



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of September 16, 2017

DATE: September 8, 2017

SUBJECT: Deed of Lease between the County Board of Arlington County, Virginia, as landlord, and Phoenix Bikes, a Virginia corporation, as tenant, for real property located at 909 S. Dinwiddie St., Arlington Virginia (RPC# 22-001-725), also known as the Arlington Mill Community Center.

C. M. RECOMMENDATIONS:

1. Approve the attached Deed of Lease between the County Board of Arlington, Virginia, as landlord, and Phoenix Bikes, a Virginia corporation, as tenant, for 909 S. Dinwiddie St., Arlington Virginia; and
2. Authorize the Real Estate Bureau Chief, Department of Environmental Services, or his designee, to execute the Deed of Lease, and any related documents, on behalf of the County Board, subject to approval as to form by the County Attorney.

ISSUES: There are no outstanding issues relating to approval and execution of the Deed of Lease.

SUMMARY: Upon approval and execution of the attached Deed of Lease ("Lease") on behalf of the County Board, Phoenix Bikes will be entitled to utilize leased premises of 1,875 square feet (sf.) of retail space (on ground level), 495 sf. of office space (on the 4th floor), and 225 sf. of storage space at the Arlington Mill Community Center (AMCC) to operate and conduct youth education programs and operate a community bicycle shop for refurbishment of bicycles and sale of refurbished bicycles. The term of the lease is five years. The initial rent for the retail space is \$8,928 per year. This rate will escalate by 26.4 percent, when Phoenix Bikes begins to utilize the office space as outlined in the Lease, or within two years of the execution of the Lease if earlier. Phoenix Bikes will pay for its own build-out, estimated to cost \$170,000.

BACKGROUND: A Request for Expression of Interest (RFEI) was released in July 2016 to seek informal ideas from interested persons for use of unoccupied retail area, with the option to include use of three empty rooms on the 4th floor at AMCC, to provide public programming; the

County Manager: _____

County Attorney: _____

Staff: Peter Lusk, Athletic and Facilities Services Division Chief, DPR

30.

proposals received were reviewed in October 2016. Permitted ideas for proposed uses included, but were not limited to, a retailer providing recreational, educational, or arts services. Further, the proposal had to demonstrate the organization's capacity to fund build-out costs and to pay for ongoing operations, including maintenance and utilities. Phoenix Bikes submitted the sole proposal in response to the RFEI, met all requirements and passed the evaluation criteria.

Phoenix Bikes was formerly named Community Spokes, which was established in 2002 as a community-based organization focused on giving youth the opportunity to participate in bike refurbishment and retail operations. Funding for Community Spokes was initially supported through a Community Development Block Grant (CDBG) and then with County funds through the Department of Parks and Recreation (DPR). In 2006, budget reductions to the federal CDBG program eliminated funding for Community Spokes. Subsequently, Phoenix Bikes was established and the County began to provide local tax support of up to \$8,000 annually for the program's operating expenses (2007 through 2017). In addition, the County has provided Phoenix Bikes with the use of a Barcroft Park storage area and some program support for marketing and volunteer management since 2007.

In March 2017, the County and Phoenix Bikes agreed to terms on a Letter of Intent, which granted Phoenix Bikes up to 18 months to complete the fundraising necessary to fund an estimated \$170,000 in costs to build out the vacant retail area of the Arlington Mill Community Center and one room on the 4th floor for office space. The ongoing annual payment for Phoenix Bikes covers their share of expenses for custodial service and utilities for the retail area and 4th floor office area. As of July 2017, Phoenix Bikes had reached 80% of its total fundraising goal, and has worked with DPR and the County's Real Estate Bureau to revise their lease to allow for a two-phase buildout. The first phase will be the buildout of the retail area, and the second phase will be the buildout of the office area.

DISCUSSION: Phoenix Bikes will have one year from Lease execution to complete the build-out in the retail area of AMCC, and must commence the office build-out on the 4th floor within 21 months after Lease execution. Should Phoenix Bikes not commence the work in the office area by the deadline, the County may recapture it. The build-out at Arlington Mill will enable Phoenix Bikes to move its operations from the storage area in Barcroft Park. The program has substantially outgrown the storage area and relocation to AMCC will enable Phoenix Bikes to continue its operations and meet growing demand for its high-quality, award-winning youth program in the community it has served for the past 10 years.

The key lease provisions are:

- Term: Five years.
- Retail Area Rent Commencement Date: The earlier of (i) the date on which Tenant first opens its business in the retail area to the public or (ii) one year after the mutual execution and delivery of the Lease.
- Retail Area Base Rent: \$744 monthly (\$8,928 annually).
- Office Rent Commencement Date: The earlier of two years after lease execution or the date on which Phoenix Bikes commences operations in the office space.

- Office Base Rent: Base Rent will escalate 26.4% upon the Office Rent Commencement Date, when both the retail and the office area are occupied by Phoenix Bikes.
- Annual Base Rent Escalations: Base rent escalates at 3% per year.
- Extension Options: One five-year option, with rent based on the County's janitorial and electricity service costs per square foot.
- Build-Out: Phoenix Bikes must build out the entire premises at its own expense.

PUBLIC ENGAGEMENT: The RFEI was announced through DPR and was posted on the County website for distribution. DPR held tours of the facility for all interested parties wishing to respond to the RFEI on August 9th and August 10th 2016. Phoenix Bikes was the only respondent.

FISCAL IMPACT: Phoenix Bikes will invest an estimated \$170,000 of private funds to build out the vacant unfinished retail area and 4th floor office space at the Arlington Mill Community Center. Once the retail and office area spaces are operational, it is estimated that the Department of Environmental Services will incur new annual expenses of \$32,990 for custodial services, maintenance, and utilities. The annual payment by Phoenix Bikes will partially offset the additional County expenses in the building. Additional costs to the County are not anticipated to start until FY 2019 and will be included in the FY 2019 budget development process.



Deed of Lease

Between

**The County Board of Arlington County, Virginia,
a body politic,**

as Landlord

and

Phoenix Bikes, a Virginia corporation,

as Tenant

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Exhibit A	PREMISES' FLOOR PLAN
Exhibit B	RULES AND REGULATIONS

DEED OF LEASE

This Deed of Lease (this “Lease”) is entered into this ____ day of _____, 201__ between The County Board of Arlington County, Virginia, a body politic (“Landlord”), and Phoenix Bikes, a Virginia corporation t/a Phoenix Bikes (“Tenant”). Landlord and Tenant are sometimes collectively referred to herein as the “Parties.”

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and in consideration of the agreements herein made, Landlord and Tenant hereby agree as follows:

ARTICLE 1. DEFINITIONS

1.1 ADA. “ADA” means the Americans with Disabilities Act, as amended, and all rules promulgated thereunder.

1.2 Additional Rent. “Additional Rent” means all amounts payable by Tenant to Landlord under this Lease, whether or not specifically referred to herein as Additional Rent, other than (i) Base Rent and (ii) payments due to Landlord in its capacity as a governing authority rather than a landlord, such as Real Estate Taxes.

1.3 Alterations. Alterations is defined in Section 7.2(A) hereof.

1.4 Applicable Laws. “Applicable Laws” means all present and future laws, statutes, permits, ordinances (including without limitation zoning ordinances and land use requirements), regulations, orders, and rules of any governmental authority, whether local, state, or federal, concerning the use, occupancy, or condition of the Building, the Premises, or the Land, as applicable, or the machinery, equipment, furnishings, fixtures, or improvements used therein, including but not limited to the ADA and all laws, statutes, ordinances, regulations, orders, and rules related to air pollution, water pollution, noise control, or the transporting, storing, handling, discharge, disposal, or recovery of on-site or off-site Hazardous Materials, as the same may be amended from time to time.

1.5 Base Rent. Base Rent is defined in Section 3.1 hereof.

1.6 Building. The “Building” is a five (5)-story building located at 909 S. Dinwiddie Street, Arlington, Virginia. “Building” includes all portions of said building, including without limitation the Premises, the Common Area within the Building, and the Garage.

1.7 Common Area. “Common Area” means those areas of the Property made available by Landlord for use by Tenant in common with Landlord and other users of the Building, but excluding in all events electrical closets, risers, and equipment rooms.

1.8 Community Center. “Community Center” means the community center operated by Landlord in the Building.

1.9 Days. Whenever there is a reference to “days” in this Lease, it shall be deemed to mean calendar days unless expressly stated otherwise. Whenever there is a reference to “business days” in this Lease, it shall be deemed to mean Monday through Friday, excluding holidays recognized by the Arlington County government.

1.10 Default. Default is defined in Section 13.1(A) hereof.

1.11 Default Rate. The “**Default Rate**” means twelve percent (12%) per annum, or the maximum interest rate allowed by law, if less.

1.12 Effective Date. The “**Effective Date**” is defined in Section 19.31 hereof.

1.13 Extension Option. The Extension Option is defined in Section 18.1(A) hereof.

1.14 Extension Term. The Extension Term is defined in Section 18.1(A) hereof.

1.15 Floor Area. “**Floor Area**” means the floor area of the space in question as determined in any reasonable manner elected by Landlord.

1.16 Foreclosure Purchaser. Foreclosure Purchaser is defined in Section 10.2 hereof.

1.17 Garage. Garage is defined in Section 14.2 hereof.

1.18 Gross Sales. “**Gross Sales**” means all sales or receipts of every kind made by Tenant or any sublessee, concessionaire, or licensee from the Premises, based on the actual prices charged, whether for cash or on credit, including without limitation catalog, electronic, and telephone sales and orders taken in or from the Premises but filled elsewhere, all without credit to Tenant for uncollected or uncollectible credit accounts. Each charge or sale upon installment or credit shall be treated as a sale for the full price at the time such charge or sale is made, regardless of whether or when Tenant receives payment thereof. The amount of any deposit not refunded shall be included in Gross Sales when received. The following items shall be excluded from Gross Sales: (i) any exchange of merchandise between stores of Tenant when the exchange is made solely for the convenient operation of Tenant’s business and not for the purpose of consummating a sale made on, in, or from the Premises; (ii) returns to shippers or manufacturers; (iii) cash or credit refunds to customers on transactions otherwise included in Gross Sales; (iv) sums and credits received in settlement of claims for loss or damage to merchandise; (v) sales of trade fixtures and store operating equipment after use thereof in the conduct of Tenant’s business; (vi) amounts collected from customers and paid by Tenant to any government for any sales or excise tax; and (vii) the amount of any discount sales to employees, not exceeding two percent (2%) of Tenant’s annual Gross Sales. No franchise, capital stock tax, tax based upon assets or net worth, or gross receipts tax, and no income or similar tax based on income or profits, shall be deducted from Gross Sales. The full value attributed to a trade-in item at the time the sale is made is to be included in Gross Sales.

1.19 Hazardous Materials. “**Hazardous Materials**” means any flammable items, explosives, radioactive materials, hazardous or toxic substances, material, waste, or related materials, including any substances defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “infectious wastes,” “hazardous materials,” or “toxic substances” now or subsequently regulated under any Applicable Laws, including without limitation oil, petroleum-based products, paints, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos, PCBs, and similar compounds, and including any different products and materials which are subsequently found to have adverse effects on the environment or the health and safety of persons. For purposes of this Lease, Hazardous Materials shall include, but not be limited to, asbestos and asbestos-containing materials.

