon boulevard
Arlington, VA 22201
cc: Tom Hutchings
Clarendon Metro Plaza, Project Manager

PART V
SEVERABILITY

4.1. The parties agree that the provision of federal funds for the Clarendon Project under this Agreement makes the federal statutes, rules, regulation, circulars and other forms of written guidance controlling over any inconsistent state or local statutes, rules and regulations. To the extent not covered by any federal statute, rule, regulation,

circular, or other written guidance, the parties agree that if any provision of this Agreement shall contravene, or be invalid under, the applicable laws of the particular state, or jurisdiction where used, such contravention or invalidity shall not invalidate the whole agreement but the Agreement shall be construed as if not containing the particular provision or provisions held to be invalid in the same particular state or jurisdiction and the rights and obligations of the parties shall be construed and enforced accordingly.

PART VI
ACKNOWLEDGMENT AND EXECUTION

This Agreement shall inure to, be to the benefit of, and bind Arlington County, Virginia and the Washington Metropolitan Area Transit Authority and their respective successors and/or assigns as if they had been named therein.

THE PARTIES ACKNOWLEDGE THAT THIS AGREEMENT CONCERNS A MATTER WITHIN THE JURISDICTION OF AN AGENCY OF THE UNITED STATES AND THE MAKING OF A FALSE, FICTITIOUS, OR FRAUDULENT CERTIFICATION MAY RENDER THE MAKER SUBJECT TO PROSECUTION UNDER TITLE 18, UNITED STATES CODE, SECTION 1001

Executed this ___ day of December, 2008.

THE WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

By: _____
Raymond B. Griswold
Managing Director, Office of Procurement and Material

Attest: _____
Loyda P. Sequeira-Castillo
Secretary

For WMATA:

Approved as to form, legal sufficiency and lawful execution by Carol B. O'Keeffe, the General Counsel of WMATA. The Agreement is enforceable against WMATA in accordance with the terms of the Agreement.

General Counsel
WMATA

COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

By: _____

Name: _____

Title: _____

Attest: _____

Name: _____

Title: _____

Approved as to form:

_____
County Attorney