



ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item
Meeting of January 22, 2011**

DATE: January 14, 2011

SUBJECT: Approval of a Deed of Sublease Between the County Board, as Sublandlord, and Barroso, Inc., as Subtenant, for the Use of Approximately 1,213 Square Feet of Space in the Artisphere, Located at 1101 Wilson Boulevard (RPC #16039002).

C. M. RECOMMENDATION:

1. Approve the attached Deed of Sublease between the County Board and Barroso, Inc., for Barroso, Inc.'s use of space in the Artisphere; and
2. Authorize the Real Estate Bureau Chief, Engineering and Capital Projects Division, Department of Environmental Services, to execute, on behalf of the County Board, the Third Amendment to Deed of Lease and all related documents, subject to approval as to form by the County Attorney.

ISSUES: This is the approval of the Deed of Sublease that will provide the County's provider of food and beverage service in the Artisphere with commercial kitchen, serving, and storage space. No issues have been identified.

SUMMARY: Barroso, Inc. will provide food and beverage service in the Artisphere under a contract with the County. The Deed of Sublease, attached as Attachment 1, provides Barroso, Inc. with the commercial kitchen, serving, and storage space necessary for its food and beverage service operations in the Artisphere. The Deed of Sublease has been drafted to be consistent with the terms of the County's lease with the building owner, and with the County's food service contract with Barroso, Inc. It is anticipated that food and beverage service operations will be open for business in the Artisphere in early March, 2011.

BACKGROUND: The Artisphere was designed to include food and beverage service that is ancillary to the primary museum and cultural uses of the space. The County issued a Request for Proposals in July 2010 for entities to offer proposals for the provision of food and beverage service. The Request for Proposals was open for several months to allow adequate time for

County Manager:

BMD/kma

County Attorney:

BRC

[Signature]

14.

Staff: Michael Halewski, DES-Real Estate Bureau

potential service providers to respond. An agreement was negotiated with Barroso, Inc. as the only entity that submitted a proposal.

Barroso, Inc. currently operates two restaurants – Guajillo in Arlington (Wilson Blvd.) and Casa Oaxaca in the District of Columbia. Both restaurants have consistently received recognition from the Washington Post, Washingtonian magazine and from customers for Barroso’s quality of food and service. They have been in business for about 10 years. The menu at the Artisphere is expected to consist of sandwiches, salads, pizzas, small plates, desserts, and assorted other lunch and dinner offerings. County staff and Barroso staff will agree on a name for the restaurant prior to opening. It is currently anticipated that Barroso’s food and beverage service operations will open for business in the Artisphere in early March, 2011

This Deed of Sublease, if approved, will provide Barroso with the commercial kitchen, serving, and storage space it requires to provide food and beverage service in the Artisphere.

DISCUSSION: The Artisphere is located in the building located at 1101 Wilson Boulevard, Arlington, Virginia, and is more particularly shown on the vicinity maps attached hereto as Attachments 2, 3, and 4.

The Sublease has been structured to: 1) protect the County’s rights and needs as a local government; 2) be consistent with the County’s lease with the County’s landlord, 1101 Wilson Owner, LLC; 3) provide a commercially viable agreement; and 4) enable Barroso to use and occupy the subleased areas. Some of the pertinent provisions of the Sublease are as follows:

- The Premises to be subleased by Barroso are: 1) an approximately 1,129 square foot portion of the Artisphere on the 8th level of the Building for commercial kitchen and bar service; and 2) an approximately 84 square foot walk-in refrigerator on the 6th level of the Building.
- The Sublease also provides Barroso with a non-exclusive license to use the lower (8th) level and upper (9th) level “town square” portions of the Artisphere for occasional table service, bussing, and cleaning activities related to its food and beverage service.
- Barroso will sublease the Premises, for an initial term of five (5) years (the “Initial Term”).
- Barroso will have two (2) consecutive five (5) year options to renew the Sublease.
- Barroso will pay monthly rent to the County equal to 12 ½% of its gross receipts for each month at the Artisphere location. Barroso’s percentage rent will increase to 15% of its gross Artisphere receipts when its annual gross receipts exceed \$1,500,000. The percentage rent could return to 12 ½% of Barroso’s gross Artisphere receipts if its annual gross receipts fall back below \$1,500,000.

- Barroso's monthly rent will be subject to a minimum rent of \$6,000 per month, beginning in the seventh month of the first Sublease year, and continuing until the end of the term of the Sublease. The minimum rent will escalate by 3% per year.
- Rent will be abated for the first three (3) months of the Sublease while Barroso prepares to open.
- The County can terminate the Sublease at any time without cause, and without further obligation or liability, by providing Barroso with ninety (90) days prior written notice of such termination.
- Barroso can terminate the Sublease at any time without cause, and without further obligation or liability, by providing the County with one hundred eighty (180) days prior written notice of such termination.
- The Sublease will automatically terminate if the County's operations contract with Barroso is terminated pursuant to the terms thereof, or if the County's lease of the Artisphere space from the building owner is terminated pursuant to the terms thereof.
- Barroso's use of the space will be for food and beverage production and service ancillary to the museum and cultural uses of the Artisphere.
- Barroso has no right to sublease, license, or assign the subleased premises; the County may assign its rights, as Sublandlord, in the Sublease.
- Barroso is required to obtain and maintain commercially reasonable levels of insurance, as described in the Sublease.
- The Sublease is consistent with, and subordinate to, the County lease with the owner of the building.
- The Sublease specifically provides that the County does not waive its rights as a local government.
- As required by the Lease between the County and the Landlord, the Landlord has reviewed and approved the Sublease.

FISCAL IMPACT: Revenues from the Deed of Sublease will be included in the FY 2012 operating budget for the Artisphere. Because it has taken longer than anticipated to secure a food and beverage service provider for the Artisphere, revenue from this source in FY 2011 will be much smaller than originally anticipated. Opening the restaurant, along with other recent efforts, is expected to improve the overall revenue situation. Staff will closely monitor revenues in the remaining months of the fiscal year and will report back to the County Board in the near future.

DEED OF SUBLEASE

BETWEEN

**THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA,
SUBLANDLORD**

and

**BARROSO, INC.
SUBTENANT**

1101 Wilson Boulevard, Arlington, Virginia

Dated: _____, 20__

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EXHIBITS ATTACHED:

Exhibit A – Copy of Prime Lease

Exhibit B – First Amendment to Prime Lease

Exhibit C – Second Amendment to Prime Lease

Exhibit D – Third Amendment to Prime Lease

Exhibit E – Kitchen/Bar Floorplan

Exhibit F – Walk-in Refrigerator Floorplan

Exhibit G – Town Square Floorplan

Exhibit H – Comprehensive Sign Plan

Exhibit I – Equipment List

DEED OF SUBLEASE

This Deed of Sublease (this "**Sublease**") is entered into as of _____, 20__ (the "**Effective Date**"), by and between **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic, (hereinafter "**Sublandlord**"), and **BARROSO, INC.**, a Virginia corporation (hereinafter "**Subtenant**").

INTRODUCTORY STATEMENTS

A. In accordance with: 1) the Deed of Lease dated the 20th day of November, 2008, by and between 1101 WILSON OWNER, LLC, a Delaware limited liability company ("**Prime Landlord**"), as Landlord, and Sublandlord, as Tenant (the "**Prime Lease**"), a copy of which Prime Lease is attached to this Sublease as Exhibit A; 2) the First Amendment to Deed of Lease, dated the 29th day of June, 2009, by and between the Prime Landlord, as Landlord, and Sublandlord, as Tenant (the "**First Amendment**"), a copy of which First Amendment is attached to this Sublease as Exhibit B; 3) the Second Amendment to Deed of Lease, dated the 21st day of July, 2009, by and between the Prime Landlord, as Landlord, and Sublandlord, as Tenant (the "**Second Amendment**"), a copy of which Second Amendment is attached to this Sublease as Exhibit C; and 4) the Third Amendment to Deed of Lease, dated the 3rd day of August, 2010, by and between the Prime Landlord, as Landlord, and Sublandlord, as Tenant (the "**Third Amendment**"), a copy of which Third Amendment is attached to this Sublease as Exhibit D; Prime Landlord leased to Sublandlord certain space containing approximately fifty-three thousand eight hundred twenty-six (53,826) square feet (the "**Premises**") of the building located at 1101 Wilson Boulevard, Arlington, Virginia (the "**Building**").

B. Subtenant has agreed to sublet from Sublandlord, and Sublandlord has agreed to sublet to Subtenant two portions of the Premises as more particularly described herein.

C. The parties desire to enter into this Sublease defining their respective rights, duties and liabilities relating to the Subleased Premises (as defined below).

WITNESSETH

NOW THEREFORE, Sublandlord and Subtenant, in consideration of the mutual promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and each with intent to be legally bound, for themselves and their respective successors and permitted assigns, agree as follows:

1. SUBLEASE

Sublandlord, for and in consideration of the Subtenant's payment of the Rent (defined in Section 9 below) and performance of the covenants contained in this Sublease, does hereby sublease to Subtenant, on an exclusive basis, approximately: 1) a 1,129 square foot portion of the Premises on the 8th level of the Building (the "**Kitchen/Bar**") as more particularly shown on the exhibit attached to this Sublease as Exhibit E; and 2) a portion of the Premises on the 6th level of the Building (the "**Walk-in Refrigerator**") as more particularly shown on the exhibit attached to this Sublease as Exhibit F (jointly, the "**Subleased Premises**"). Sublandlord further licenses to Subtenant, on a non-exclusive basis: 3) whatever rights Sublandlord has to use common areas of the Building and the land on which the Building is located; and 4) the right to use the 8th level and 9th level areas, as further depicted on the exhibit attached to this Sublease as Exhibit G (the "**Town Square**").

Subtenant has inspected the Subleased Premises and the Town Square, and agrees to accept said Subleased Premises and licensed Town Square area in "as-is" condition, except as otherwise expressly provided herein.

2. USE; SUBTENANT'S RELATED OBLIGATIONS

(a) Subtenant shall use the Subleased Premises only for food and beverage preparation, service, and sales purposes in accordance with applicable zoning regulations, laws, rules, orders, ordinances and regulations of the Sublandlord, and of all other applicable governmental authorities, and of any landlord including, without limitation, the rules and regulations contained in the Prime Lease, as the same may be amended from time to time, and for no other purposes.

(b) Notwithstanding this Section 2 or any other provision in this Sublease to the contrary: (i) Subtenant shall not use or occupy the Subleased Premises or the Town Square for any unlawful purpose; (ii) Subtenant shall not violate any provision of the Prime Lease governing the use or occupancy of the Subleased Premises and the Town Square; and (iii) Subtenant shall not use or occupy the Subleased Premises or Town Square for any purpose or use not specifically permitted by the Prime Lease and by this Sublease.

(c) Subtenant is solely responsible for ensuring its compliance with all laws, regulations, and ordinances regarding the preparation and service of food and beverages for profit, including, but not limited to, business licensing, compliance with health regulations, obtaining and maintaining the appropriate license or licenses from the Virginia Department of Alcoholic Beverage Control (and providing a current copy of such license or licenses to the Facility Manager), and maintaining all specified additional insurance policies.

(d) Subtenant shall be solely responsible for arranging for and receiving all of Subtenant's deliveries to the Building, through the Building and the Premises, to the Subleased Premises, which deliveries shall be in strict accordance with the requirements of the Prime Lease and this Sublease.

3. SECURITY DEPOSIT

Intentionally Omitted.