1.20 HVAC. HVAC is defined in Section 5.2 hereof.

1.21 Initial Term. The “**Initial Term**” means the period commencing upon the Effective Date and expiring five (5) years after the Rent Commencement Date, provided that if the Rent Commencement Date occurs in the middle of a month, then the Initial Term shall expire on the last day of the month containing the fifth (5th) anniversary of the Rent Commencement Date.

1.22 Land. The “**Land**” is the land on which the Building is located, identified as Arlington County, Virginia Real Property Code (RPC) number 22001725.

1.23 Landlord Group. The “**Landlord Group**” means Landlord, any corporate entity or governmental or political subdivision or authority affiliated with Landlord, Landlord’s master lessor if any, Landlord’s property manager if any, any third-party operator or owner of the Building or any part thereof, and any asset manager, contractor, employee, officer, principal, member, partner, agent, or elected or appointed official of any of the foregoing, and the successors and assigns of each of them.

1.24 Office Area. The “**Office Area**” means approximately four hundred ninety-five (495) square feet of Floor Area located on the fourth floor of the Building as depicted on the floor plan attached hereto as Exhibit A.

1.25 Office Commencement Date. The “**Office Commencement Date**” means the earlier of (i) the date on which Tenant first commences using the Office Area for purposes other than Tenant’s Office Work or (ii) two (2) years after the Effective Date.

1.26 Office Permitted Use. The “**Office Permitted Use**” means general office use.

1.27 Option Exercise Deadline. The Option Exercise Deadline is defined in Section 18.1(B) hereof.

1.28 Option Exercise Notice. The Option Exercise Notice is defined in Section 18.1(B) hereof.

1.29 Option Interest Notice. The Option Interest Notice is defined in Section 18.1(B) hereof.

1.30 Permitted Use. The “**Permitted Use**” means the Retail Permitted Use with respect to the Retail Area, the Office Permitted Use with respect to the Office Area, and the Storage Permitted Use with respect to the Storage Area.

1.31 Per-Square-Foot Rate. The Per-Square-Foot Rate is defined in Section 18.1(B) hereof.

1.32 Premises. The “**Premises**” initially shall mean the Retail Area and the Storage Area. Commencing upon Landlord’s delivery of the Office Area to Tenant, the Premises shall mean the Retail Area, the Storage Area, and the Office Area. The Premises shall not be subject to remeasurement.

1.33 Property. The “**Property**” means the Land and all improvements thereon.

1.34 Real Estate Taxes. “**Real Estate Taxes**” means all general and special real estate taxes and special assessments levied or assessed against the Premises, or any unit therein or part or portion thereof or the rents therefrom, and all taxes or other charges imposed in lieu of any such taxes.

1.35 Rent. “Rent” means Base Rent and Additional Rent. Notwithstanding anything in this Lease to the contrary, all Rent shall constitute rent for the Premises.

1.36 Rent Commencement Date. The “Rent Commencement Date” means the earlier of (i) the date on which Tenant first opens its business in the Retail Area to the public or (ii) one (1) year after the mutual execution and delivery of this Lease.

1.37 Retail Area. The “Retail Area” means approximately one thousand eight hundred seventy-five (1,875) square feet of Floor Area located on the street level of the Building (Dinwiddie side) as depicted on the floor plan attached hereto as Exhibit A.

1.38 Retail Permitted Use. The “Retail Permitted Use” means the operation of a community organization that conducts cycling-related youth and adult education programs, and that, on a subsidiary basis, directly in connection with its charitable purpose, repairs bicycles and sells bicycles refurbished by program volunteers, staff, and participants.

1.39 Rules and Regulations. Rules and Regulations is defined in Section 16 hereof.

1.40 Storage Area. The “Storage Area” means approximately two hundred twenty-five (225) square feet of Floor Area located on the Plaza level of the Building as shown on the floor plan attached hereto as Exhibit A.

1.41 Storage Permitted Use. The “Storage Permitted Use” means the storage of personal property used in the operation of Tenant’s business in the Retail Space and the Office Area, provided that Tenant may not store food or food ingredients in the Storage Area.

1.42 Tenant Group. The “Tenant Group” means Tenant and any agent, officer, employee, servant, partner, independent contractor, licensee, invitee, or visitor of Tenant’s and their successors and assigns.

1.43 Tenant’s Office Work. Tenant’s Office Work is defined in Section 7.2 hereof.

1.44 Tenant’s Plans. Tenant’s Plans is defined in Section 7.2(A) hereof.

1.45 Tenant’s Retail Work. Tenant’s Retail Work is defined in Section 7.2 hereof.

1.46 Tenant’s Trade Name. “Tenant’s Trade Name” means Phoenix Bikes.

1.47 Tenant’s Work. Tenant’s Work is defined in Section 7.2 hereof.

1.48 Term. The “Term” means the Initial Term and, if Tenant exercises the Extension Option, the Extension Term.

1.49 Uniform Commercial Code. The Uniform Commercial Code is defined in Section 9.4 hereof.

ARTICLE 2. LEASE OF PREMISES

Landlord hereby leases the Premises to Tenant, and Tenant leases the Premises from Landlord, for the Term. The lease of the Premises includes a nonexclusive right, subject to the Rules and Regulations (as defined in Section 5.8(A) hereof), to use the Common Area for ingress and egress to and from the Premises, but includes no other rights not specifically set forth herein. This Lease does not grant Tenant any right to light or air over or about the Premises or the Property. Landlord shall deliver possession of the Retail Area and the Storage Area to Tenant upon the mutual execution and delivery of this Lease and Tenant’s delivery of the evidence of insurance required by Section 12.4(A) hereof. So long as Tenant is then in compliance with

every provision of this Lease, Landlord shall deliver possession of the Office Area to Tenant within thirty (30) days after receiving Tenant's written request therefor following the delivery of the Retail Area and the Storage Area to Tenant and Tenant's obtaining a building permit for Tenant's Office Work.

ARTICLE 3. RENT AND GROSS SALES

3.1 Base Rent. Commencing on the Rent Commencement Date and continuing on the first (1st) day of each succeeding month of the Term, Tenant shall pay Base Rent to Landlord in advance, equal monthly installments. "Base Rent" initially shall mean eight thousand nine hundred twenty-eight dollars (\$8,928) per year, payable in monthly installments of seven hundred forty-four dollars (\$744) each. Beginning with the first July 1st after the Rent Commencement Date, and annually on each July 1st thereafter, Base Rent rate shall escalate by three percent (3%) over the amount in effect immediately before the escalation, disregarding temporary abatements. The initial three percent (3%) escalation shall be prorated based on the time elapsed since the Rent Commencement Date in comparison to the number of days in the year. Base Rent shall be proportionately reduced for any partial month of the Term. On the Office Commencement Date, Base Rent shall increase by twenty-six and four-tenths percent (26.4%). Base Rent shall thereafter continue to escalate annually in accordance with this section.

3.2 Payment. All payments of Rent shall be due at Landlord's address for payments, in legal tender of the United States of America, without any demand, setoff, deduction, or counterclaim (except as set forth in Section 18.11 hereof), by check or by electronic funds transfer in accordance with written instructions provided by Landlord from time to time. Rent for which no due date is specified herein shall be due within ten (10) business days after Tenant receives written demand therefor from Landlord. Landlord's address for payments is:

Real Estate Bureau Chief, Arlington County, Virginia
Department of Environmental Services
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

Landlord may change its address for payments from time to time upon written notice. If Landlord accepts Rent after it is due and payable, such acceptance shall not excuse a delay on subsequent occasions or be construed to waive any of Landlord's rights hereunder. No payment by Tenant or receipt by Landlord of less than the full amount due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or payment of Rent shall be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the amount due or to pursue any other remedies available to Landlord.

3.3 Gross Sales. Tenant shall, within fifteen (15) days after the end of each calendar quarter of the Term, deliver to Landlord a statement, certified by Tenant as true and accurate, setting forth the amount of Gross Sales made during each month of the quarter. Landlord may from time to time in its discretion, upon at least thirty (30) days' notice, change the frequency with which Tenant is required to report Gross Sales (but not more frequently than monthly).

ARTICLE 4. TAXES

4.1 Real Estate Taxes. Notwithstanding any other term or condition of this Lease to the contrary, at all times that Landlord is the County Board of Arlington County, Virginia or any

other tax-exempt entity, the Premises shall, pursuant to Virginia Code § 58.1-3203 or any successor section of the Virginia Code, be separately assessed for Real Estate Taxes, and Tenant, as the taxpayer, shall timely pay directly to the taxing authority, to the extent required by law, all Real Estate Taxes so assessed.

4.2 Other Impositions. In addition to all other obligations and liabilities of Tenant to Landlord, Tenant shall pay all license and permit fees and all taxes levied or assessed by governmental authorities by virtue of (i) any leasehold improvements to the Premises; (ii) Tenant's conducting business or operating the Premises; (iii) Tenant's personal property on or about the Premises; (iv) Tenant's assets, existence, or sales; or (v) any other reason related to Tenant. Without limiting the foregoing, Tenant shall pay all Arlington County Business, Professional, and Occupational License Tax; any state or local business personal property tax; and other ad valorem taxes, levies, and assessments charged against Tenant or the Premises.

ARTICLE 5. UTILITIES

5.1 Provision of Service. Commencing upon Landlord's delivery of the Premises to Tenant, subject to Tenant's obligation under Section 7.2 hereof to install any improvements necessary for Tenant's receipt of such service, Landlord shall furnish electricity and water/sewer utility service to the Premises at no additional charge. Tenant shall be responsible for its own telephone and other utility service. Tenant shall use reasonable diligence to conserve utility services furnished to the Premises by Landlord. Tenant shall comply with, cooperate with, and participate in any utility conservation rules and programs for the Premises adopted by Landlord.

5.2 Interruption. No interruption or malfunction of, or deficiency in, any utility service, Building elevators, or heating, ventilation, and air conditioning ("HVAC") system shall constitute a breach by Landlord of this Lease, nor shall it be deemed to cause an eviction or disturbance of Tenant, release Tenant from any obligation hereunder, or grant Tenant any right to an offset against Rent or a Rent abatement, and no member of the Landlord Group shall be liable for damages (consequential or otherwise) as a result thereof.

ARTICLE 6. USE OF PREMISES AND MAINTENANCE

6.1 Tenant's Use of Premises. Tenant may use the Premises only for the Permitted Use. Tenant shall not use the Premises for any other purpose, offer programs or services that duplicate or overlap with programs or services offered by Landlord on or about the Property, or sell or otherwise provide in or from the Premises items other than bicycles refurbished by program volunteers, participants, and staff and related bicycle parts, or services not described above, without Landlord's written consent, which Landlord may withhold in its sole discretion. Tenant must operate at all times on a not-for-profit basis. Under no circumstances may Tenant serve or permit the consumption of alcoholic beverages in the Premises.

6.2 Tenant's Trade Name. Tenant may operate the Premises only using Tenant's Trade Name. Tenant may not change Tenant's Trade Name without Landlord's written consent, which Landlord may withhold in its sole discretion.

6.3 Continuous Operation. From and after the Rent Commencement Date, except as otherwise approved in writing by Landlord in its sole discretion, Tenant shall operate its business in the entire Retail Area for at least thirty (30) hours each week. Whenever Landlord approves Tenant's not operating in the Premises or any part thereof, Landlord may at any time, upon at least thirty (30) days' notice, revoke its approval and reduce or eliminate the times in which

Tenant may refrain from operating. Notwithstanding the foregoing, Tenant may close its business in the Retail Area temporarily for a reasonable time without Landlord's consent due to remodeling, expansion, or repairs or to casualty, condemnation, strikes, lockouts, wars, or other events beyond Tenant's reasonable control. Tenant must notify Landlord in writing at least thirty (30) days in advance of any planned cessation of operations and within ten (10) days following any unplanned cessation.