4. PRIME LEASE

(a) Where not expressly inconsistent with the terms hereof and except as otherwise stated herein to the contrary, this Sublease shall be subject and subordinate to all of the terms and conditions contained in the Prime Lease as said terms and conditions affect the Subleased Premises, and all of the terms and conditions of the Prime Lease, except as otherwise set forth herein, are hereby incorporated into this Sublease and shall be binding upon Subtenant with respect to the Subleased Premises to the same extent as if Subtenant were named as tenant and Sublandlord as landlord under the Prime Lease, including but not limited to all exhibits attached to the Prime Lease, including the Rules and Regulations. If a term or provision of this Sublease is inconsistent or in conflict with a term or provision of the Prime Lease, the term or provision of this Sublease shall control as between Sublandlord and Subtenant. For purposes of this Sublease, references in the Prime Lease to the term of lease shall mean the Term of this Sublease and references to the premises, demised premises, or similar references in the Prime Lease shall mean the Subleased Premises. Except as otherwise provided herein, when any fraction, factor or formula, which is based on the number of square feet leased, is expressed in the Prime Lease, it will be adjusted by substituting the number of square feet of the Subleased Premises for the

number of square feet of the premises leased by Sublandlord under the Prime Lease. Subtenant agrees that it shall not do or omit to do anything which would result in a default under the Prime Lease, and agrees to indemnify and hold Sublandlord and Prime Landlord harmless from and against all claims, demands or liabilities resulting from Subtenant's breach, violation or nonperformance of any of its obligations under the Prime Lease, as incorporated herein. With the exceptions set forth herein, Subtenant shall be entitled to all of the rights and privileges of the Sublandlord as tenant under the terms of the Prime Lease with respect to the Subleased Premises.

(b) Notwithstanding the foregoing, the following Sections of and Exhibits to the Prime Lease shall not apply to this Sublease: Sections 3, 4.A, 4.B, 5, 6, 11.B, 15, 16, 17, 18, 19, 21, 22, 23, 25, 27, 29, 30, 31, 32, 33, 34, 35, 36.G, 36.P, 36.S, 36.T, 38, 39, 41, 45, and 46, and Exhibits E, F, G, H, I, N, O and Q. Without limiting the foregoing, in no event under any circumstance shall Subtenant be entitled to be paid or to receive any credit for all or any portion of the abated rent under the Abated Rent Schedule (as defined in the Prime Lease).

(c) Subtenant hereby acknowledges that Subtenant is a "*Tenant's Transferee*" as such term is defined in Section 33.B of the Prime Lease. Subtenant hereby acknowledges and agrees that, as a Tenant's Transferee, Subtenant shall be and hereby is bound by the terms and conditions of Sections 33.B and 39.B of the Prime Lease.

5. DEFINITIONS

All capitalized terms not expressly defined in this Sublease shall have the meanings given to them in the Prime Lease.

6. PRIME LANDLORD

Sublandlord shall have no liability whatsoever to Subtenant if the Prime Landlord fails to perform or fails to properly perform any services, maintenance, repairs, or other matters, obligations or actions to be performed by the Prime Landlord under the terms of the Prime Lease; provided, however, at Subtenant's expense and Subtenant's prior written request to Sublandlord, Sublandlord will take commercially reasonable actions in order to attempt to enforce the Sublandlord's rights as tenant under the Prime Lease for the benefit of Subtenant with respect to the Subleased Premises.

7. TERM

The term of this Sublease shall commence on _____, 20__ (the "*Commencement Date*"), and shall continue for five (5) years thereafter (the "*Term*"). Notwithstanding the foregoing, the Term of this Sublease shall automatically terminate upon the earlier to occur of: 1) the expiration or earlier termination of the Prime Lease; 2) the expiration or earlier termination of a certain agreement, entitled, "Agreement No. _____", dated the ___ day of _____, 20__, between the County Board of Arlington County, Virginia, and Barroso, Inc. (the "*Agreement*"), which Agreement permits Barroso, Inc. to operate a food and beverage service within the Subleased Premises and elsewhere in the Premises; or 3) the exercise by either the Sublandlord or the Subtenant of their respective rights under Section 10 of this Sublease.

8. OPTION TO RENEW

Subject to Section 7 hereof, the Subtenant shall have two (2) additional options to renew this Sublease for consecutive five (5) year terms (the “**First Renewal Term**” and the “**Second Renewal Term**”, respectively). Subtenant shall provide written notice to Sublandlord of Subtenant’s exercise of its renewal option for the First Renewal Term, which notice must be received by Sublandlord not less than one hundred eighty (180) days prior to the expiration of the Term of this Sublease to be effective. Upon receipt by the Sublandlord of such notice, the Subtenant and the Sublandlord shall be bound to the provisions of this Deed of Sublease during the First Renewal Term without the necessity of any further acts by the Sublandlord or the Subtenant. The Subtenant shall provide written notice to Sublandlord of Subtenant’s exercise of its renewal option for the Second Renewal Term, which notice must be received by Sublandlord not less than one hundred eighty (180) days prior to the expiration of the First Renewal Term to be effective. Upon receipt by the Sublandlord of such notice, the Subtenant and the Sublandlord shall be bound to the provisions of this Deed of Sublease during the Second Renewal Term without the necessity of any further acts by the Sublandlord or the Subtenant. All other terms, conditions, and obligations of both the Sublandlord and Subtenant contained in this Sublease shall continue in full force and effect throughout the First Renewal Term and the Second Renewal Term, to the extent such renewal options are executed.

9. RENT

(a) Subtenant promises and agrees to pay to Sublandlord, on a monthly basis, Base Rent, as hereinafter defined. “**Base Rent**” shall be the greater of: 1) a percentage of all of Subtenant’s monthly gross receipts, without deduction, from all of Subtenant’s food and beverage sales in the Building, as the applicable percentages are hereinafter specified in Subsection 9.(d) (the “**Percentage Rent**”); or 2) a minimum monthly base rent, as the applicable rents are hereinafter specified in Subsection 9.(e)(the “**Monthly Minimum Rent**”).

(b) Beginning on the Commencement Date, and continuing until the last day of the third (3rd) month of the Sublease, all Base Rent shall be abated in full.

(c) Subject to Subsection 9.(d), below, beginning on the first (1st) day of the fourth (4th) month of the Sublease, and continuing throughout the remaining Term and all renewal terms, if any, of the Sublease, Percentage Rent shall equal twelve and one-half percent (12 ½%) of Subtenant’s gross receipts, without deduction, from all of Subtenant’s food and beverage sales in the Building.

(d) For each Sublease Year that Subtenant’s annual gross receipts, without deduction, do not exceed One Million Five Hundred Thousand and 00/100 Dollars (\$1,500,000.00) (the “**Gross Sales Threshold**”), the Percentage Rent applicable to following Sublease Year shall be twelve and one-half percent (12 ½%) of Subtenant’s gross receipts, without deduction, from all of Subtenant’s food and beverage sales in the Building. For each Sublease Year that Subtenant’s annual gross receipts, without deduction, exceed the Gross Sales Threshold, the Percentage Rent applicable to following Sublease Year shall be fifteen percent (15%) of Subtenant’s gross receipts, without deduction, from all of Subtenant’s food and beverage sales in the Building.

(e) The Monthly Minimum Rent shall begin on the first (1st) day of the seventh (7th) month after the Commencement Date. Monthly Minimum Rent for months seven (7) through twelve (12) of the First (1st) Lease Year shall be Six Thousand and 00/100 Dollars (\$6,000.00) per month. Throughout the remainder of the Term, and renewal term, if any, the Monthly

Minimum Rent shall increase for each subsequent Sublease Year, effective on each anniversary of the Commencement Date, by an amount equal to three percent (3%) of the escalated Monthly Minimum Rent for the prior Sublease Year, as follows:

Sublease Year		Monthly Minimum Rent	Annual Minimum Rent
First (1 st) Sublease Year / / - / /	Months 1 - 3	\$0.00	\$36,000.00
	Months 4 - 6	\$0.00	
	Months 7 - 12	\$6,000.00	
Second (2 nd) Sublease Year / / - / /		\$6,180.00	\$74,160.00
Third (3 rd) Sublease Year / / - / /		\$6,365.00	\$76,380.00
Fourth (4 th) Sublease Year / / - / /		\$6,556.00	\$78,672.00
Fifth (5 th) Sublease Year / / - / /		\$6,753.00	\$81,036.00

Sublease Year	Monthly Minimum Rent	Annual Minimum Rent
First (1 st) Year of First (1 st) Renewal Term / / - / /	\$6,955.59	\$83,467.08
Second (2 nd) Year of First (1 st) Renewal Term / / - / /	\$7,164.26	\$85,971.12
Third (3 rd) Year of First (1 st) Renewal Term / / - / /	\$7,379.19	\$88,550.28
Fourth (4 th) Year of First (1 st) Renewal Term / / - / /	\$7,600.57	\$91,206.84
Fifth (5 th) Year of First (1 st) Renewal Term / / - / /	\$7,828.59	\$93,943.08

Sublease Year	Monthly Minimum Rent	Annual Minimum Rent
First (1 st) Year of Second (2 nd) Renewal Term / / - / /	\$8,063.45	\$96,761.40
Second (2 nd) Year of Second (2 nd) Renewal Term / / - / /	\$8,305.35	\$99,664.20
Third (3 rd) Year of Second (2 nd) Renewal Term / / - / /	\$8,554.51	\$102,654.12
Fourth (4 th) Year of Second (2 nd) Renewal Term / / - / /	\$8,811.15	\$105,733.80
Fifth (5 th) Year of Second (2 nd) Renewal Term / / - / /	\$9,075.48	\$108,905.76

As provided in Subsection 9.(a), above, for any given month during the Term and renewal term, if any, the Base Rent payable by Subtenant to Sublandlord shall be the greater of the Percentage Rent and the applicable Monthly Minimum Rent.

(f) All payments of Base Rent shall be payable by Subtenant and received by Sublandlord not more than fifteen (15) days after the last day of each calendar month during the Term, and any applicable renewal terms. For example, Subtenant's Base Rent payable for the month of March, 2014 (which shall be the greater of the Percentage Rent and the applicable Monthly Minimum Rent) shall be paid by Subtenant and received by Sublandlord no later than April 15, 2014. Subtenant promises and agrees to timely pay to Sublandlord the Base Rent without demand, notice, deduction, counterclaim, recoupment or set-off, for each month of the entire Term, and any renewal term.

(g) The term "Base Rent" is sometimes referred to herein as "**Rent**" or "**rent**" and shall include any and all sums due from Subtenant to Sublandlord under the terms of this Sublease. All Rent shall be payable to Sublandlord at 2100 Clarendon Boulevard, Suite 414, Arlington, VA 22201, except as otherwise provided herein, or at such other address as directed by notice from Sublandlord to Subtenant.

(h) The term "**Sublease Year**", as used in this Section 9, shall mean a period of twelve (12) full, consecutive calendar months, beginning on the Commencement Date or a subsequent anniversary of the Commencement Date.

10. EARLY TERMINATION BY SUBLANDLORD OR BY SUBTENANT WITHOUT CAUSE

(a) Notwithstanding any provision of this Sublease to the contrary, Sublandlord shall have the absolute right to terminate this Sublease at any time, without cause, and without further obligation of, or liability to, the Sublandlord, by: 1) providing written notice of such termination to Subtenant not less than ninety (90) days in advance of the effective date of such termination; and 2) terminating the Agreement pursuant to the terms thereof.

(b) Notwithstanding any provision of this Sublease to the contrary, Subtenant shall have the absolute right to terminate this Sublease at any time, without cause, and without further obligation of the Subtenant, by: 1) providing written notice of such termination to Sublandlord not less than one hundred eighty (180) days in advance of the effective date of such termination; and 2) terminating the Agreement pursuant to the terms thereof.

11. PARKING

Sublandlord is not providing any parking rights under this Sublease. Subtenant, and not the Sublandlord, shall be responsible for obtaining any parking permits desired by Subtenant for Subtenant's staff. Subtenant may obtain any parking permits directly from the operator of the parking garage facilities in the Building, or in other buildings.

12. INDEMNITY AND PUBLIC LIABILITY INSURANCE

(a) Subtenant shall indemnify and save harmless Sublandlord, Prime Landlord, Prime Landlord's managing agent, and any mortgagees of the Building from any and all liability, damage, expense, cause of action, suits, claims, judgments and cost of defense arising from injury to person or personal property in and on the Subleased Premises, or upon any adjoining sidewalks or public areas of the Building, which arise out of the use and occupancy of the

Subleased Premises or the act, failure to act or negligence of Subtenant, its agents, contractors, employees, subtenants or licensees.