6.4 After-Hours Use. Tenant may not utilize the Premises at any time in which the Community Center is closed to the public without Landlord's prior written consent, which Landlord may withhold or revoke at any time in its sole discretion.

6.5 Maintenance.

(A) Landlord. Landlord shall maintain the Premises (excluding Tenant's personal property and equipment) in good condition, at no charge to Tenant, provided that Landlord shall not be obligated to perform any particular item of maintenance or repair unless and until Tenant notifies Landlord in each instance of the need for the specific item of maintenance or repair. Notwithstanding the foregoing, Tenant shall reimburse Landlord upon demand for damage to the Premises or the Property caused by Tenant or its sublessees or licensees or by the agents, employees, contractors, or invitees of any of them. The need for any maintenance or repair identified by Tenant shall be subject to Landlord's sole judgment. Tenant shall not interfere with or prevent Landlord from performing maintenance or repairs.

(B) Tenant. Tenant shall maintain, repair, and replace Tenant's personal property and equipment in or about the Premises as necessary to keep them in good and attractive condition. Subject to Landlord's janitorial-service obligations in Section 6.6 hereof, Tenant shall keep the Premises neat, clean, and well-organized at all times.

6.6 Janitorial Service. Landlord shall provide building-standard janitorial service for the Premises at no additional charge.

6.7 Compliance.

(A) Generally. Tenant shall comply with all Applicable Laws and with all covenants, conditions, and restrictions of record relating to or affecting the Premises, the condition thereof, any machinery, equipment, or furnishings therein, Tenant's use and occupancy of the Premises, or any Tenant sign, and with the requirements and guidelines of Landlord's insurance underwriters, safety engineers, and loss prevention consultants. If present or future Applicable Laws require an occupancy or use permit for the Premises separate from that for the Building, then Tenant shall obtain such permit at Tenant's sole cost and expense, and shall promptly deliver a copy thereof to Landlord. Tenant shall comply with, cooperate with, and participate in any recycling rules and programs adopted by Landlord. Tenant shall not cause or allow a nuisance in or about the Premises or the remainder of the Property, nor shall Tenant cause or allow waste, damage, or injury thereto.

(B) ADA Compliance. Nothing contained in this Lease is intended to prevent or prohibit compliance by either Party with the ADA, nor is any provision of this Lease intended to violate the ADA, and any provision that does so is hereby modified as necessary or deleted to enable compliance. Tenant shall, at Tenant's sole cost and expense, cause the Premises to comply with the ADA at all times. Additionally, in the event that Tenant's manner of use of the Premises or Tenant's alteration of the Premises or the Property causes or necessitates the

performance of any work in or to the Common Area or the rest of the Property, or any portion thereof, in order to comply with the ADA or with other Applicable Laws, then Tenant shall reimburse Landlord, as Additional Rent, for all costs incurred by Landlord in connection with any such work. In addition, Tenant shall indemnify, defend, and hold harmless the Landlord Group from and against all costs, liabilities, damages, and causes of action, including without limitation reasonable attorneys' fees, occurring or arising as a result of Tenant's failure to comply with the ADA or as a result of any violation of the ADA by the Tenant Group on or about the Premises or the Property.

(C) Hazardous Materials. Tenant shall not use, generate, release, store, treat, dispose of, or otherwise deposit Hazardous Materials in, on, under, or about the Premises or the Property, nor shall Tenant permit or allow any third party to do so, without Landlord's written consent, which Landlord may withhold in its sole discretion. The foregoing shall not preclude Tenant from using Hazardous Materials customarily used in the Permitted Use, provided that Tenant properly uses, handles, and disposes of them in accordance with Applicable Laws and with the manufacturers' instructions with respect thereto. Landlord's election to conduct inspections of the Premises shall not constitute either approval of Tenant's use of the Premises or of any activities conducted thereon or an assumption by Landlord of any responsibility regarding Tenant's use of the Premises or of any Hazardous Materials therein. Landlord is hereby authorized to enter upon the Premises for such purposes. Tenant shall supply Landlord with historical and operational information regarding the Premises, including without limitation all reports required to be filed with governmental agencies, as may be reasonably requested by Landlord, and shall make available for meetings with Landlord appropriate personnel having knowledge of such matters. Tenant shall notify Landlord, in writing, immediately upon the discovery of, notice from a third party of, or reasonable grounds to suspect the presence on the Premises or the Property of any Hazardous Materials or conditions that result in a violation of, or that could reasonably be expected to violate, this subsection, together with a full description thereof. If Tenant fails to comply with the provisions of this subsection, or if Landlord receives notice or information asserting the existence of any Hazardous Materials in or about the Premises, then Landlord shall have the right, but not the obligation, without in any way limiting Landlord's other rights and remedies, to enter upon the Premises and to take such other actions that Landlord deems necessary or advisable to clean up, remove, resolve, or minimize the impact of any Hazardous Materials on or affecting the Premises or the Property. Tenant shall reimburse Landlord on demand, as Additional Rent, for all costs and expenses, including without limitation reasonable attorneys' fees, incurred in the exercise of Landlord's rights under this subsection or to determine, review, approve, or monitor Tenant's compliance with the requirements of this subsection, including without limitation above- and below-ground testing, or to approve any deviations therefrom.

6.8 Overloading or Overcrowding. Tenant shall not place a load upon the floor of the Premises exceeding the load per square foot such floor was designed to carry, as reasonably determined by Landlord or its structural engineer (in making such determination, partitions shall be considered as part of the load). Landlord may prescribe the weight and position of all safes, files, and heavy equipment that Tenant desires to place in the Premises, to allow proper distribution of their weight. Tenant's business machines and mechanical equipment shall be installed and maintained so as not to transmit noise or vibration to the Building structure or to any other space in the Building. Tenant shall be responsible for the cost of all structural engineering required to determine structural load and all acoustical engineering required to

address any noise or vibration caused by Tenant. All such engineers and/or consultants shall be selected by Landlord.

6.9 Liens. Tenant shall not suffer, permit, or give cause for the filing of a mechanic's lien against the Premises or the Property or perform any other act that encumbers or might encumber Landlord's title or subject the Property, the Premises, or any part of thereof to any lien. Tenant shall promptly pay all persons furnishing labor, materials, or services with respect to any work performed by or for Tenant in the Premises or on the Property. If any mechanic's or other lien is filed against the Premises or the Property by reason of any work, labor, services, or materials performed or furnished, or alleged to have been performed or furnished, to or for the benefit of Tenant, Tenant shall promptly cause the lien to be discharged of record. If Tenant fails to cause the lien to be discharged within ten (10) days after being notified of the filing thereof, then in addition to any other rights and remedies available to Landlord under the terms of this Lease or under Applicable Laws, Landlord may cause the lien to be discharged by paying the amount claimed to be due or posting a bond, and Tenant shall reimburse Landlord within five (5) days following Landlord's demand for all costs incurred in connection therewith, including without limitation reasonable attorneys' fees.

6.10 Flammable, Explosive, or Dangerous Substances. Tenant shall not use or permit in or on the Premises or the Property any substances that are flammable, explosive, or dangerous to persons or property. Tenant shall not use the Premises in a manner that violates or increases the rate of any fire or other insurance on the Premises or the Property. If any insurance premium is higher than it otherwise would be due to Tenant's failure to comply with this section, then Tenant shall reimburse Landlord, as Additional Rent, for Landlord's insurance premiums to the extent charged because of Tenant's failure to comply with this section.

6.11 Roof Use. All uses of the Building's roof are reserved exclusively to Landlord. Tenant may not enter upon on the roof or install equipment or make alterations thereon without Landlord's prior written consent, which Landlord may withhold in its sole discretion. Whenever Tenant is permitted to enter upon the roof, Tenant shall notify Landlord a reasonable time in advance of each entry. Tenant may not enter upon the roof unaccompanied by a representative of Landlord's unless otherwise approved by Landlord in each instance.

6.12 Complaints. Tenant shall reasonably cooperate with Landlord to resolve complaints by Landlord, by customers, or by other third parties concerning the existence of Tenant's business at the Premises or Tenant's use of the Premises.

6.13 Access Control. Tenant shall use Landlord's access control system for the Premises. Tenant shall install such system for the Premises at Tenant's sole cost and expense in accordance with Section 7.2 hereof and shall pay for all key fobs, or the equivalent, issued to or for Tenant.

ARTICLE 7. ALTERATIONS

7.1 As-Is Condition. Tenant shall accept the Premises in "as is" condition, with no representation or warranty by Landlord as to the condition or suitability of the Premises or of the Property for Tenant's purpose. Landlord shall have no obligation to improve or repair the Premises or the Property except as specifically set forth in this Lease.

7.2 Tenant's Work. Tenant shall make, in accordance with the provisions of this section, all improvements, alterations, and changes to the Premises necessary to place the Retail Area and the Office Area in a first-class, modern, and attractive condition in compliance with Applicable Laws and to enable Tenant to use the Retail Area and the Office Area for the Permitted Use (collectively, "Tenant's Work"). The portion of Tenant's Work applicable to the Retail Area shall be referred to as "Tenant's Retail Work." The portion attributable to the Office Area shall be referred to as "Tenant's Office Work." Tenant shall perform Tenant's Work at Tenant's sole cost, in accordance with plans and specifications approved by Landlord pursuant to this section, and using construction materials, finishes, and other items specified by Landlord.

(A) Tenant's Retail Work.

(i) Tenant shall submit to Landlord a proposed space plan for the Retail Area upon or before its execution of this Lease. Tenant shall cause plans and specifications for Tenant's Retail Work to be commenced by a licensed architect promptly following the Effective Date and thereafter pursued diligently to completion. By the forty-fifth (45th) day after the Effective Date (as defined in Section 16.31 hereof), Tenant shall deliver to Landlord plans and specifications for Tenant's Retail Work that are at least thirty percent (30%) complete. Tenant shall submit additional drafts of its plans when sixty percent (60%) and ninety-five percent (95%) complete. Tenant shall in any case submit within four (4) months after the Effective Date complete construction drawings and a material sample board for Tenant's Retail Work (collectively, "Tenant's Plans"). Tenant shall not commence Tenant's Retail Work in the Retail Area until Tenant's Plans are approved by Landlord in writing, and Tenant receives any building permit required for Tenant's Retail Work. Tenant shall use diligent efforts to obtain Landlord's approval of Tenant's Plans, which Landlord may withhold in its sole discretion. Tenant shall submit to Landlord revisions to Tenant's Plans appropriate and sufficient to address Landlord's objections or concerns within ten (10) days after Landlord communicates such objections or concerns. Once Landlord approves Tenant's Plans, Tenant may not revise them without Landlord's approval in each instance. By approving Tenant's Plans or not requesting changes thereto, Landlord shall not be deemed to have made any representation or warranty to Tenant, or have any liability, with respect to the safety, adequacy, correctness, or efficiency of such plans or their compliance with Applicable Laws, it being expressly understood and agreed that any additional costs resulting from deficiencies in Tenant's Plans shall be borne by Tenant.

(ii) Within five (5) business days after receiving Landlord's approval of Tenant's Plans, Tenant shall apply for a building permit for Tenant's Retail Work and thereafter diligently pursue the issuance of a building permit. Tenant shall commence the performance of Tenant's Retail Work in the Retail Area within forty-five (45) days after the approval of Tenant's building permit and thereafter shall diligently pursue Tenant's Retail Work to completion. If Tenant does not receive a building permit within nine (9) months after the Effective Date, then until Tenant receives one Landlord may terminate this Lease upon notice to Tenant. Tenant shall complete Tenant's Retail Work and begin using the Retail Area for the Permitted Use within one (1) year after the Effective Date.

(B) Tenant's Office Work. Tenant shall complete Tenant's Office Work within two (2) years after the Effective Date. Tenant may not apply for a building permit for Tenant's Office Work until Tenant submits to Landlord plans and specifications therefor prepared by a licensed architect and receives Landlord's written approval thereof. Landlord may

withhold its approval in Landlord's sole discretion. If Tenant does not commence Tenant's Office Work in the Office Area within twenty-one (21) months after the Effective Date, then until Tenant commences Tenant's Office Work Landlord may, in addition to any other available remedies, terminate this Lease as to the Office Area upon notice to Tenant, in which event the Premises shall consist solely of the Retail Area and the Storage Area.

(C) Failure to Perform. If Tenant fails to timely perform any of Tenant's Work in accordance with and when required by this Lease, Landlord shall have the right, but not the obligation, upon at least thirty (30) days' notice, to perform such work. In such event, in addition to any other remedies available to Landlord, Landlord shall be entitled to collect from Tenant an amount equal to one hundred fifty percent (150%) of Landlord's reasonable costs and expenses incurred in performing Tenant's Work. Payment shall be due within thirty (30) days following Landlord's written demand therefor and submission of reasonable supporting documentation.

(D) Completion. Unless otherwise approved by Landlord, except for construction permitted by this Article 7, Tenant shall not use the Retail Area without completing Tenant's Retail Work, nor shall Tenant use the Office Area without completing Tenant's Office Work. In addition, before using the Retail Area or the Office Area, as applicable, Tenant shall (i) provide to Landlord written notice of the date on which such use will commence and (ii) schedule a final walk-through inspection of such Area with a representative of Landlord's at a time and date mutually agreeable to the Parties, to be conducted by the thirtieth (30th) day following the commencement of Tenant's use.

7.3 Subsequent Alterations by Tenant. Following the completion of Tenant's Work with respect to the Retail Area or the Office Area, and at all times with respect to the Storage Area, Tenant may not make any alterations to such Area, install any improvements therein, penetrate such Area's walls, ceiling, or floor, or make other modifications to such Area (collectively, "Alterations"), nor shall Tenant allow others to do so, without Landlord's prior written consent, which Landlord may withhold in its sole discretion. Notwithstanding the foregoing, Tenant may make purely cosmetic, nonstructural, Alterations to the Premises that cost less than ten thousand dollars (\$10,000) without Landlord's consent so long as they are made in a good-faith effort to improve the Premises and are not visible outside the Premises. For the avoidance of doubt, Landlord's consent shall be required for any Alteration of a wall, floor, or ceiling (other than painting, wallpapering, or other surface alterations) or the installation or removal of electrical or mechanical equipment. Tenant shall perform any Alterations at Tenant's sole cost and expense and in accordance with plans approved by Landlord.

7.4 Provisions Applicable to Tenant's Work and to Subsequent Alterations.

(A) Tenant shall perform all Alterations on the Property (i) in a good and workmanlike manner and in compliance with Applicable Laws and with all provisions of this Lease, (ii) using only new materials, (iii) in accordance with reasonable construction rules, regulations, and standards established or revised by Landlord from time to time, (iv) in conformity with the Leed Interior Design and Construction standard and with Landlord's applicable construction standards, as revised from time to time, (v) using licensed contractors when required by Applicable Laws, (vi) diligently and continuously to completion, and (vii) in a manner so as not to interfere with the business or operations of Landlord or the other users of the Property. The selection of all contractors performing Alterations for Tenant shall be subject to

Landlord's prior written approval, not to be withheld unreasonably. Tenant shall notify Landlord at least ten (10) days before commencing any Alterations. Tenant shall deliver to Landlord a copy of any building permit for the Premises promptly after receiving it. Upon completing any Alterations to the Premises, Tenant shall provide Landlord, at Tenant's sole cost and expense, with "as built" drawings of the Alterations and of the Premises.

(B) Insurance. Tenant shall reimburse Landlord within thirty (30) days after receiving Landlord's demand for the cost of any builders risk renovations endorsements obtained by Landlord with respect to any Alterations by or for Tenant. In addition, Tenant shall cause all contractors who perform construction, maintenance, or repairs on behalf of Tenant on or about the Property to maintain the following insurance coverage: (i) commercial general liability insurance, including without limitation products and completed operations coverage, with limits of two million dollars (\$2,000,000) per occurrence; (ii) comprehensive automobile liability insurance covering all owned and non-owned vehicles used by the contractor on or about the Property, with limits of at least one million dollars (\$1,000,000.00) per occurrence, (iii) workers' compensation insurance as required by law and employer's liability insurance coverage with liability limits of at least one million dollars (\$1,000,000); and (iv) an umbrella excess liability policy in an amount not less than one million dollars (\$1,000,000) excess over the foregoing liability policies. Tenant shall cause its contractors to add as additional insureds under the foregoing policies (except for any workers' compensation coverage) Landlord, Landlord's elected and appointed officials, Landlord's ground lessor (if any), Landlord's property manager (if any), the officers and employees of each of the foregoing, and any other persons or entities designated by Landlord, with coverage limits for such additional insureds equal to the full amount of the policy, but in no event less than the minimum coverage limits set forth in this section. All insurance policies required of Tenant's contractors pursuant to this section shall waive the insurers' right of recovery by way of subrogation against the Landlord Group and contain an endorsement requiring the insurer to give Landlord at least thirty (30) days' prior written notice of any cancellation, nonrenewal, or reduction in coverage. Before any contractor commences work on or about the Property, Tenant shall submit to Landlord certificates of insurance and endorsements evidencing the contractor's compliance with the requirements of this section.

(C) Warranties. Tenant hereby assigns to Landlord any assignable warranties with respect to any Alterations made or fixtures or equipment installed in or about the Premises.

ARTICLE 8. SIGNS

8.1 Display. Subject to the provisions of Section 8.3 below, Tenant may display on the Retail Area's exterior one (1) graphic sign, as such term is defined in Section F.3.d.1 of Section VI of Landlord's Columbia Pike Special Revitalization District Form Based Code (the "Form Based Code"), and three (3) window signs, as such term is used in Section F.2.b of Section VI of the Form Based Code.

8.2 Compliance with Law. Notwithstanding any provision of this Lease to the contrary, Tenant shall cause all Signs (as defined below) in or about the Premises, and Tenant's Signs on or about the Property, to comply with all Applicable Laws at all times.

8.3 Restrictions. Tenant shall not, without Landlord's written approval, erect or install on or about the Premises or the Property any signs, banners, canopies, window or door lettering, placards, decorations, or advertising media of any type (collectively "Signs") that are

outside or visible outside the Premises. When requesting Landlord's approval of any Sign, in addition to any other items required by Landlord, Tenant shall submit a proposed Sign design. Unless otherwise approved by Landlord in writing, permitted Signs placed less than five (5) feet behind any exterior window of the Premises must be professionally designed and manufactured and may not flash, blink, or otherwise light in an alternating fashion. Landlord may withhold in Landlord's sole discretion any approval called for by this Article 8. Notwithstanding the foregoing, Landlord's approval shall not be required for non-flashing, professionally-prepared store-hour signs, disabled access signs, and credit card decals affixed to the Premises' doors.

8.4 Maintenance. Tenant shall keep all of its Signs on or about the Premises or the Property in good, clean, and attractive condition and in proper operating order at all times.

8.5 Removal. Landlord may remove at Tenant's expense, without notice to Tenant, all Tenant Signs that are not permitted or maintained pursuant to this Article 8. Upon Tenant's vacation of the Premises, or the removal or alteration of its Signs for any reason, Tenant shall repair any damage caused by the Signs' installation, removal, or alteration and restore the repaired area to a condition consistent with the surrounding area.

8.6 Advertising Premises for Rent. During the final six (6) months of the Term, and at any time Tenant is in Default hereunder, Landlord may display on or about the Premises signs indicating that the Premises are available for lease.

ARTICLE 9. TERMINATION AND SURRENDER

9.1 Termination and Surrender. Notwithstanding any provision in this Lease to the contrary, upon the termination of this Lease, as set forth in Virginia Code section 15.2-734, this Lease shall not be renewed if the Premises are required for any of the purposes mentioned in Virginia Code section 15.2-1639. Upon the termination of this Lease or of Tenant's right to occupy the Premises, Tenant shall: (i) peaceably and quietly leave, surrender, and yield up to Landlord the Premises, free of subtenancies, broom clean, and in the same order and condition as they occupied immediately following the completion of Tenant's Work performed in connection with Tenant's initial opening for business in the Premises, except for reasonable wear and tear and casualty damage for which Tenant receives no insurance proceeds; (ii) surrender any keys, electronic ID cards, and other access devices to Landlord; (iii) deliver the Premises to Landlord free of any and all Hazardous Materials; and (iv) at Tenant's sole cost and expense, remove from the Premises all movable trade fixtures, furniture, equipment, and other personal property. Any of Tenant's property not so removed may, at Landlord's election and without limiting Landlord's right to compel removal thereof, be deemed abandoned and may be retained by Landlord or be stored or disposed of at Tenant's sole cost and expense, without accountability, in such manner as Landlord may see fit. If Tenant fails to comply with the provisions of this section, then Tenant shall, at the option of Landlord, be deemed to occupy the Premises after the expiration of the Term, and be subject to the holdover provisions hereof. Upon the termination of this Lease, all improvements, installations, Alterations, additions, and betterments erected on the Premises, including without limitation wiring, paneling, partitions, floor coverings, lighting fixtures, and the like, shall revert to and/or become the property of Landlord, and shall be free of any encumbrance at the time of such reversion and be surrendered with the Premises as a part thereof at the termination of this Lease or of Tenant's right to occupy the Premises, except that Landlord shall have the right, upon notice to Tenant, to renounce ownership of any of improvements, installations, Alterations, additions, betterments, and improvements installed by or for Tenant

and to require Tenant, at Tenant's sole cost and expense, to remove such property. Whenever Tenant removes improvements, installations, Alterations, additions, betterments, fixtures, furniture, equipment, or other property from the Premises or the Property, whether before or after the termination of this Lease or of Tenant's right to occupy the Premises, Tenant shall promptly repair any damage to the Premises and the remainder of the Property caused by, or occurring in connection with, the removal and restore the repaired areas to a condition consistent with the surrounding areas. In order to ensure compliance with the provisions of this section, at least thirty (30) days before the expiration of the Term, Tenant shall contact Landlord to schedule its move-out and a final walkthrough.

9.2 Holding Over. If Tenant retains possession of the Premises with Landlord's consent after the expiration of the Term, this Lease shall remain in effect on a month-to-month basis at an initial Base Rent equal to two hundred percent (200%) of the Base Rent for the month immediately preceding the expiration, disregarding temporary abatements.