(b) In order to assure such indemnity, Subtenant shall, at its sole cost, carry and keep in full force and effect at all times during the Term of this Sublease, a commercial comprehensive general liability policy with a limit of at least Two Million Dollars (\$2,000,000.00) per occurrence and Four Million Dollars (\$4,000,000) annual aggregate, including coverage for bodily injury, property damage and personal injury liability.

(c) Subtenant shall also carry and maintain at its sole cost and expense excess liability and umbrella coverage with a limit of liability of no less than \$4,000,000 per occurrence and \$4,000,000 annual aggregate. Such coverage shall provide protection against bodily injury, property damage, contractual liability and personal injury loss.

13. WORKER'S COMPENSATION INSURANCE

Subtenant shall carry and keep in full force and effect at all times during the Term of this Sublease, at its sole cost, worker's compensation or similar insurance in form and amounts required by law. Such insurance shall contain waiver of subrogation provisions in favor of Sublandlord, its elected and appointed officers and officials, employees and agents.

14. BROAD FORM PROPERTY INSURANCE

Subtenant shall obtain and maintain throughout the Term of this Sublease and any extension periods broad form property insurance policy insuring against damage to and loss of Subtenant's Alterations (as hereinafter defined) and tenant improvements, fixtures, equipment, furniture, and all other personal property in and about the Subleased Premises. Subtenant hereby releases Sublandlord and Prime Landlord and waives any claims Subtenant may have against Sublandlord and Prime Landlord for loss or damage to the Building, Subleased Premises, Alterations, tenant improvements, fixtures, equipment and/or any other personal property arising from a risk insured against under the broad form property insurance policy to be carried by Subtenant, as required above, even though such loss or damage was caused by the negligence of Sublandlord, or its elected and appointed officers and officials, employees, contractors and agents, or Prime Landlord, Prime Landlord's managing agent, or any mortgagees of the Building (or any combination thereof). Subtenant agrees to obtain and maintain throughout the Term of this Sublease an endorsement to its broad form property insurance policy waiving the right of subrogation of Subtenant's insurance company against Sublandlord and its elected and appointed officers and officials, employees, contractors and agents, and Prime Landlord, Prime Landlord's managing agent, and any mortgagees of the Building. Except to the extent expressly provided herein, nothing contained in this Sublease shall relieve Subtenant of any liability to Sublandlord or Prime Landlord or to its insurance carrier which Subtenant may have under law or the provisions of this Sublease in connection with any damage to the Building, Subleased Premises, Alterations, tenant improvements, fixtures, equipment, furniture, and all other personal property, by fire or other casualty.

15. SUBTENANT'S CONTRACTOR'S INSURANCE

Subtenant shall require any contractor of Subtenant performing work on the Subleased Premises to carry and maintain, at no expense to Sublandlord:

(a) commercial comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage, to afford protection

with limits, for each occurrence, of not less than One Million Dollars (\$1,000,000.00) with respect to personal injury, death, or property damage;

(b) worker's compensation or similar insurance in form and amounts required by law; and

(c) Excess liability or umbrella insurance written on a per occurrence basis with policy limits of no less than Two Million Dollars (\$2,000,000) per occurrence and Two Million Dollars (\$2,000,000) general aggregate.

16. REQUIREMENTS FOR SUBTENANT'S INSURANCE POLICIES

(a) The company or companies writing any insurance which Subtenant is required to carry and maintain or cause to be carried or maintained pursuant to this Sublease as well as the form of such insurance shall at all times be subject to Sublandlord's approval and any such company or companies shall be a good and responsible insurance company, licensed to do business in the Commonwealth of Virginia. Subtenant's public liability and All Risk Coverage insurance policies and certificates evidencing such insurance shall name Sublandlord and its elected and appointed officers and officials, employees and agents, and Prime Landlord, the Prime Landlord's managing agent, and any mortgagee(s) of the Building as additional insureds and shall also contain a provision by which the insurer agrees that such policy shall not be cancelled except after thirty (30) days prior written notice to Sublandlord and Prime Landlord. Subtenant agrees to provide to Sublandlord and Prime Landlord prior to taking possession of the Subleased Premises the certificates evidencing such insurance; Sublandlord may withhold delivery of the Subleased Premises without delaying the Commencement Date, or triggering any abatement of rent, if Subtenant fails to provide Sublandlord with these certificates.

(b) Any insurance carried or to be carried by Subtenant hereunder shall be primary over any policy that might be carried by Sublandlord. If Subtenant shall fail to perform any of its obligations regarding the acquisition and maintenance of insurance, Sublandlord may perform the same and the cost of same shall be deemed additional rent, payable upon Sublandlord's demand.

17. LIABILITY FOR DAMAGE TO PERSONAL PROPERTY AND PERSON

(a) All personal property of Subtenant, its employees, agents, subtenants, business invitees, licensees, customers, clients, family members, guests or trespassers, in and on the Subleased Premises shall be and remain in and on the Subleased Premises and the Building at the sole risk of said parties and Sublandlord and Prime Landlord shall not be liable to any such person or party for any damage to, or loss of personal property thereof, including, but not limited to, loss or damage arising from, (i) any act, including theft, or any failure to act, of any other persons, (ii) the leaking of the roof, (iii) the bursting, rupture, leaking or overflowing of water, sewer or steam pipes, (iv) the rupture or leaking of heating or plumbing fixtures, including security and protective systems, (v) short-circuiting or malfunction of electrical wires or fixtures, including security and protective systems, or (vi) the failure of the heating or air-conditioning systems. Sublandlord and Prime Landlord shall also not be liable for the interruption or loss to Subtenant's business arising from any of the above-described acts or causes. Subtenant specifically agrees to save Sublandlord and Prime Landlord harmless in all such cases.

(b) Sublandlord and Prime Landlord shall not be liable for any personal injury to Subtenant, Subtenant's employees, agents, subtenants, business invitees, licensees, customers, clients, family members, guests or trespassers arising from the use, occupancy and condition of

the Subleased Premises or the Building.

18. DEFAULT OF SUBTENANT

(a) This Sublease shall, at the option of Sublandlord, cease and terminate if (i) Subtenant fails to pay rent to the Sublandlord when due, including, inter alia, any installment of Base Rent or the Deferred Minimum Rent (if any), or any sums, charges, expenses and costs of any kind or nature identified in this Sublease as additional rent, although no legal or formal demand has been made, and such failure to pay rent continues for a period of five (5) days after written notice addressed to Subtenant has been delivered by Sublandlord to the Subleased Premises; or (ii) Subtenant violates or fails to perform any of the other conditions, covenants or agreements of this Sublease made by Subtenant, and any violation or failure to perform any of those conditions, covenants or agreements continues for a period of ten (10) days after written notice thereof has been delivered by Sublandlord to Subtenant, or, in cases where the violation or failure to perform cannot be corrected within ten (10) days, Subtenant does not begin to correct the violation or failure to perform within ten (10) days after receiving Sublandlord's written notice and/or Subtenant thereafter does not diligently pursue the correction of the violation or failure to perform; or (iii) Subtenant vacates or abandons the Subleased Premises (Subtenant failures and actions described in the foregoing items (i), (ii) and (iii) being hereinafter referred to, in each case, as an "***Event of Default***"). Any said violation or failure to perform or to pay any rent, if left uncorrected, shall operate as a notice to quit, any further notice to quit or notice of Sublandlord's intention to re-enter being hereby expressly waived. Sublandlord may thereafter proceed to recover possession under and by virtue of the provisions of the laws of the jurisdiction in which the Building is located or by such other proceedings, including re-entry and possession, as may be applicable. If Sublandlord elects to terminate this Sublease, everything herein contained on the part of Sublandlord to be done and performed shall cease without prejudice to the right of Sublandlord to recover from Subtenant all rent accruing up to and through the date of termination of this Sublease or the date of recovery of possession of the Subleased Premises by Sublandlord, whichever is later. Should this Sublease be terminated before the expiration of the Term of this Sublease by reason of an Event of Default as hereinabove provided, or if Subtenant abandons or vacates the Subleased Premises before the expiration or termination of the Term of this Sublease, the Subleased Premises may be relet by Sublandlord for such rent and upon such terms as are not unreasonable under the circumstances, and, if the full rent hereinabove provided is not realized by Sublandlord, Subtenant shall be liable for all damages sustained by Sublandlord, including, without limitation, deficiency in rent, reasonable attorneys' fees, brokerage fees, and expenses of placing the Subleased Premises in first-class rentable condition as necessary to accomplish re-letting. Any damage or loss of rent sustained by Sublandlord (including any deficiency between the rent reserved pursuant to the reletting and the rent reserved under this Sublease, accelerated to the date of reletting) may be recovered by Sublandlord, at Sublandlord's option, at the time of the reletting, or in separate actions, from time to time, as said damage shall have been made more easily ascertainable by successive relettings, or, at Sublandlord's option, may be deferred until the expiration of the Term of this Sublease, in which event the cause of action shall not be deemed to have accrued until the date of expiration of said Term. The provisions contained in this Section 18 shall be in addition to and shall not prevent the enforcement of any claim Sublandlord may have against Subtenant for anticipatory breach of the unexpired Term of this Sublease.

(b) If Sublandlord terminates this Sublease pursuant to Section 18(a) above, Sublandlord shall have the right, at any time, at its option, to require Subtenant to pay to

Sublandlord, on demand, as liquidated and agreed final damages in lieu of Subtenant's liability under Section 18(a) above (other than for Subtenant's liability for tenant improvements, attorneys' and brokerage fees), an amount equal to the Monthly Minimum Rent that would have been payable from the date of such demand to the date when this Sublease would have expired, if it had not been terminated, as discounted to the date of such demand at an annual rate of interest equal to the then-current yield on actively traded U.S. Treasury bonds with 10-year maturities, as published in the Federal Reserve Statistical Release for the week prior to the date of such termination. Upon payment of such liquidated and agreed final damages, Subtenant shall be released from all further liability under this Sublease with respect to the period after the date of such demand except for those obligations of Subtenant that survive the expiration or earlier termination of this Sublease.

19. REPEATED DEFAULTS

If Subtenant is in default of this Sublease for the same or substantially the same reason more than twice during any twelve (12) month period during the Term of this Sublease, then, at Sublandlord's election, same shall constitute an Event of Default and Subtenant shall not have any right to cure such repeated default, the terms and conditions of the Section of this Sublease entitled, "DEFAULT OF SUBTENANT," notwithstanding. In the event of Sublandlord's election not to allow a cure of a repeated default, Sublandlord shall have all of the rights provided for in that section of this Sublease for an uncured default.

20. BANKRUPTCY

If Subtenant or any guarantor of this Sublease shall become bankrupt or insolvent, or file any debtor proceedings or if Subtenant or any guarantor shall take or have taken against either party in any court pursuant to any statute either of the United States or of any court pursuant to any statute either of the United States or of any State a petition in bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a portion of Subtenant's or any such guarantor's property, or if Subtenant or any such guarantor makes an assignment for the benefit of creditors, or petitions for or enters into an arrangement, then this Sublease shall, at the option of Sublandlord, terminate and Sublandlord, in addition to any other rights or remedies it may have, shall have the immediate right of re-entry and may remove all persons and property from the Subleased Premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Subtenant, all without service of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby

21. NO REPRESENTATION BY SUBLANDLORD

Neither Sublandlord nor any agent or employee of Sublandlord has made any representations or promises with respect to the Subleased Premises or the Building except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Subtenant except as herein expressly set forth. Subtenant, by taking possession of the Subleased Premises, shall accept the same in the then "as is" condition, except for latent defects and punch list items. Taking of possession of the Subleased Premises by Subtenant shall be conclusive evidence that the Subleased Premises and the Building are in good and satisfactory condition at the time of such taking of possession.