ARTICLE 10. TRANSFER OF INTEREST: PRIORITY OF LIEN

10.1 Assignment and Sublease.

(A) Tenant shall not assign, transfer, mortgage, or otherwise encumber this Lease or all or any of Tenant's rights hereunder or interest herein or sublet, rent, or permit anyone else to occupy the Premises or any part thereof, without obtaining Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Landlord's collection or acceptance of Rent from any assignee, subtenant, or occupant shall not be deemed to constitute Landlord's consent to the assignment, sublease, or occupancy. Landlord's consent to any assignment, subletting, or occupancy shall not be deemed to relieve Tenant or any assignee, subtenant, or occupant from the obligation of obtaining Landlord's prior written consent to any subsequent assignment, subletting, or occupancy. For any period during which Tenant is in Default hereunder, Tenant hereby assigns to Landlord the rent due from any subtenant or occupant of Tenant's, and Tenant hereby authorizes each such subtenant or occupant to pay said rent directly to Landlord.

(B) If Tenant is a partnership, any dissolution of Tenant or a withdrawal or change, whether voluntary, involuntary, or by operation of law, of any general partner in Tenant or of a controlling interest in any general partner of Tenant's shall be deemed an assignment of this Lease and subject to the provisions of this article. If Tenant is a corporation, limited liability company, or other legal entity, any transfer of a controlling interest in Tenant or any dissolution, merger, consolidation, reorganization, or other transaction that results in a change in the control of Tenant shall be deemed an assignment of this Lease and subject to the provisions of this article. Any management agreement, or similar arrangement of any kind, by which operational control of Tenant's business in the Premises is transferred to any person other than Tenant shall be deemed an assignment of this Lease and subject to the provisions of this article.

(C) Except for a proposed assignment or sublease to any parent corporation of Tenant's (a corporation owning more than 50% of Tenant's stock) or subsidiary corporation of Tenant's (a corporation in which Tenant owns more than 50% of such corporation's stock) if Tenant is a corporation, or to a general partner of Tenant's if Tenant is a partnership, if Tenant requests consent to an assignment, sale, or other transfer of this Lease or sublease of any portion of the Premises, Landlord may, upon notice given within twenty (20) days after receiving Tenant's request for consent, recapture Tenant's interest in this Lease, or in such portion of the

Premises that is the subject of such proposed sublease, by terminating this Lease or Tenant's rights with respect to that portion of the Premises that is the subject of the proposed sublease. Landlord's failure to exercise the foregoing right shall not constitute consent to the proposed assignment or sublease.

(D) Any request by Tenant for Landlord's consent to an assignment or sublease must set forth the name and address of the prospective assignee or sublessee and the price and other terms of the proposed assignment or sublease, and must be accompanied by a true and complete copy of the proposed assignment agreement or sublease. Tenant shall provide upon request any additional information and documents requested by Landlord in connection with the transaction.

(E) Whether or not Landlord's consent is required or obtained, any assignee of Tenant's interest in this Lease shall assume, without qualification or limitation, all obligations of Tenant under this Lease. Any sublease of the Premises shall incorporate the terms and provisions of this Lease and provide that it is subordinate and subject to this Lease, that it may not be assigned and the Premises may not be further sublet without Landlord's consent in each instance, and that the term of the sublease shall not extend beyond one (1) day prior to the expiration of the Term hereof. Tenant shall deliver to Landlord a complete copy of any assignment, assumption agreement, sublease, or license agreement relating to the Premises or Tenant's interest therein promptly after its execution. No assignment or subletting, whether or not in violation hereof, shall release Tenant from liability under, or the obligation to comply with the provisions of, this Lease.

(F) Tenant shall cause its sublessees and licensees to comply with all applicable provisions of this Lease.

(G) Within twenty (20) days after receiving Landlord's written request submitted from time to time following any assignment of Tenant's interest in this Lease, each assignor, whether the named tenant herein or any subsequent assignor, shall execute and deliver to Landlord an estoppel certificate signed by the assignor. The estoppel certificate shall contain the information required under Section 20.8 hereof for estoppel certificates signed by Tenant and certify that, except as specifically stated and explained in the certificate: (a) the assignor remains liable for the obligations and liabilities of Tenant under this Lease; and (b) the assignor has no defenses or offsets to such obligations and liabilities. Landlord, Landlord's lenders, investors, and purchasers, and any other person or entity designated by Landlord may detrimentally rely on the certificate.

(H) Landlord may freely and fully or partially transfer or assign its interest, rights, and obligations in this Lease to any person or entity, public or private. Without limiting the foregoing, such transferee or assignee need not have an ownership interest in the Property. In the event of any sale or transfer of the Property by operation of law or otherwise by the party named as Landlord hereunder (or any subsequent successor, transferee, or assignee), then said party whose interest is thus sold, assigned, or transferred shall be completely released and forever discharged automatically from, and with respect to, all covenants, obligations, and liabilities as Landlord hereunder after the date of such sale, assignment, or transfer.

10.2 Subordination. This Lease (including all rights of Tenant hereunder) is subject and subordinate to: (i) any ground lease or underlying lease now or hereafter affecting the Property; (ii) any mortgage, deed of trust, or other indenture now or hereafter affecting the

Property or any ground lease thereof, and all renewals, replacements, and extensions of any such mortgage, deed of trust, or other indenture; and (iii) all advances and interest under any mortgage, deed of trust, or other indenture now or hereafter affecting the Property or any ground lease thereof, and all renewals, replacements, and extensions of any of such documents. This section is self-operative and no further instrument is required. Tenant nevertheless shall execute and deliver, within five (5) business days of Landlord's written request, any documents required by any lender, other lienholder, or ground lessor to evidence such subordination. If, in connection with any existing or future financing of the Property or any part thereof, the lender requests modifications of this Lease, Tenant shall not unreasonably withhold, condition, or delay its consent to such modifications, provided that they do not unreasonably increase Tenant's obligations or unreasonably diminish its rights hereunder. If any lender, foreclosure sale purchaser, transferee under a deed in lieu of foreclosure, or ground lessor (in any of such cases, a "**Foreclosure Purchaser**") succeeds to the interest of Landlord under this Lease, (A) Tenant shall attorn to and accept the Foreclosure Purchaser as Landlord under this Lease, (B) Tenant shall, upon demand, enter unto a new lease with the Foreclosure Purchaser for the unexpired Term of this Lease at the same Rent and under the same provisions of this Lease, and (C) the Foreclosure Purchaser shall not be (i) bound by any payment of Rent for more than one (1) month after its succession to Landlord's interest; (ii) bound by any amendment of this Lease made without the consent of the lender, other lienholder, or ground lessor, as applicable; (iii) liable for any act or omission of any prior landlord's; (iv) subject to any offsets or defenses that Tenant might have against any prior landlord, or (v) liable for the return of any security deposit unless actually received by the Foreclosure Purchaser.

10.3 Notice to Lender. At any time the Premises or any portion of the Property is subject to a mortgage or deed of trust and this Lease or any portion of the Rent is assigned to a lender or other lienholder, and Tenant is given written notice thereof, including the address of such lender or other lienholder, then Tenant shall not terminate this Lease or exercise any remedy against Landlord by reason of Landlord's default without first giving written notice thereof, by certified or registered mail, return receipt requested, to the lender or other lienholder, specifying the default in reasonable detail and affording the lender or other lienholder a reasonable period of time (in no event less than thirty [30] days) within which, at its election, to cure the default on behalf of Landlord.

10.4 Landlord's Lien. In addition to any statutory lien and security interest, in consideration of the mutual benefits arising under this Lease, and except for Tenant's leased furniture, fixtures, and equipment, Tenant hereby grants to Landlord a lien and security interest in all of Tenant's property now or hereafter placed in or about the Premises, plus all products and proceeds thereof, to secure payment of the Rent due under this Lease. The provisions of this section constitute a security agreement under Title 8.1A through Title 8.9A of the Code of Virginia, as amended from time to time (the "**Uniform Commercial Code**"), so that Landlord has and may enforce a security interest in all of Tenant's property, including without limitation all fixtures, machinery, equipment, furnishings, and other personal property now or hereafter placed in the Premises and all proceeds therefrom. Tenant shall not remove its personal property from the Premises without Landlord's written consent until all arrearages in Rent have been paid and Tenant has complied with the provisions of this Lease. Tenant shall execute as debtor any financing statements that Landlord requests to perfect its security interest under the Uniform Commercial Code, and Landlord may at any time file a copy of this Lease as a financing

statement. In addition to any other remedies provided by law or under this Lease, Landlord is entitled to all the rights and remedies afforded a secured party under the Uniform Commercial Code.

ARTICLE 11. DAMAGE AND DESTRUCTION; EMINENT DOMAIN

11.1 Damage and Destruction. If the Premises are or the Property is so damaged by fire, tornado, or other casualty that rebuilding or repairs cannot reasonably be completed within sixty (60) days after the date of such damage, then Landlord may, at its option, terminate this Lease. In addition, if any of the damage is not covered by insurance maintained by Landlord, or if the net insurance proceeds recovered by Landlord and (if the Property is encumbered by a deed of trust, security agreement, or mortgage) made available by Landlord's lenders are insufficient to pay for the repairs required of Landlord hereby, then Landlord shall have no obligation to repair, and Landlord may terminate this Lease upon notice to Tenant. If this Lease is not terminated pursuant to this section following any such casualty damage, then Landlord shall, to the extent reasonably practicable and to the extent of Landlord's net insurance proceeds made available by Landlord's lenders, repair the damage to the Premises and to any portion of the Property necessary for Tenant's use of the Premises, provided, however, that Landlord shall not be obligated to rebuild, repair, or replace (A) improvements not covered by insurance maintained by Landlord or (B) Tenant's furniture, fixtures, equipment, or other personal property. Tenant, at its sole expense, shall repair and restore Tenant's furniture, fixtures, equipment, and other personal property and any other portions of the Premises that Landlord is not obligated to repair following any casualty damage. Landlord shall allow Tenant a fair diminution of Base Rent during the time and to the extent that the Premises are unfit for the ordinary conduct of Tenant's business, which abatement shall continue only until the earlier of: (i) the thirtieth (30th) day following Landlord's tender of possession of the Premises to Tenant with Landlord's repair work required by this section substantially complete; or (ii) the resumption of the ordinary conduct of Tenant's business in the damaged portion of the Premises. Tenant shall use commercially-reasonable diligence to complete any repairs that it is required to make under this section. Any insurance carried by Landlord or Tenant against loss or damage to the Property or to the Premises is for the sole benefit of the Party carrying such insurance.

11.2 Eminent Domain. If the entire Premises is taken or condemned, or purchased in lieu thereof, by any government authority, for any public or quasi-public use or purpose, then this Lease shall terminate as set forth below. If more than twenty-five percent (25%) of the Premises is taken and Tenant cannot reasonably use the balance of the Premises for the Permitted Use, then Tenant may terminate this Lease upon notice given within twenty (20) days after Tenant's receipt of notice of the taking. If this Lease terminates pursuant to this section, then (i) it shall terminate as of the date on which possession is required by the taking authority and (ii) the Base Rent shall be apportioned to the date of termination. If this Lease does not terminate pursuant to this section following a taking, then as of the date when possession is required by the taking authority, Base Rent shall be reduced by the ratio of the taken Floor Area of the Premises to the Floor Area of the Premises before the taking. Any award of proceeds resulting from a condemnation or sale in lieu thereof of all or any part of the Premises shall belong solely to Landlord. Tenant hereby waives any right to make any claim therefor as the result of this Lease, provided, however, that Landlord shall not be entitled to any award specifically made to Tenant for relocation expenses and the taking of Tenant's fixtures, furniture, or leasehold improvements (exclusive of any portion paid for by Landlord), less depreciation computed on a straight-line

basis from the date of Tenant's acquisition of said improvements to the expiration of the Term, or what otherwise would have been the expiration of the Term had this Lease not terminated pursuant to this section. This Section 11.2 shall be inapplicable to any condemnation action or proceeding where the County Board of Arlington County, Virginia is the condemning authority.

ARTICLE 12. LIABILITY; INDEMNIFICATION; INSURANCE

12.1 Waiver of Claims. Tenant waives all claims against the Landlord Group for, and Tenant assumes all risk of, loss, injury, or damage resulting from: (i) any equipment or appurtenances being or becoming out of repair; (ii) wind or weather; (iii) any defect in, or any failure to operate of, any sprinkler, HVAC equipment, electric wiring, gas, water, or steam pipe, stair, railing, or walk; (iv) broken glass; (v) the backing up of any sewer pipe or downspout; (vi) the escape of gas, steam, or water; (vii) water, snow, or ice being upon the Property; (viii) the falling of any fixture, plaster, tile, stucco, or other material; (ix) any other casualty damage; (x) theft; or (xi) any act, omission, or negligence of other tenants or licensees or of any other persons or entities, including without limitation users of the Property, owners or users of adjoining or contiguous property, or the public. No construction or construction-related activity on the Property outside the Premises or noise or inconvenience resulting therefrom shall be deemed to render the Premises untenantable or entitle Tenant to any sort of abatement of Rent.

12.2 Indemnification. Tenant shall indemnify, defend, and hold harmless the Landlord Group from and against any and all costs, penalties, damages, claims, causes of action, obligations, liabilities, and expenses (including without limitation attorneys' fees) suffered by or claimed against the Landlord Group, directly or indirectly, based on, arising out of, or resulting from: (i) Tenant's use and occupancy of the Premises or the business conducted by Tenant therein; (ii) any act or omission on or about the Property by any member of the Tenant Group; (iii) any breach or default in the performance or observance of Tenant's covenants or obligations under this Lease, including without limitation any failure to surrender the Premises upon the termination of this Lease; or (iv) damage to or destruction of the Property, or any part thereof, or of any abutting real property caused by or attributable to the act, omission, or negligence of any member of the Tenant Group.

12.3 Insurance Requirements: Tenant shall maintain the following insurance coverage throughout the Term:

(A) Broad form commercial general liability insurance with respect to the Premises, with bodily injury, property damage, cross liability, severability of interest, blanket contractual, and tenants legal liability coverage, and with limits of at least two million dollars (\$2,000,000.00) per occurrence. If Landlord reasonably determines that restaurant tenants entering into new leases of space in the business area in which the Property is located are ordinarily required by their landlords to maintain liability insurance policies with higher limits than those set forth in this subsection, then Landlord may raise the minimum coverage required by this section to the then-customary limits upon notice to Tenant, and Tenant shall obtain an insurance policy meeting the requirements of this section with the new required limits and submit evidence thereof to Landlord within thirty (30) days after receiving such notice.

(B) Broad form property insurance covering all improvements (whether now existing or hereafter installed by Tenant or Landlord), stock in trade, fixtures, furniture, furnishings, removable floor coverings, trade equipment, signs, and all other decorations and

personal property in the Premises for one hundred percent (100%) of their full replacement cost, naming Landlord as a loss payee thereon.

(C) Workers' compensation insurance in at least the amounts required by law and employer's liability insurance with limits of at least one million dollars (\$1,000,000) per occurrence.

(D) Commercial automobile liability insurance insuring all owned, non-owned, and hired vehicles used in the conduct of Tenant's business and operated or parked on or about the Property, with limits of at least one million dollars (\$1,000,000) per occurrence.

(E) Molestation and abuse insurance with limits of at least two million dollars (\$2,000,000).

12.4 General Provisions with Respect to Tenant's Insurance:

(A) Before entering the Premises for any reason, Tenant shall deliver to Landlord a certificate of insurance and endorsements evidencing the coverages required by this Lease. Before any required policy expires, Tenant shall deliver to Landlord a certificate of insurance and endorsements evidencing the renewal or replacement of the policy and Tenant's continued maintenance of the required coverages. Upon Landlord's request from time to time, Tenant shall promptly deliver to Landlord a true copy of all required insurance policies, including all endorsements thereto. Any insurance that Tenant is required to maintain under this Lease may be carried under a blanket policy covering the Premises and other locations of Tenant's.

(B) If Tenant fails to comply with any of the insurance requirements stated in this Lease, then, in addition to and not in lieu of any other available remedies, Landlord may obtain such insurance, and Tenant shall pay to Landlord, as Additional Rent, the premium cost thereof upon demand, plus a ten percent (10%) administrative fee.

(C) All insurance policies that Tenant is required to maintain under this Lease must: (i) be issued by a company that is authorized to do business in the Commonwealth of Virginia, that has been approved in advance by Landlord in writing, and that has a rating equal to or exceeding A:VII from Best's Insurance Guide; (ii) be issued on an occurrence (not claims-made) basis; (iii) provide that such insurance is primary to any insurance available to, or carried by, Landlord and that Landlord's insurance shall be noncontributing thereto; (iv) contain a waiver of the insurer's right of subrogation against the Landlord Group; and (v) provide that the policy may not be suspended, voided, or reduced in coverage or in limits except after thirty (30) days' prior written notice to Landlord. No policy may be subject to a deductible exceeding the lesser of one percent (1%) of the policy's liability limits or fifty thousand dollars (\$50,000.00). All liability policies that Tenant is required to maintain must add as additional insureds Landlord, Landlord's elected and appointed officials, Landlord's ground lessor (if any), Landlord's property manager (if any), the officers and employees of each of the foregoing, and any other persons or entities designated by Landlord. The coverage limits applicable to the additional insureds shall be the full amount of the policy, but in no event less than the minimum coverage limits set forth in Section 12.3 above. Landlord may from time to time, in its sole discretion, approve any relaxation of the insurance requirements set forth in this Article 12, provided that any such approval may be made only in writing and that Landlord may at any time

thereafter, in its sole discretion, upon at least thirty (30) days' notice, revoke any relaxation and require Tenant to maintain the full insurance coverage required by this Article 12.

12.5 Waiver of Subrogation. Tenant hereby waives every right and cause of action against the Landlord Group accruing or based on events occurring during the Term, or after the Term but before Landlord's recovery of possession of the Premises, for any and all loss or damage covered by insurance maintained by Tenant, or that would have been covered had Tenant maintained the insurance required by this Lease, or by business interruption insurance, whether or not the loss or damage is caused by the fault or negligence of the Landlord Group, or anyone for whom the Landlord Group may be responsible. Said waiver is in addition to, and not in limitation or derogation of, any other waiver or release contained in this Lease.

ARTICLE 13. ACCESS TO PREMISES

Landlord may enter the Premises at any reasonable time upon at least one (1) day's oral or written notice (except in emergencies, in which event no notice shall be required) to inspect them, to show them to prospective purchasers, mortgagees, lessees, or tenants of Landlord or to public officials lawfully having an interest therein, to make such decorations, repairs, alterations, improvements, or additions as Landlord may reasonably deem necessary or desirable, to exercise any right or to perform any obligation under this Lease, or to close entrances, doors, corridors, elevators, or other facilities. In addition, Landlord may temporarily restrict or obstruct Tenant's access to the Premises as reasonably necessary for the performance of maintenance, repairs, or construction. In exercising its rights under this section, Landlord shall use commercially-reasonable efforts, in light of expense and convenience, to minimize any interference with Tenant's use of the Premises. However, the foregoing requirement shall in no way be construed to require Landlord to access the Premises for the purposes set forth above during non-business hours.

ARTICLE 14. FAILURE TO PERFORM, DEFAULTS, REMEDIES

14.1 Defaults by Tenant.

(A) Definition. A "Default" means any of the following events: (i) Tenant's failure to pay any installment of Rent when due, if the failure continues for a period of five (5) business days after Landlord notifies Tenant thereof; (ii) Tenant's failure to maintain any insurance coverage required by this Lease; (iii) any assignment, sublease, license, or transfer of any of Tenant's interest in this Lease or the Premises in violation of the terms of this Lease; (iv) Tenant's abandonment or vacation of the Premises; (v) Tenant's failure to deliver an estoppel certificate to Landlord when due under Section 20.8 hereof; (vi) the filing, execution, or occurrence of a petition in bankruptcy or other insolvency proceeding by or against Tenant or any guarantor of Tenant's obligations under this Lease; an assignment for the benefit of Tenant's creditors; a petition or other proceeding by or against Tenant or any guarantor of Tenant's obligations under this Lease for the appointment of a trustee, receiver, or liquidator of Tenant, of any guarantor of Tenant's obligations under this Lease, or of any of Tenant's or of Tenant's guarantor's property; or a proceeding by any governmental authority for the dissolution or liquidation of Tenant or of any guarantor of Tenant's obligations under this Lease; or (vii) Tenant's violation of any other provision of this Lease, if the violation continues for ten (10) business days after notice from Landlord (provided that if the violation is not reasonably susceptible to cure within ten (10) business days, then no Default shall be deemed to occur by

reason of the violation so long as Tenant commences curing it within the foregoing ten (10)-business-day period and thereafter diligently pursues the cure to completion).

(B) Liability. If there shall be any Default by Tenant under this Lease, then in addition to its accrued and continuing obligations set forth herein, and notwithstanding any re-entry, repossession, or dispossession under the terms of this Lease, Tenant shall be liable to Landlord for any damages suffered by Landlord as a result of the Default, which damages shall be payable to Landlord immediately upon demand and shall include but not be limited to: (i) the costs and expenses (including reasonable attorneys' fees) incurred by Landlord in connection with any efforts to cure Tenant's Default and/or to enforce the terms of this Lease; (ii) the costs and expenses incurred by Landlord in its efforts to relet the Premises, including without limitation brokerage commissions and the cost of any remodeling, alterations, and improvements to the Premises that Landlord deems necessary in its sole and absolute discretion to allow Landlord to relet the Premises; and (iii) any consequential damages resulting from the acts or omissions of Tenant or the termination of this Lease.