22. HOLDING OVER

(a) In the event Subtenant does not immediately surrender the Subleased Premises on

the date of expiration of the Term of this Sublease or any extension period thereof, Subtenant shall, by virtue of this Section 22 of this Sublease, become a tenant by the month and hereby agrees to pay to Sublandlord a Base Rent equal to twice the amount of the Base Rent in effect during the last month of the Term of this Sublease as it may have been extended (i.e. twice the amount of Monthly Minimum Rent in effect during the last month of the Term of this Sublease) and 30% of all gross receipts, without deduction. The month-to-month tenancy shall commence with the first day next after the expiration of the Term of this Sublease. Subtenant as a month-to-month tenant shall continue to be subject to all of the conditions and covenants of this Sublease. Subtenant shall give to Sublandlord at least thirty (30) days written notice of any intention to quit the Subleased Premises. Subtenant shall be entitled to thirty (30) days written notice to quit the Subleased Premises, except in the event of nonpayment of the modified basic rental in advance, in which event Subtenant shall not be entitled to any notice to quit, the usual thirty (30) days notice to quit being hereby expressly waived.

(b) Notwithstanding the foregoing, in the event Subtenant holds over after the expiration of the Term of this Sublease or extension period thereof, and Sublandlord desires to regain possession of the Subleased Premises promptly at the expiration of the Term of this Sublease or extension period thereof, then at any time prior to Sublandlord's acceptance of modified basic rental from Subtenant as a month to month tenant hereunder, Sublandlord, at its option, may forthwith re-enter and take possession of the Subleased Premises without process, or by any legal process in force in Arlington County, Virginia.

23. RIGHTS RESERVED TO SUBLANDLORD

Any expansion, renewal, first refusal, or other similar rights or options in the Prime Lease are reserved to the Sublandlord (without any obligation to exercise any such rights or options) and may not be exercised by Subtenant. Any rights to signage, except as otherwise provided herein, are reserved to Sublandlord.

24. ALTERATIONS

(a) Subject to all restrictions in the Prime Lease, and further subject to the Facility Manager's prior written consent, which consent shall be in the sole and absolute discretion of the Sublandlord, Subtenant shall have rights to install signs or signage at of a type and in the locations specified by the Sublandlord. Sublandlord shall retain rights to all other signage described in the Prime Lease.

(b) Subtenant shall not make any alterations, improvements or installations including the placement of signs (collectively, "Alterations") in or to the Subleased Premises without the prior written consent of Sublandlord, which may be withheld in Sublandlord's sole discretion. Provided, however, to the extent permitted by the Prime Lease, Sublandlord shall not unreasonably withhold or delay consent to any alterations which: (i) are not structural, (ii) do not affect the roof, (iii) are not visible from the exterior of the Subleased Premises or the Building, and (iv) do not adversely, materially affect the Building electrical, plumbing, gas, elevators, security, utility, sprinkler, or HVAC systems. Notwithstanding anything to the contrary contained herein, all Alterations and improvements shall be subject to the terms and conditions of the Prime Lease, and in those instances, if required, shall be subject to the Prime Landlord's approval as provided in the Prime Lease.

25. SIGNAGE

(a) Subtenant may place one sign on the exterior of the Building in the location and

dimensions more particularly identified as “Sign S5” in the approved Comprehensive Sign Plan for the Building, a copy of which is attached hereto as Exhibit H. If the Subtenant elects to install a sign in the Sign S5 location on the exterior of the Building, then the Subtenant shall be solely responsible for the cost and performance of the design, fabrication, and installation of such sign, and for the maintenance, repair and replacement of such sign. The Subtenant shall obtain the Sublandlord’s and the Prime Landlord’s prior written approval of the design of any sign proposed to be installed in the Sign S5 location on the exterior of the Building.

(b) Sublandlord, and not Subtenant, will provide all directional way-finding signs, which Sublandlord deems necessary and appropriate, within the interior of the Premises.

26. REPAIRS AND MAINTENANCE

(a) Any maintenance, repair, or replacement obligations with respect to the Subleased Premises which are the responsibility of the Sublandlord, as tenant under the Prime Lease, shall be performed by Subtenant at Subtenant's sole cost and expense. Subtenant agrees that it will notify Sublandlord promptly of the need for any maintenance, repair, or replacement to the Subleased Premises even if Sublandlord is not responsible for such repair. Notwithstanding anything contained herein to the contrary, in the event that a condition exists in the Subleased Premises that Prime Landlord is obligated to perform maintenance or repair or replacement under, the terms of the Prime Lease, Subtenant shall so advise Sublandlord, and Sublandlord, in turn, shall promptly advise Prime Landlord thereof. Sublandlord's limited obligations in connection with Prime Landlord's failure to make or improperly making any such maintenance, repair, or replacement is governed by Section 6 of this Sublease.

(b) Subtenant shall be solely responsible for the maintenance, repair, and replacement of all equipment in the Subleased Premises, whether supplied by Sublandlord or Subtenant. Attached to this Sublease as Exhibit I, is a list indicating all equipment, fixtures, and personal property for use in the Subleased Premises that shall be provided by the Sublandlord, and all equipment, fixtures, and personal property for use in the Subleased Premises that shall be provided by the Subtenant. Subtenant shall be solely responsible for the maintenance, repair, and replacement of all equipment, fixtures, and personal property in the Subleased Premises during the Term (as defined herein), regardless of whether such equipment, fixtures, and personal property was initially provided and is currently owned by the Sublandlord or the Subtenant. All such equipment, fixtures, and personal property are and shall remain the personal property of the Sublandlord, regardless of whether such equipment, fixtures, and personal property was initially provided by Sublandlord or the Subtenant.

27. UTILITIES AND SERVICES

(a) The cost of Subtenant’s electric, water, and natural gas, Subtenant’s share of building operating expenses and real estate taxes are included in Subtenant’s Base Rent.

(b) Subtenant shall separately contract and pay for the cost and performance of all cleaning of the Subleased Premises. Such cleaning shall be on a regular basis, and at all other times as requested by the Sublandlord, provided, however, that the Subtenant shall immediately clean up spills of substances in the Subleased Premises. Such cleaning shall be in accordance with all health and safety regulations governing the Subtenant’s use of the Subleased Premises.

(c) Subtenant shall separately contract and pay for the cost and performance of all pest/vermin control in the Subleased Premises. Such pest/vermin control shall be on a regular basis, and at all other times as requested by the Sublandlord. Such pest/vermin control shall be

in accordance with all health and safety regulations governing the Subtenant's use of the Subleased Premises.

(d) Subtenant shall be solely responsible for bussing, clearing, and cleaning of all tables located in the Town Square. Subtenant shall immediately notify the Facility and Operations Manager for the Artisphere (the "Facility Manager") of any spills or other substances on the Town Square floor, and shall promptly notify the Facility Manager of any additional cleaning that may be required. Subtenant shall also be solely responsible for emptying all trash receptacles located in the Town Square. Subtenant shall be solely responsible for removing all trash from the Subleased Premises and the Town Square to the Building dumpsters.

28. ASSIGNMENT AND SUBLEASING

The Sublandlord, in its sole and absolute discretion, shall have the right to assign this Sublease.

Subtenant shall not have the right to assign this Sublease or sublet the Subleased Premises, in whole or in part. Any attempt to sell, assign, or sublet shall be deemed as a default by Subtenant, entitling Sublandlord to terminate this Sublease, if Sublandlord so elects.

29. COMPLIANCE WITH LAWS

In addition to any obligations under the Prime Lease, Subtenant, at its sole expense, shall promptly comply with all statutes, ordinances, rules, orders, regulations and requirements of the Federal, State and municipal Governments and of any and all their Departments and Bureaus applicable to the use and occupancy of the Subleased Premises by Subtenant, for the correction, prevention and abatement of nuisances, violations or other grievances, in, upon or connected with the Subleased Premises, including without limitation all laws relating to environmental matters and the Americans with Disabilities Act, and shall also promptly comply with, and execute all rules, orders and regulations of the Board of Fire Underwriters for the prevention of fires (collectively referred to as "*Legal Requirements*") at its own cost and expense. Notwithstanding the foregoing, Subtenant shall not be required to make any structural alterations in order to so comply unless such alterations shall be necessitated or occasioned, in whole or in part by the acts, omissions or negligence of Subtenant or any person claiming through or under Subtenant or any of their servants, employees, contractors, agents, visitors or licensees, or by the use or occupancy or manner of use or occupancy of the Subleased Premises by Subtenant, or any such person. Nothing in this paragraph shall be deemed a consent to the alteration, subletting or assignment of all or any portion of the Subleased Premises or of all or any of Subtenant's interests in this Sublease. If Subtenant's obligation to comply with Legal Requirements requires any Alterations, then such Alterations shall be made in accordance with the provisions of Section 24 hereof.

If Subtenant shall fail or neglect to comply with the aforesaid Legal Requirements, or if Subtenant shall fail or neglect to make any repairs or perform any maintenance required of it by the terms of this Sublease, and if such breach continues for a period of thirty (30) days after notice from Prime Landlord or Sublandlord regarding same, or, if the breach cannot be cured within thirty (30) days, if Subtenant has not begun to cure the breach within such period and does not thereafter diligently prosecute the cure to completion within ninety (90) days, then Sublandlord or its agents may (but shall not be obligated to) enter the Subleased Premises and take such actions as necessary to cure the breach and comply with any and all of the said Legal Requirements, at the cost and expense of Subtenant; and, in case of Subtenant's failure to pay

therefor, the said cost and expense shall be added to the next month's Rent and be due and payable as such.

Notwithstanding the foregoing, if Subtenant fails to comply with any Legal Requirements, and the Prime Lease or the Legal Requirements require compliance in a shorter period of time than is permitted by the foregoing, Subtenant shall comply within such shorter time period.

30. LIMITATIONS ON SUBLANDLORD'S LIABILITY

(a) Subtenant acknowledges that Sublandlord has made no representations or warranties with respect to the Building or the Subleased Premises or any fixtures, equipment or other personal property of Sublandlord included with the Subleased Premises except as provided in this Sublease and Subtenant accepts the Subleased Premises and any such personal property in its "AS IS" condition.

(b) If Sublandlord assigns its leasehold estate in the Premises, Sublandlord shall have no obligation to Subtenant that arises after that assignment, provided that Sublandlord shall remain liable to Subtenant with respect to any claims or other matters under this Sublease arising prior to such assignment and provided that Sublandlord's assignee expressly assumes for the benefit of Subtenant, the obligations of Sublandlord hereunder. Subtenant shall then recognize Sublandlord's assignee as Sublandlord of this Sublease.

(c) Sublandlord shall not be required to perform any of the covenants and obligations of the Prime Landlord under the Prime Lease, and insofar as any of the obligations of the Sublandlord hereunder are required to be performed under the Prime Lease by the Prime Landlord thereunder, Sublandlord's limited obligations in connection therewith shall be governed by Section 6 of this Sublease.

(d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBLEASE TO THE CONTRARY, UNDER NO CIRCUMSTANCES SHALL SUBLANDLORD BE LIABLE TO SUBTENANT FOR ANY SPECIAL, INCIDENTAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES.

31. ESTOPPEL CERTIFICATES

Subtenant agrees that from time to time upon not less than five (5) days prior notice by Sublandlord, Subtenant will deliver to Sublandlord, or to such person or persons as Sublandlord may designate, a statement in writing certifying (a) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease as modified is in full force and effect); (b) the date upon which Subtenant began paying Rent and the date(s) to which Rent has been paid; and (c) that to the best of Subtenant's knowledge, Sublandlord is not in default under any provision of this Sublease or if in default, the nature thereof in detail.

32. SUBORDINATION

This Sublease shall be subject and subordinate to the Prime Lease, any ground lease and to any mortgage or deed of trust thereon or on the fee simple interest in the Building or the land on which the Building is located.