14.2 Remedies. If a Default occurs, then Landlord shall have the option, exercisable immediately or at any time thereafter, without further notice or demand, to pursue any one or more of the following remedies, together with any other remedies available to Landlord under this Lease, at law, or in equity:

(A) Terminate this Lease (which shall in no way affect Tenant's obligation to pay all Rent accrued under the Lease through the date of such termination, plus all damages suffered by Landlord as a result of such Default and termination);

(B) Terminate Tenant's right to possession of the Premises, enter upon and take possession of the Premises, and expel or remove Tenant and any other persons occupying any portion of the Premises;

(C) Recover from Tenant, if this Lease or Tenant's right to occupy the Premises is terminated pursuant to the provisions of this article, (a) any Rent, damages, and other sums that may be due or sustained before the termination, (b) all reasonable costs, fees, and expenses (including without limitation attorneys' fees, brokerage commissions, advertising costs, and the cost of improving and rehabilitating the Premises to place them in a condition suitable for reletting) incurred by Landlord in pursuit of its remedies hereunder and in leasing the Premises to others from time to time through the date on which the Term would have expired absent the termination; and (c) additional damages, which at Landlord's election shall be either:

(i) an amount equal to the Rent that would have come due from the date of the termination through the date on which the Term would have expired absent the termination, less the net proceeds of reletting, if any, that Landlord receives during such period from others to whom the Premises may be leased (other than additional rent received as a result of any failure of the tenant to perform any of its obligations to Landlord), which amount shall be due and payable by Tenant to Landlord on the dates such Rent would have been due under this Lease; any suit or action brought to collect any such damages for any month shall not in any manner prejudice the right of Landlord to collect any damages for any subsequent month by a similar proceeding; or

(ii) accelerated damages, payable to Landlord in one lump sum, in an amount equal to the present value of the Rent which would have come due from the termination

through the date on which the Term would have expired absent the termination, in excess of the Rent loss that could reasonably be avoided by Landlord's mitigation of its damages. For purposes of this subsection, the "present value" shall be computed by discounting such amount to present worth at a discount rate equal to one (1) percentage point above the discount rate then in effect at the Federal Reserve Bank nearest to the Property. Damages shall be due and payable immediately upon demand by Landlord following the termination of this Lease or of Tenant's right to possession of the Premises pursuant to this article; and

(D) Enjoin any breach or threatened breach by Tenant of any of the provisions of this Lease.

Pursuit of any of the foregoing remedies shall not constitute or result in a forfeiture or waiver of any Rent due hereunder or of any damages accruing to Landlord by reason of Tenant's violation of any of the provisions contained herein. The foregoing rights and remedies are cumulative and in addition to any other rights granted to Landlord by this Lease or by Applicable Laws, and the exercise of any of them shall not constitute an election excluding the exercise by Landlord at any time of a different or inconsistent remedy. The failure of Landlord at any time to exercise any right or remedy shall not be deemed to waive Landlord's right to exercise the right or remedy at any future time. Landlord shall have the right, at its option, to recover sums due hereunder through litigation or otherwise: (i) as such sums come due; (ii) from time to time on one or more occasions without being obligated to wait until the expiration of the Term before filing suit; or (iii) following the date on which the Term would have naturally expired (in which case, such amounts shall not be deemed to have accrued until such date for the limited purpose of determining the limitations period applicable to Landlord's claim for Rent).

14.3 Waiver of Right of Redemption. Tenant hereby waives any and all rights of redemption and any and all rights to relief from forfeiture which would otherwise be granted or available to Tenant under Applicable Laws.

14.4 Late Charges. To cover Landlord's administrative costs incurred in connection with Tenant's failure to timely meet its rental obligations, Tenant shall pay Landlord a late fee in an amount equal to ten percent (10%) of any amount due from Tenant hereunder that is not paid by the due date therefor. The Parties agree that such charge represents a fair and reasonable estimate of the cost that Landlord would incur by reason of Tenant's late payment. In addition, all amounts not paid when due will bear interest at the Default Rate from the date originally due until fully paid. The foregoing charges are in addition to, and not in lieu of, all other remedies to which Landlord is entitled under this Lease or Applicable Laws. Time is of the essence in Tenant's payment of Rent and Tenant's performance of every provision of this Lease.

14.5 Performance at Tenant's Expense. If Tenant fails to perform any of its obligations under this Lease, then upon at least ten (10) days' notice (or reasonable shorter notice in emergencies), whether or not a Default has occurred, Landlord may take any actions that Landlord deems appropriate to cure the failure. Tenant shall reimburse Landlord for the full cost of Landlord's actions (including without limitation reasonable attorneys' fees), plus an administrative fee equal to ten percent (10%) of such cost. Payment shall be due within five (5) days after Landlord's written demand. No member of the Landlord Group shall be liable for damages to any member of the Tenant Group arising from or relating to such actions, whether arising from the negligence of the Landlord Group or otherwise. Landlord's remedies under this

section are in addition to any other remedies available under this Lease or under Applicable Laws.

14.6 Violations by Landlord. Tenant shall promptly notify Landlord of the need for any repairs or other actions that are Landlord's obligation under this Lease. Landlord shall not be deemed to have breached this Lease based on a violation of any provision hereof unless Tenant notifies Landlord of the violation, including a reasonably-detailed statement of the factual basis thereof, and Landlord fails to cure the violation within thirty (30) days after receiving such notice. Notwithstanding the foregoing, if the violation is not reasonably susceptible to cure within thirty (30) days, Landlord shall not be deemed to have breached this Lease so long as Landlord commences curing the violation within thirty (30) days after receiving the notice and thereafter diligently pursues the cure to completion.

ARTICLE 15. QUIET ENJOYMENT; RESERVATIONS BY LANDLORD;
NO CONSTRUCTIVE EVICTION

15.1 Quiet Enjoyment. So long as Tenant is not in Default, Tenant shall have peaceful and quiet possession of the Premises against all parties claiming title thereto through or under Landlord. Tenant waives any rights of quiet enjoyment implied by law as to the Premises.

15.2 Reservation of Certain Rights by Landlord. In addition to all other rights conferred by this Lease or by Applicable Laws, Landlord reserves the right, to be exercised in Landlord's sole and absolute discretion, to: (i) change the name of the Property or any part thereof; (ii) change entrances and exits to the Property's parking garage (the "Garage"); (iii) change the use of all or any part of the Property outside the Premises; (iv) install, maintain, change, and remove signs on the Property; (v) change the street address of the Property; (vi) designate all sources furnishing signs, sign painting, and lettering for use on the Property; (vii) take all measures as may be necessary or desirable for the safety and protection of the Premises or the Property, provided that nothing herein shall obligate Landlord to do so; (viii) issue pass keys to the Building; (ix) repair, alter, add to, reduce, improve, build additional stories on, or build improvements adjacent to the Building or the Property; (x) run pipes, conduits, and ducts through the Premises (including without limitation a cooking ventilation shaft); (xi) install utility and telecommunications equipment and facilities in the Premises that do not materially impair the operation of Tenant's business therein; (xii) carry on any work, repairs, alterations, or improvements in, on, or about the Building or the Property or in the vicinity thereof, and, during the continuance of any such work, to temporarily close doors, entryways, public space, and corridors in the Building or on the Property; (xiii) temporarily or permanently close parts of the Building or the Property outside the Premises, including without limitation doors, entryways, public space, and corridors; (xiv) temporarily or permanently close any doorways between the Premises and the rest of the Building; (xv) interrupt, discontinue, or temporarily suspend Building or Property services and facilities; (xvi) change the arrangement and location of entrances or passageways, doors and doorways, corridors, elevators, stairs, toilets, or other public parts of the Building or the Property outside the Premises; (xvii) grant to anyone the exclusive right to conduct any business or render any service on or to the Property, provided such exclusive right shall not operate to exclude Tenant from the Permitted Use; (xviii) change, regulate, or restrict access to the Building or the Property or any part thereof (so long as Tenant and its customers have access to the Premises); (xix) alter, modify, reduce, or convert to other purposes all or any portion of the Garage or other parking areas or facilities serving the Building or the Property; and (xx) restrict or prohibit food and beverage consumption in and around the

Premises or elsewhere on the Property. Tenant shall not be entitled to any abatement of Rent or other compensation from the Landlord Group because of any such action, and Tenant waives any claim or cause of action against the Landlord Group arising out of or connected therewith. The foregoing is not an exclusive list of Landlord's reserved rights. Landlord shall retain all rights relating to the Building, the Property, and the Premises to the full extent not expressly given up or limited by this Lease. This section shall not be construed to diminish the obligations of Tenant provided herein, or to create or increase any obligation on the part of Landlord with respect to repairs or improvements.

15.3 No Constructive Eviction or Unauthorized Surrender. No act or failure to act by Landlord during the Term to enforce the terms of this Lease, or the Rules and Regulations, shall constitute an eviction or acceptance of surrender of the Premises. No agreement to accept surrender of the Premises shall be valid unless in writing and signed on behalf of Landlord by an individual authorized to accept such surrender. Tenant's delivery of keys to Landlord, or Landlord's acceptance thereof, shall not effect a termination of this Lease or a surrender of the Premises.

ARTICLE 16. RULES AND REGULATIONS

Tenant shall comply with Landlord's rules and regulations for the Property, as reasonably modified from time to time upon notice to Tenant (the "**Rules and Regulations**"). The current Rules and Regulations are attached hereto as Exhibit B. Landlord shall have no obligation to impose the Rules and Regulations on third parties or to enforce the Rules and Regulations against them.

ARTICLE 17. COMMUNICATIONS

Except as expressly provided to the contrary in this Lease, no notice, request, approval, consent, waiver, demand, or other communication that is required or permitted to be given under this Lease shall be effective unless made in writing and hand-delivered, sent by registered or certified mail, return receipt requested, or sent with charges prepaid via a nationally-recognized overnight delivery service, addressed to Landlord at Landlord's notice address or to Tenant at Tenant's notice address, as listed below, or to any other address of which either Party shall notify the other in accordance with this section. Such communications, if delivered by hand, shall be deemed given when delivered, or, if sent by certified mail, shall be deemed to have been given two (2) business days after the date of mailing, or, if sent via nationally-recognized overnight delivery service, shall be deemed to have been given one (1) business day after the date of deposit of the notice with such service. If any lender notifies Tenant that it is the holder of any mortgage, deed of trust, or other indenture now or hereafter affecting the Property or any part thereof containing the Premises, no notice pertaining to an alleged default by Landlord under this Lease thereafter sent by Tenant to Landlord shall be effective until a copy is sent to the lender in the manner prescribed in this section at such address as the lender shall designate.

(A) Landlord's Notice Address:

Arlington County Manager
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201

with copies to:

Arlington County Real Estate Bureau Chief

2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

and

Patrick Mallon
Facility Manager
Arlington Mill Community Center
909 South Dinwiddie Street
Arlington VA 22204

(B) Tenant's Notice Address:

Meg Rapelyc
Executive Director, Phoenix Bikes
4200 S. Four Mile Run Drive
Arlington, VA 22206

ARTICLE 18. EXTENSION OPTION

18.1 Extension Option.

(A) Grant of Option. So long as Tenant is not in Default under the Lease and Tenant occupies and uses the entire Premises, and Tenant's business in the Retail Area is open to the public for ordinary operations when Tenant gives the Option Notice (as defined below), then Tenant shall have the option (the "**Extension Option**") to extend the term of this Lease for a period of five (5) years (the "**Extension Term**"). The Extension Option is personal to the original tenant that executed this Lease, and may not be exercised by any assignee of Tenant's interest in this Lease.

(B) Option Exercise. Tenant may exercise the Extension Option only by delivering written notice to Landlord (the "**Option Interest Notice**") no more than fifteen (15) months or less than twelve (12) months before the expiration of the Initial Term stating Tenant's desire to exercise the Extension Option. If Tenant timely gives the Interest Notice, then at least ten (10) months before the expiration of the Initial Term Landlord shall notify Tenant (the "**Cost Notice**") of Landlord's good-faith estimate of the cost per square foot to provide janitorial and electrical service to the Building (the "**Per-Square-Foot Rate**"). If Tenant wishes to exercise the Extension Option, then by the thirtieth (30th) day after receiving the Cost Notice (the "**Option Exercise Deadline**"), Tenant shall notify Landlord of the exercise of the Extension Option (the "**Option Exercise Notice**"). The Extension Option shall be irrevocably deemed to have expired unexercised if Tenant fails to timely give the Option Interest Notice or the Exercise Notice.