33. CASUALTY AND CONDEMNATION

In the event of casualty or condemnation, if the Prime Lease is terminated with respect to the Subleased Premises pursuant to the provisions of the Prime Lease, this Sublease shall

automatically terminate at the same time and Subtenant shall have no claim against Sublandlord or Prime Landlord for the loss of its subleasehold interest or any of Subtenant's property, nor shall Subtenant have or make any claim for an award against the condemning authority or for any insurance proceeds, as applicable. If the Prime Lease is not terminated with respect to the Subleased Premises upon the occurrence of a casualty or condemnation, but a portion of the Subleased Premises is taken in condemnation or rendered untenable by casualty, the Rent due hereunder shall be equitably adjusted during any period that a portion of the Subleased Premises cannot be used by Subtenant. Condemnation shall include a deed or conveyance in lieu of condemnation. In the event of casualty, condemnation or deed in lieu of condemnation, Subtenant hereby waives any relocation rights, claims, and benefits. Any election right or option in the Prime Lease with respect to restoration of the Subleased Premises or the Building or termination of the Prime Lease is expressly reserved to Sublandlord to exercise in its sole discretion.

34. CONSENT OR APPROVAL OF PRIME LANDLORD

If the consent or approval of Prime Landlord is required under the Prime Lease with respect to any matter relating to the Subleased Premises, Subtenant shall be required first to obtain the consent or approval of Sublandlord with respect thereto and, if Sublandlord grants such consent or approval, Sublandlord will promptly forward a request for consent or approval to the Prime Landlord and, at Subtenant's cost and expense, will cooperate reasonably to obtain such consent. Sublandlord shall have no liability to Subtenant for the failure of Prime Landlord to give its consent. In no event shall it be unreasonable for Sublandlord to withhold or delay its consent when the consent of the Prime Landlord is required but has not been obtained.

35. NOTICES

All notices given pursuant to the provisions of this Sublease shall be in writing, addressed to the party to whom notice is given and hand delivered or sent registered or certified mail, return receipt requested, in a postpaid envelope or by nationally recognized overnight delivery service to the addresses set forth below.

It is understood and agreed that unless specifically modified by this Sublease, Sublandlord shall be entitled to the length of notice required to be given by the County as Tenant to the Prime Landlord under the Prime Lease plus an additional five (5) days. Sublandlord and shall be entitled to give Subtenant the amount of notice required to be given to the County as Tenant under the Prime Lease less (or minus) five (5) days. If a notice period in the Prime Lease is less than ten (10) days, then one-half (½) of the applicable notice period shall be substituted for five (5) days in the preceding sentence. All notices shall be deemed given upon receipt or rejection. Any and all communications delivered hereunder shall be sent to:

If to Sublandlord:	Arlington County Manager 2100 Clarendon Boulevard, Suite 302 Arlington, Virginia 22201 Phone: (703) 228-3120 Fax: (703) 228-3295
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With a copy to: Real Estate Bureau Chief
Engineering & Capital Projects Division
Department of Environmental Services
2100 Clarendon Boulevard, Suite 900
Arlington, Virginia 22201
Phone: (703) 228-34354
Fax: (703) 228-7542

and a copy to: Director of Department of Management and Finance,
Arlington County
2100 Clarendon Boulevard, Suite 501
Arlington, Virginia 22201
Phone: (703) 228-3415
Fax: (703) 228-3401

and a copy to: Director of Parks, Recreation and Cultural Resources
2100 Clarendon Boulevard, Fourth Floor
Arlington, Virginia 22201
Phone: (703) 228-3323
Fax: (703) 228-3328

If to Subtenant: Barroso, Inc.
1727 Wilson Boulevard
Arlington, Virginia 22209

Either party by notice to the other may change or add persons and places where notices are to be sent or delivered. In no event, however, shall Subtenant designate more than three (3) persons to whom it shall request notices be sent.

36. BROKERS

The parties warrant that they have had no dealings with any real estate brokers in connection with this Sublease.

37. SUBLANDLORD'S AND SUBTENANT'S POWER TO EXECUTE

Sublandlord, subject to Prime Landlord's consent, and Subtenant, covenant, warrant, and represent that they have full power and proper authority to execute this Sublease.

38. CAPTIONS

The captions appearing in this Sublease and its Exhibits are inserted only as a matter of convenience and do not define, limit, construe or describe the scope or intent of the sections of this Sublease or its Exhibits nor in any way affect this Sublease or its Exhibits.

39. CONSENT TO SUBLEASE BY PRIME LANDLORD AND COUNTY BOARD

(a) This Sublease shall not become operative as a Sublease and shall not convey a leasehold estate to Subtenant until and unless the Prime Landlord has given to Sublandlord its written consent hereto. Sublandlord shall not be responsible for Prime Landlord's failure to consent to this Sublease. Either Sublandlord or Subtenant may terminate this Sublease by written notice to the other if the Prime Landlord has not granted its consent within ninety (90)

days after the date that Sublandlord executed this Sublease.

(b) Additionally, this Sublease shall not become effective unless and until the County Board approves this Sublease. Upon the execution and delivery by Sublandlord of a Sublease that is acceptable to the County Manager, he shall use reasonable efforts to promptly obtain the approval of the County Board to this Sublease consistent with the County process for the review and submission of documents to the County Board for consideration. If this Sublease is not approved by the County Board, then no liability whatsoever shall accrue to the Sublandlord or Subtenant, and the Sublandlord and Subtenant shall have no obligations whatsoever to each other.

40. RESTORATION

(a) To the extent required of the Sublandlord in the Prime Lease, Subtenant shall perform any restoration obligations in the Subleased Premises at the sole cost and expense of Subtenant. If this Sublease expires or earlier terminates prior to the expiration of the Prime Lease, and the Prime Lease requires restoration but would not require the restoration to be performed prior to the end of the Prime Lease, then Sublandlord may perform such restoration at the time this Sublease expires or earlier terminates or at the time Subtenant vacates the Subleased Premises and Subtenant will be responsible for the costs and expenses of such restoration.

(b) Subtenant, at its sole cost and expense, shall remove from the Subleased Premises any personal property, furniture, and trade fixtures which it owns or leases from third parties. Subtenant shall pay Sublandlord for the cost to restore any damage caused by such removal. Subtenant shall verify the ownership of such items before removing them from the Subleased Premises. Any personal property, furniture, and trade fixtures used by Subtenant but which are owned by Sublandlord or leased by Sublandlord from third parties shall not be removed by Subtenant. Subtenant shall leave the Subleased Premises in broom clean condition.

41. COUNTERPARTS

This Sublease may be executed in one or more counterparts, each of which shall be deemed an original but all of which, when taken together, shall constitute one and the same instrument.

42. GOVERNING LAW, PROPER VENUE AND ENFORCEMENT

This Sublease shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia. The parties hereto agree that all disputes arising hereunder shall be brought in the Circuit Court of Arlington County, Virginia which shall be the proper forum for any dispute arising hereunder, and in no other courts. In the event of any dispute arising from Subtenant's default in the performance hereunder, or any other covenant, condition or obligation hereunder, Subtenant shall be obligated to pay Sublandlord for all court costs and reasonable attorneys' fees incurred by Sublandlord to enforce or defend its rights hereunder or at law.

43. ENVIRONMENTAL COMPLIANCE

In addition to any requirements in the Prime Lease with respect to environmental matters, Subtenant agrees to comply with all applicable environmental laws, rules and regulations insofar as they pertain to the specific manner in which Subtenant uses the Property. Subtenant shall not generate, store, transport, treat, dispose of or use on the Property any hazardous or toxic substances or wastes as defined under any applicable laws, rules, or regulations.

44. NO RECORDING

Sublandlord and Subtenant agree not to record this Sublease or any memorandum of this Sublease.

45. ROLE OF THE COUNTY/COUNTY DECISIONS; NO WAIVER

Subtenant hereby acknowledges that Sublandlord has entered into this Sublease in its role as sublandlord under this Sublease and not as a governing authority. Accordingly, the Sublandlord's execution of this Sublease shall neither constitute nor be deemed to be governmental approval for any actions or interests contemplated herein, including without limitation, for the construction and occupancy of the Subleased Premises, or for any other governmental approval or consent required to be obtained by Subtenant. Whenever in this Sublease Sublandlord is required to join in, consent, give its approval, or otherwise act under this Sublease, it is understood that such obligations are meant to apply to the Sublandlord acting in its capacity as a sublandlord and not in its capacity as a governing authority. Further, Subtenant hereby acknowledges that any and all decisions, determinations, consents, notifications or any other actions taken or to be taken by Sublandlord pursuant to this Sublease, whether or not specifically contemplated hereunder, may be taken by the County Manager or by another Arlington County official or body pursuant to any means, mechanism or process as determined by Arlington County in its sole discretion, and Subtenant shall have no right to question or challenge the propriety, authority or legality of any such Arlington County official or body, or means, mechanism or process by which any such decision, determination, consent, notification, or other action is taken or to be taken hereunder by Sublandlord. Notwithstanding the foregoing, nothing in this Sublease shall be construed to waive any of Sublandlord's powers, rights or obligations as a governing authority or local governing body, whether or not affecting the Building or Subleased Premises, including, but not limited to its police power, right to grant or deny permits, right to collect taxes or other fees, or any other power, right or obligation whatsoever.

46. NO WAIVER OF SOVEREIGN IMMUNITY BY SUBLANDLORD

Notwithstanding any other provisions of this Sublease to the contrary, nothing in this Sublease nor any action taken by Sublandlord pursuant to this Sublease nor any document which arises out of this Sublease shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Sublandlord, or of its elected and appointed officers and officials, employees, contractors and agents.

47. NO RIGHTS IN THIRD PARTIES

The parties hereto mutually agree that no provision of this Sublease shall create in the public, or in any person or entity other than those signing this Sublease as parties hereto, rights as a third party beneficiary hereunder, or authorize any person or entity, not a party hereto, to maintain any action for personal injury, property damage, or breach of contract pursuant to the terms of this Sublease or otherwise.

48. NO INDEMNIFICATION OR HOLD HARMLESS

Notwithstanding any other term or provision of this Sublease to the contrary, so long as Sublandlord is The County Board of Arlington County, Virginia, Sublandlord shall have no obligation to explicitly or implicitly indemnify or hold harmless the Subtenant or any third party or parties from liability. Notwithstanding any other term or provision of this Sublease to the contrary, Prime Landlord shall have no obligation to explicitly or implicitly indemnify or hold

harmless the Subtenant of any third party or parties from liability.

49. NON-APPROPRIATION CLAUSE

(a) All of Sublandlord's obligations under this Sublease are subject to appropriation of funds by the County Board of Arlington County, Virginia for the specific purpose of satisfying the payment and performance of such obligations. In the event that funds are not appropriated at the beginning of any Sublandlord's fiscal year for the specific purpose of satisfying the obligations of the Sublandlord under this Sublease, then this Sublease shall become null and void and shall terminate on the last day of the Sublandlord's fiscal year for which appropriations were received for such purpose, without any termination fee or other liability whatsoever to the Sublandlord. If funds for the Sublandlord's obligations under this Sublease are not appropriated, then the Sublandlord shall vacate the Subleased Premises prior to the beginning of the Sublandlord's next fiscal year.

(b) It is agreed by both Subtenant and Sublandlord that, notwithstanding any provision in this Sublease to the contrary, this Section 49 shall supersede any and all obligations imposed by any other provision of this Sublease or Exhibits hereof. No subsequent Amendment of, or Addendum to, this Sublease shall compromise the full legal implication of this Section 49 between the parties hereto or their respective successors or assigns.

50. ADDITIONAL PROVISIONS

(a) Each and every covenant and agreement contained in this Sublease is, and shall be construed to be, a separate and independent covenant and agreement.

(b) Neither Sublandlord nor Sublandlord's agents have made any representations or promises with respect to the Subleased Premises or the Building, except as herein expressly set forth and no rights, easements or licenses are acquired by Subtenant by implication or otherwise except as expressly set forth in the provisions of this Sublease.

(c) Time is of the essence as to all provisions of this Sublease applicable to Subtenant's obligations hereunder.

(d) The submission of this Sublease to Subtenant shall not be construed as an offer, nor shall Subtenant have any rights with respect thereto unless and until Sublandlord shall, or shall cause its managing agent to, execute a copy of this Sublease and deliver the same to Subtenant.

(e) Notwithstanding anything to the contrary contained in this Sublease, if the Sublease Term has not commenced within twenty-one (21) years after the date of this Sublease, this Sublease shall automatically terminate on the twenty-first (21st) anniversary of such date. The sole purpose of this provision is to avoid any interpretation of this Sublease as a violation of the Rule Against Perpetuities, or any other rule of law or equity concerning restraints on alienation.

IN WITNESS WHEREOF, the parties hereto have caused this Sublease to be properly executed as of the day and year first above written.

APPROVED AS TO FORM:

County Attorney

SUBLANDLORD:

**THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA**, a body politic

By: _____

Name: _____

Title: _____

SUBTENANT:

BARROSO, INC., a Virginia corporation

By: _____

Name: _____

Title: _____

Prime Landlord executes this Sublease solely as evidence of its consent to this Sublease. Prime Landlord's consent to this Sublease shall not in any way be deemed a modification of the Prime Lease. This consent shall not be deemed to release The County Board of Arlington County, Virginia from any obligation or liability under the Prime Lease.

PRIME LANDLORD:

1101 WILSON OWNER, LLC, a Delaware limited liability company

By: _____

Name:

Title:

EXHIBIT A
Copy of Prime Lease
[To Be Inserted]

EXHIBIT B
Copy of First Amendment

[To Be Inserted]

EXHIBIT C

Copy of Second Amendment

[To Be Inserted]

EXHIBIT D

Copy of Third Amendment

[To Be Inserted]

EXHIBIT E

Kitchen/Bar Floorplan (Subleased Premises)

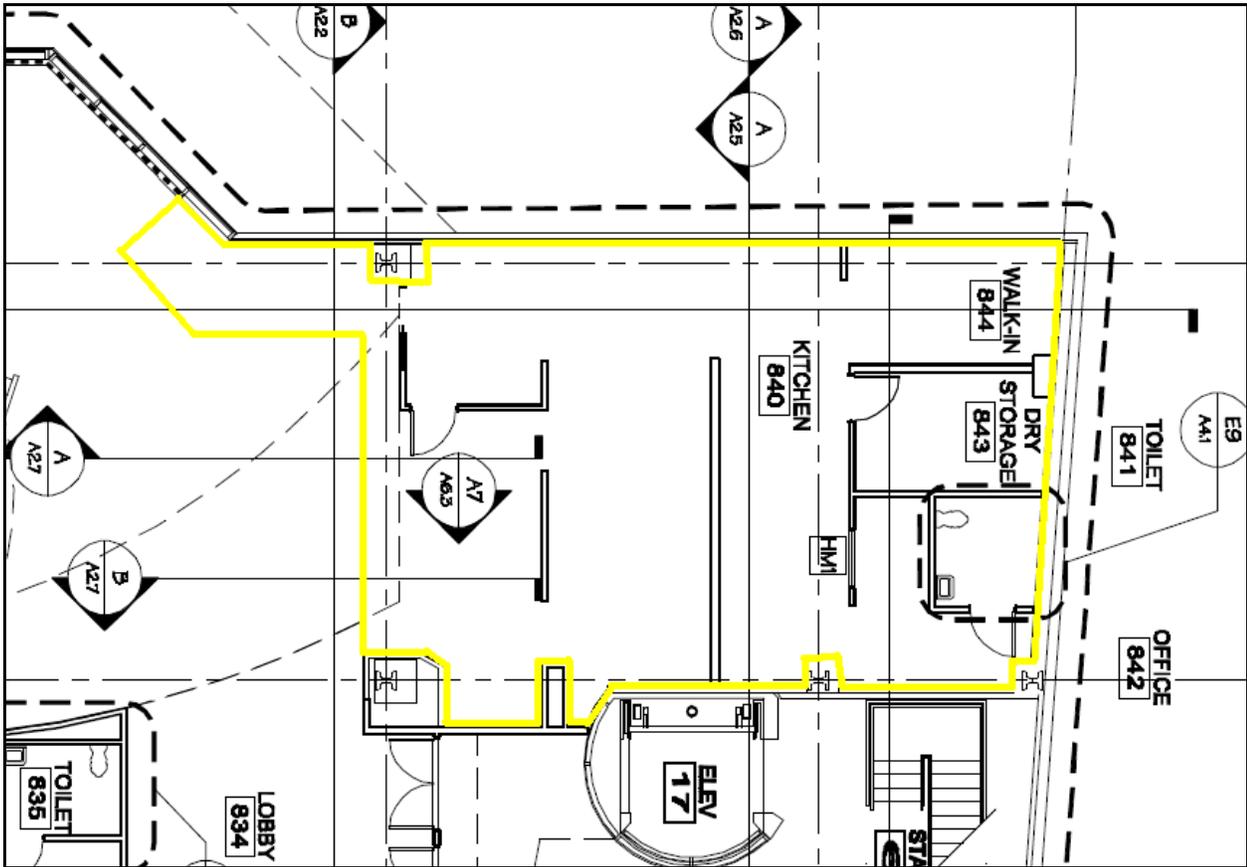


EXHIBIT E (Continued)

Kitchen/Bar Floorplan (Subleased Premises)

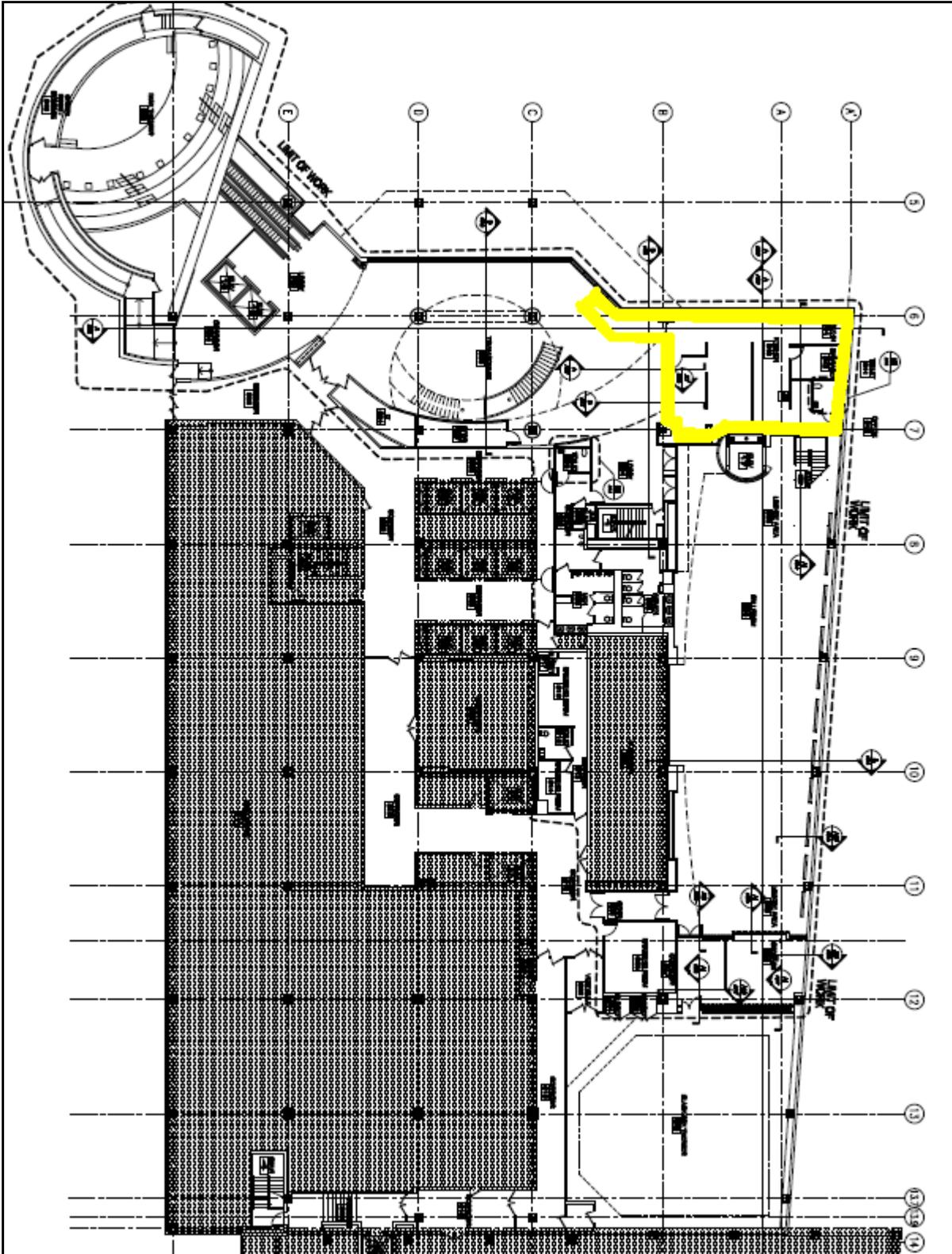


EXHIBIT F

Walk-In Refrigerator Floorplan (Subleased Premises)

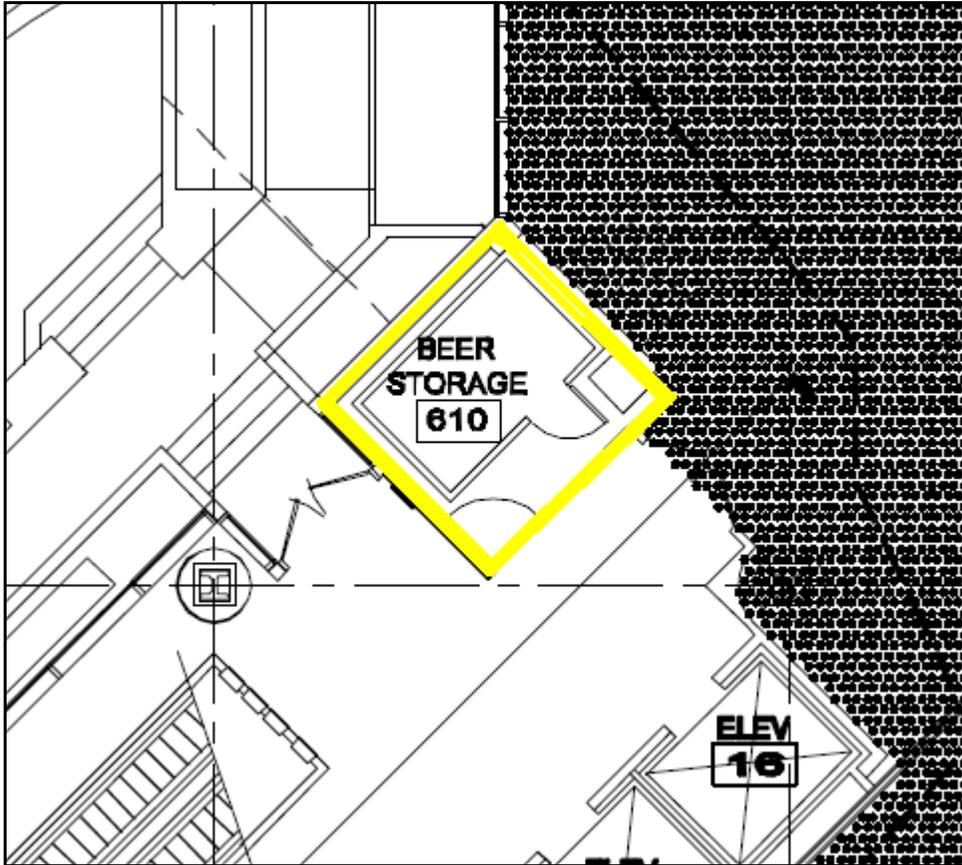


EXHIBIT F (Continued)

Walk-In Refrigerator Floorplan (Subleased Premises)

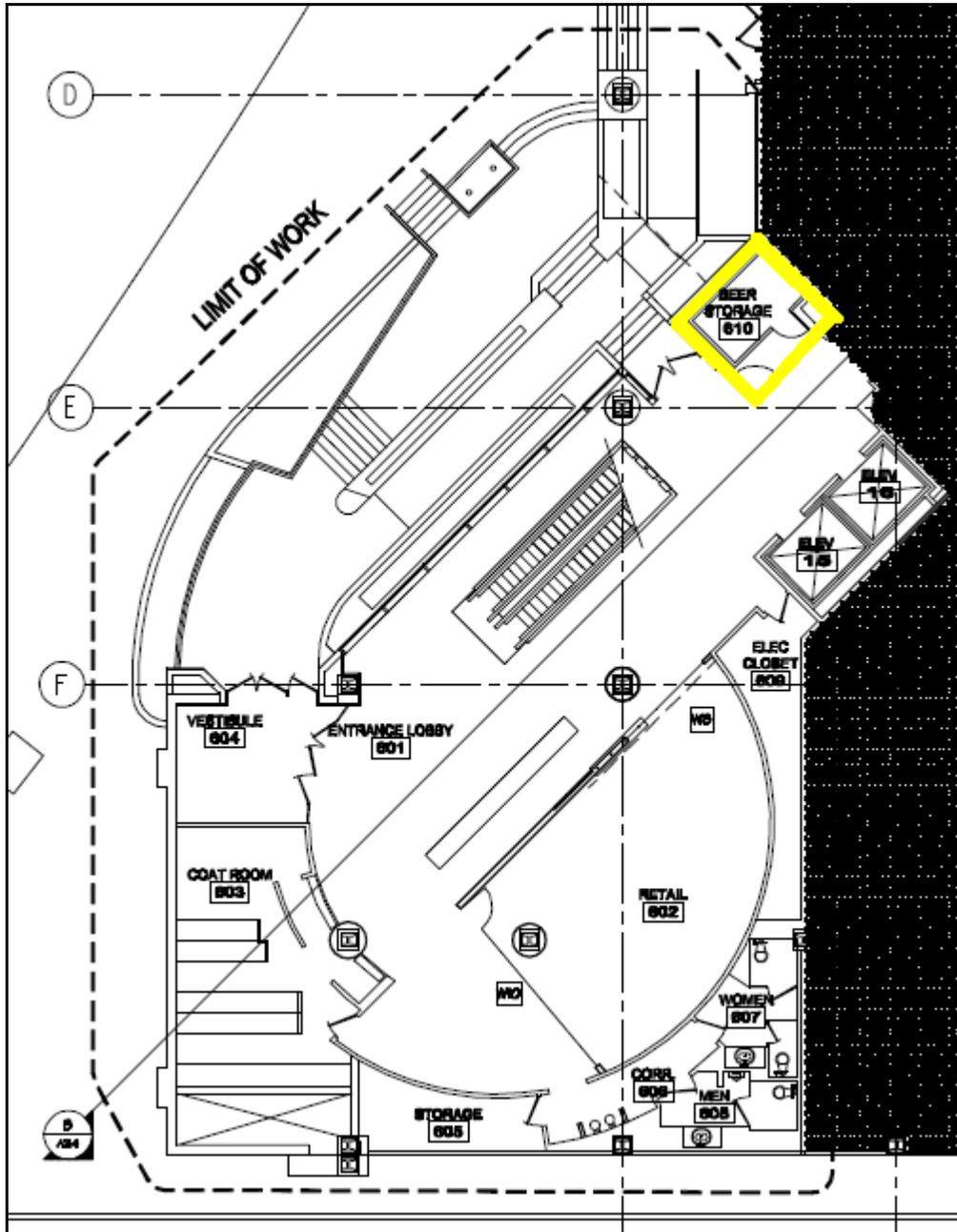


EXHIBIT G

Town Square Floorplan

Lower Town Square

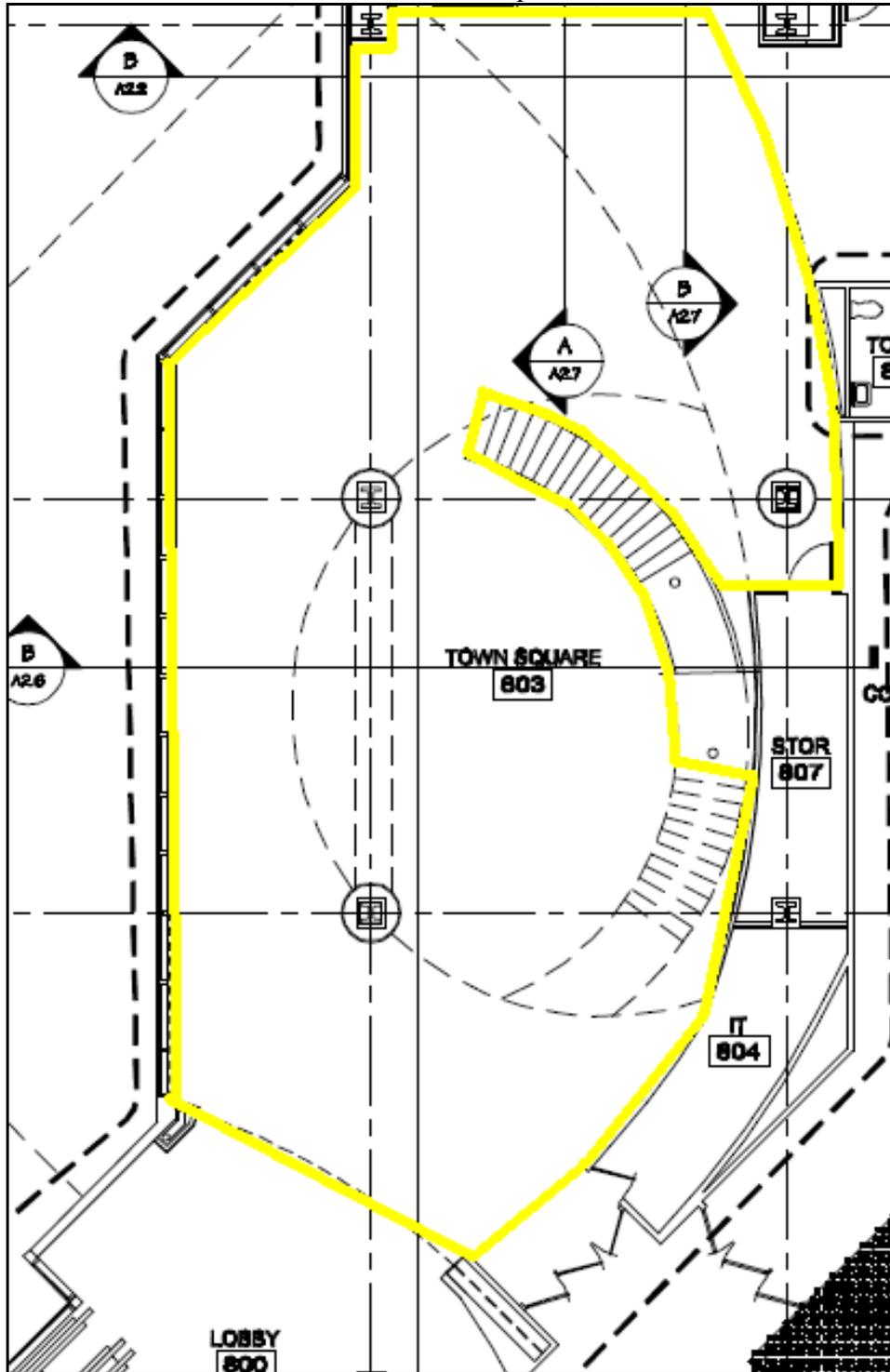


EXHIBIT G (Continued)

Town Square Floorplan

Upper Town Square

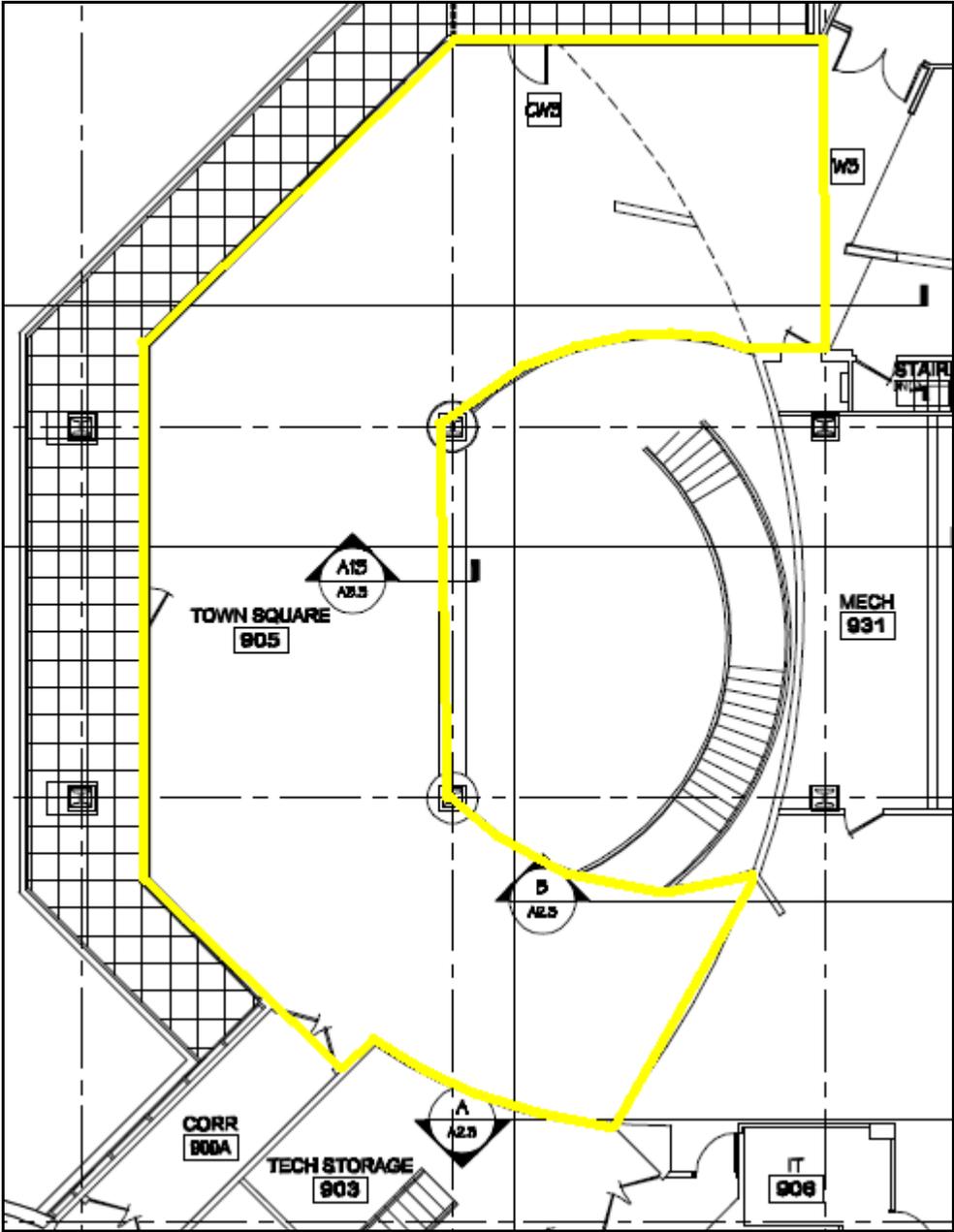


EXHIBIT H

Comprehensive Sign Plan

[To Be Inserted]

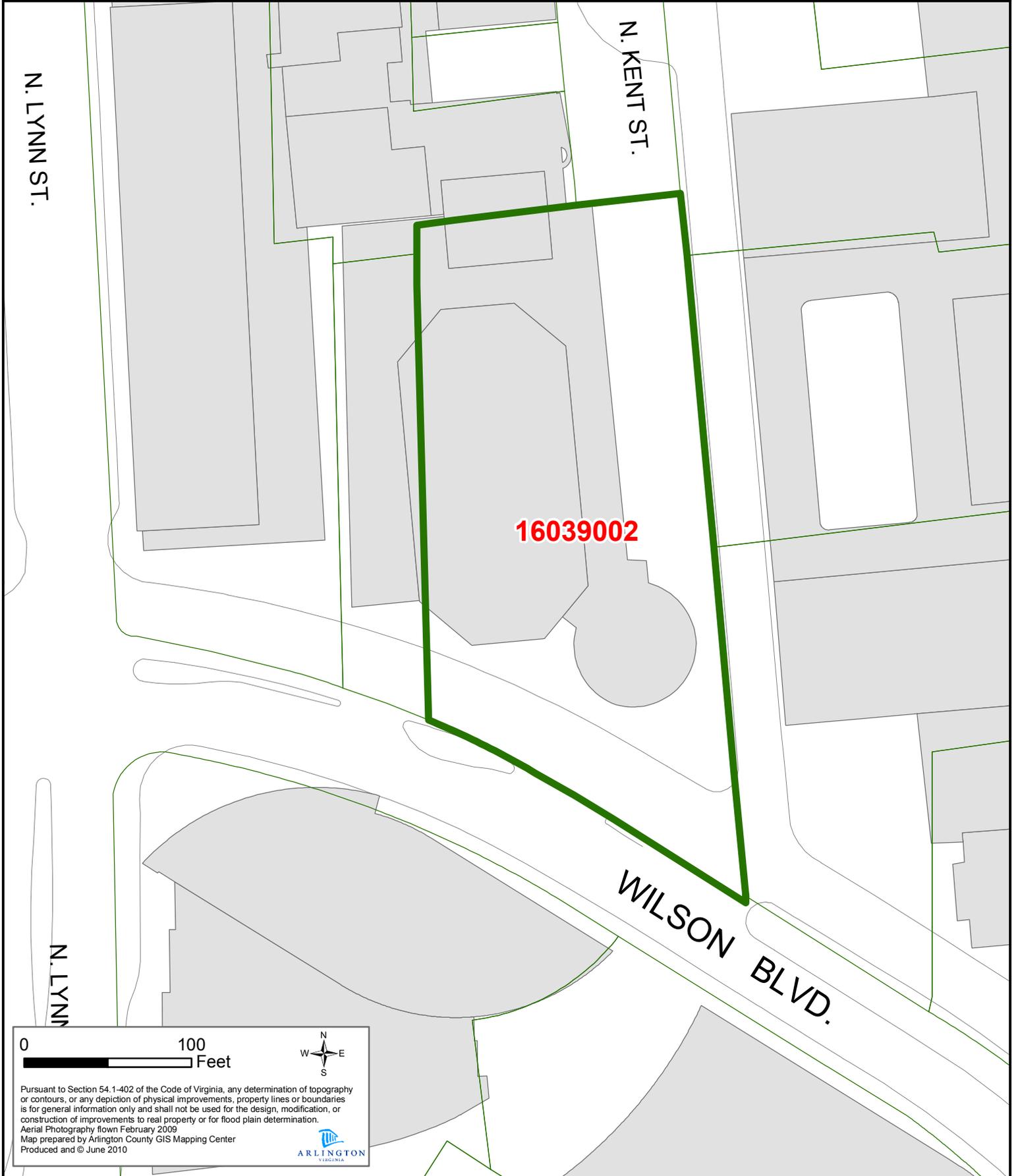
**EXHIBIT I
Equipment List**

Item Description	Make	Model	Serial Number(s)
Wall-in Freezer/Cooler (includes refrigeration systems)	ThermaKool	TK3476 WFR-R	53050GLGP
Shelving, Mobile (seven) (in freezer cooler)	InterMetro	MetroMax	NA
Shelving (nine) (dry storage)	InterMetro	Metro	NA
Mop Sink & Rack	IMC Teddy	FS	NA
Pot Washing Sink	Select Stainless	NA	NA
Hand Sink (three)	Select Stainless	NA	NA
Soap & Towel Dispensers (three)	Unknown	NA	NA
Clean Dish Table	Select Stainless	NA	NA
Dish Washing Machine	Hobart	AM15T	23-1121-801
Condensate Canopy	Captive Aire	4224VHB	NA
Disposer	InSinkerator	SS150-36	10059079488
Soiled Dish Table	Select Stainless	NA	NA
Prep Sink	Select Stainless	NA	NA
Worktable	Select Stainless	NA	NA
Slicer	Berkel	X13AE	37-1003756
Pizza Prep Table, Mobile	True	Unknown	Unknown
Reach-in Refrigerator, Mobile	True	T-49	6866312

Item Description	Make	Model	Serial Number(s)
Ice Machine & Bin	Hoshizaki	KM901MAH	V02148D
Ventilator (with fire protection system)	Captive Aire	663DND2	NA
Utility Race Way	Captive Aire	UD-1	NA
Pan Rack Cart, Mobile	New Age Industrial	NA	NA
Microwave Oven (wall mount)	Amana	RCS10MPSA	Unknown
Pizza Oven, Mobile (single deck)	Nu Vu	PMA-5/18	94640000710
Convection Oven, Mobile (double deck)	South Bend	SLGS/22SC	10F04353
Range, Mobile	Garland	MST43SE	1006100100303
Char-Broiler, Mobile	Garland	MST34BE	1006100100304
Fryer Assembly, Mobile (with dump station, heat lamp & filter)	PITCO	SE14	E10GA026724
Reach-in Freeze, Mobile	True	T-23F	5367521
Prep Counter, Mobile	Randell	Custom	Unknown
Utility Section with Sink	Randell	Custom	160194-1-1
Under counter Refrigeration	Randell	Custom	Unknown
Sandwich prep Refrigeration	Randell	Custom	Unknown
Utility Section	Randell	Custom	Unknown
Cashier Station	Randell	Custom	160190-1-1
Double Over shelf (with heat lamp)	Glo Ray	Unknown	Unknown
Wall Shelf	Select Stainless	NA	NA

Item Description	Make	Model	Serial Number(s)
Glass Door Merchandiser, Mobile	True	GDM-23	6898206
Cup Dispenser (three)	Dispense-Rite	NA	NA
Ice Tea Brewer	Bunn	TB3Q	TU00227849
Coffee Brewer	Bunn	Dual TF DBC TF Server 1.5G	106233 TF00103822
Overhead Coiling Doors (two)	Cookson	DASMA	NA
Backbar Refrigerator (with 2-beer taps)	Perlick	BS108	654713
Liquor Display 48" Liquor Display 36"	Perlick	LMD2XX-48 LMD2XX-36	NA NA
Cocktail Station 42" Cocktail Station 36"	Krowne	KR18-42-8 KR18-36-8	0703000610 0703000610
Corner Filler	Krowne	KR18-R90	0703000610
Mixer/Blender Station with dump sink (two)	Krowne	KR18-BD	0703000610
Bar Blender (two)	Proctor-Silex	820241200	A4190L 00476 A4190L 00472
Bottle Cooler (Two)	Perlick	BC-24	654702 654703
Hand Sink (with soap dispenser)	Krowne	KR18-12-DST	0703000610
Liquor Storage Cabinet	Krowne	KR18-SD24	0703000610
Triple Sink	Krowne	KR18-53C	0703000610
Beverage Counter with Ice & Water Dispenser	Select Stainless	NA	NA
Satellite Coffe Warmer	Robot Coupe	R402V	4110176303D-04
Beer Cooler (includes piping and condenser)	ThermaKool	TK2876-WFR	53051GLGP

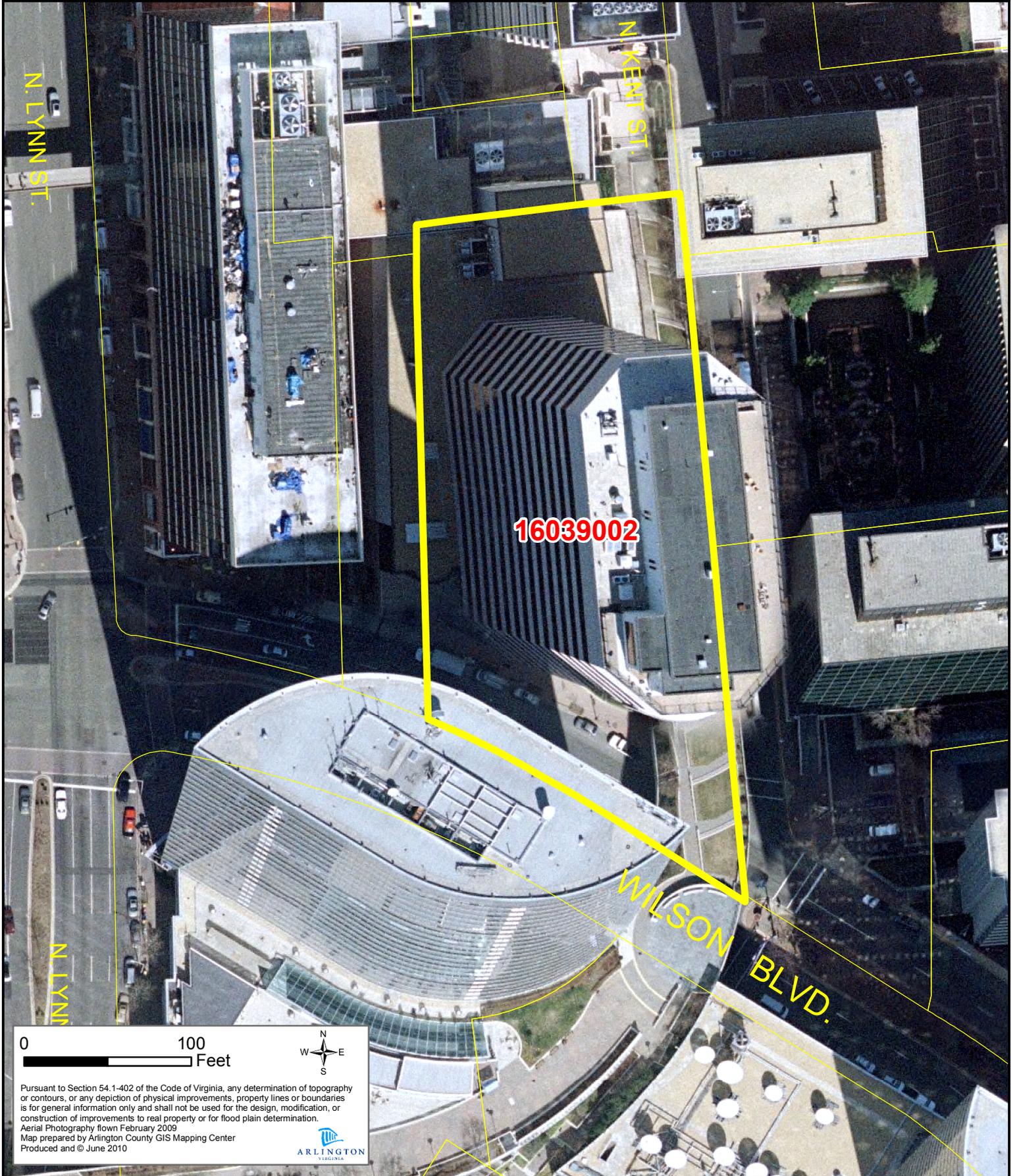
Vicinity Map
Artisphere - Standard Form License Agreement
RPC# 16039002



Pursuant to Section 54.1-402 of the Code of Virginia, any determination of topography or contours, or any depiction of physical improvements, property lines or boundaries is for general information only and shall not be used for the design, modification, or construction of improvements to real property or for flood plain determination.
Aerial Photography flown February 2009
Map prepared by Arlington County GIS Mapping Center
Produced and © June 2010



Vicinity Map
Artisphere - Standard Form License Agreement
RPC# 16039002



0 100 Feet



Pursuant to Section 54.1-402 of the Code of Virginia, any determination of topography or contours, or any depiction of physical improvements, property lines or boundaries is for general information only and shall not be used for the design, modification, or construction of improvements to real property or for flood plain determination.
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