(C) Extension Term Base Rent. If Tenant gives the Option Exercise Notice by the Option Exercise Deadline, then the term of this Lease shall be extended by the Extension Term. All of the terms and conditions of this Lease shall remain in full force and effect during the Extension Term, except that the annual Base Rent shall equal the

Per-Square-Foot Rate multiplied by the Floor Area of the Premises. If Tenant does not give the Option Exercise Notice by the Option Exercise Deadline, then the Extension Option shall expire irrevocably.

ARTICLE 19. MISCELLANEOUS PROVISIONS

19.1 Landlord's Appropriation of Funds. Notwithstanding any other term or condition of this Lease to the contrary, all of Landlord's obligations under this Lease are subject to appropriation of funds by The County Board of Arlington County, Virginia (or subject to appropriation of funds by any successor to or assignee of Landlord's interest in this Lease, if such successor or assignee is a governmental or quasi-governmental entity, authority, or political subdivision that appropriates funds), for the specific purpose of satisfying the payment and performance of such obligations. If funds are not appropriated for the specific purpose of satisfying the obligations of Landlord under this Lease, then this Lease shall terminate on the last day of the Term for which appropriations were made for such purpose, without any liability whatsoever to Landlord. It is agreed by both Landlord and Tenant that, notwithstanding any provision in this Lease to the contrary, this clause shall supersede any and all obligations imposed by any other provision of this Lease or the exhibits attached hereto or any addenda hereto. No subsequent amendment of, or addendum to, this Lease shall compromise the full legal implication of this section between the Parties or their respective successors or assigns.

19.2 Landlord's Role. Tenant hereby acknowledges that Landlord has entered into this Lease in its role as landlord and not as a governing authority. Accordingly, Landlord's execution of this Lease shall neither constitute nor be deemed to be governmental approval of any actions or interests contemplated herein, or any other governmental approval or consent required to be obtained from Landlord. Whenever in this Lease Landlord is required to join in, consent, give its approval, or otherwise act under this Lease, it is understood that such obligations are meant to apply to Landlord acting in its capacity as a landlord and not in its capacity as a governing authority. Further, Tenant hereby acknowledges that any and all decisions, determinations, consents, notifications, or any other actions taken or to be taken by Landlord pursuant to this Lease, whether or not specifically contemplated hereby, 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 Landlord in its sole discretion. Tenant shall have no right to question or challenge the propriety, authority, or legality of any such official or body, or the means, mechanism, or process by which any such decision, determination, consent, notification, or other action is taken or to be taken hereunder by Landlord, as landlord; provided such decision, determination, consent, notification, or other action by Landlord, as landlord, is taken in accordance with all Applicable Laws and the terms of this Lease. Notwithstanding the foregoing, nothing in this Lease shall be construed to waive any of Landlord's powers, rights, or obligations as a governing authority or local governing body, whether or not affecting the Property or the Premises, including but not limited to its police power, its right to grant or deny permits, its right to collect taxes or other fees, and any other power, right, or obligation whatsoever.

19.3 No Waiver of Sovereign Immunity by Landlord. Notwithstanding any other provision of this Lease to the contrary, neither anything in this Lease, nor any action taken by Landlord pursuant to this Lease, nor any document which arises out of this Lease shall constitute or be construed as a waiver of either the sovereign immunity or the governmental immunity of Landlord or of its elected and appointed officials, officers, and employees.

19.4 Indemnification and Hold Harmless. Notwithstanding any other term or provision of this Lease to the contrary, no provision of this Lease shall be construed as Landlord's, explicitly or implicitly, agreeing to indemnify or hold harmless Tenant or any third party from liability of any nature. In addition, no provision of this Lease shall be construed to require Tenant to indemnify the Landlord Group from bodily injury or property damage caused by or resulting from the negligence of the Landlord Group when such indemnification is prohibited by Applicable Laws. Whenever Tenant is obligated by any provision of this Lease to indemnify, defend, or hold harmless the Landlord Group, (i) Landlord shall have the choice of designating the defense counsel to represent the Landlord Group in any such cause of action or suit, (ii) Landlord may compromise or settle the claim without admitting liability and without Tenant's consent, (iii) Tenant's obligation to indemnify, defend, and hold harmless the Landlord Group shall survive the termination of this Lease, and (iv) Tenant shall pay, as Additional Rent, any indebtedness arising under said obligation together with interest thereon at the Default Rate from the date such indebtedness arises until paid.

19.5 No Rights in Third Parties. No provision of this Lease shall create in the public, or in any person or entity other than those signing this Lease as Parties and those indemnified hereunder, rights as a third-party beneficiary hereunder, or authorize any person or entity, not a Party or a person indemnified hereunder, to maintain any action for personal injury, property damage, or breach of contract pursuant to the terms of this Lease or otherwise.

19.6 County Board Approval; Delegation.

(A) Tenant's execution of this Lease and its delivery to Landlord shall constitute an irrevocable offer by Tenant for a period of ninety (90) calendar days after such delivery. If such offer is not accepted by Landlord by execution and delivery of this Lease to Tenant following the approval of The County Board of Arlington County, Virginia, then Tenant shall have the right to revoke such offer by written notice to Landlord, in which event no liability whatsoever shall accrue to Landlord or Tenant, and Landlord and Tenant shall have no obligations whatsoever to each other under this Lease.

(B) Except to the extent prohibited by law, the County Manager or his or her designee is hereby authorized to grant or withhold consents and approvals, exercise discretion, make determinations, make elections or selections, create protocols, or give direction on behalf of Landlord under this Lease. This specific authority shall not be construed to limit the general authority invested by law in the County Manager to manage public property and to perform acts related thereto.

19.7 Liens. Tenant shall not suffer, permit, or give cause for the filing of a mechanic's lien against the Premises or the Property or perform any other act that encumbers or might encumber Landlord's title or subject the Property, the Premises, or any part thereof to any lien. Tenant shall promptly pay all persons furnishing labor, materials, or services with respect to any work performed by or for Tenant on or about the Premises or the Property. If any mechanic's or other lien is filed against the Premises or the Property by reason of any work, labor, services, or materials performed or furnished, or alleged to have been performed or furnished, to or for the benefit of Tenant, Tenant shall promptly cause the lien to be discharged of record. If Tenant fails to cause the lien to be discharged within ten (10) days after notice from Landlord of the filing thereof, then in addition to any other rights and remedies available to Landlord under the terms

of this Lease or under Applicable Laws, Landlord may cause the lien to be discharged by paying the amount claimed to be due or posting a bond, and Tenant shall reimburse Landlord within five (5) days following Landlord's demand for all costs incurred in connection therewith, including without limitation reasonable attorneys' fees.

19.8 Tenant Estoppel Certificates. Tenant shall, at any time and from time to time, upon ten (10) days' notice from Landlord, execute, acknowledge, and deliver to Landlord a written statement (in a form requested by Landlord) containing all information reasonably requested by Landlord, including but not limited to: (i) certification that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (ii) a statement regarding the dates through which Tenant has paid the Rent due hereunder; (iii) a statement as to whether Landlord is in default in the performance of any covenant, agreement, or condition contained in this Lease, or whether any event or condition has occurred that, with notice and the passage of time, would constitute a default by Landlord under this Lease, and, if so, a specification of each such default or potential default of which Tenant may have knowledge; (iv) a statement of the amount of the then-applicable monthly Base Rent and other recurring monthly charges; (v) a statement of the amount of any security deposit held by Landlord; and (vi) a statement of the address to which notices to Tenant should be sent. Any such statement provided pursuant to this section may be relied upon by Landlord, by any ground lessor, by any other person with an ownership interest in the Property, by any prospective purchaser of the Property or any interest therein, by any present or prospective lender with respect to the Property or to Landlord's interest therein, and by any other person or entity designated by Landlord.

19.9 Landlord's Approval. Notwithstanding anything to the contrary in this Lease, if this Lease provides that Landlord's consent or approval as to any matter shall not be unreasonably withheld, conditioned, and/or delayed, and it is established by a court or body having final jurisdiction thereof that Landlord has been unreasonable, Tenant's sole and exclusive remedy shall be to obtain equitable relief deeming that Landlord has given its consent or approval to the particular matter. Tenant hereby expressly waives all other remedies, including without limitation any claim for money damages.

19.10 Brokerage Fees. Landlord represents to Tenant, and Tenant represents to Landlord, that it has not engaged a broker or finder or otherwise incurred liability for brokerage commissions or similar compensation to third parties in connection with this Lease. Tenant shall indemnify, defend, and hold harmless the Landlord Group from and against any liability arising from any claims for such compensation, including without limitation costs and reasonable attorneys' fees.

19.11 U.S.A. Patriot Act. Congress passed the U.S.A. Patriot Act in response to the terrorist attacks of September 11, 2001. The U.S.A. Patriot Act gives Federal Officials greater authority to track and intercept communications. It also provides broad regulatory powers to combat corruption of U.S. financial institutions and creates new crimes, new penalties, and new procedures for use against domestic and international terrorists. Landlord and Tenant shall comply fully with the U.S.A. Patriot Act and any regulations promulgated thereunder. Moreover, Landlord and Tenant will cooperate with any governmental officials and/or regulators in complying with and enforcing the U.S.A. Patriot Act. Tenant, on behalf of itself and the remainder of the Tenant Group hereby releases Landlord from liability for any damages and from any causes of action resulting from Landlord's efforts in complying with the U.S.A. Patriot

Act and the regulations promulgated thereunder. Tenant represents and warrants to Landlord that neither Tenant nor its owners and officers, nor Guarantor, nor others with a controlling interest in Tenant is a restricted party, as defined by The Office of Foreign Assets Control of the US Department of the Treasury.

19.12 Landlord's Liability. Landlord shall have no personal liability under this Lease. If Tenant is awarded a money judgment against Landlord, Tenant's sole recourse for the satisfaction of the judgment shall be limited to Landlord's interest in the Property. In no event shall any other assets of Landlord's (other than Landlord's interest in the Property) be subject to execution to satisfy any claims or judgments against Landlord arising from or relating to this Lease. Tenant shall have no right to withhold from Rent, reduce Rent by, or set off against any payments of Rent due under this Lease any amount of money owed by Landlord to Tenant unless Tenant obtains a final, non-appealable judgment against Landlord for the amount due. Landlord shall not be liable to Tenant for any lost profits, lost economic opportunities, or any form of consequential damage as the result of any actual or alleged breach of Landlord's obligations under this Lease.

19.13 Tenant's Authority. Tenant and the person executing this Lease on Tenant's behalf represent and warrant to Landlord that, if Tenant is a corporation (including any form of professional association or professional corporation), partnership (general or limited), limited liability company or other legal entity, then: (i) the individual executing this Lease is duly authorized to execute and deliver this Lease on behalf of Tenant in accordance with Tenant's organizational documents; (ii) this Lease is binding upon Tenant; and (iii) Tenant is duly organized and legally existing in the state of its organization and is qualified to do business in the Commonwealth of Virginia. Upon Landlord's request from time to time, Tenant shall provide Landlord with satisfactory evidence of such authority.

19.14 Parking. Landlord shall provide Tenant with passes for the parking of four (4) passenger automobiles in unreserved parking spaces in the Garage. The parking spaces that Tenant may use shall be subject to availability and provided on a first-come, first-served basis. No bailment shall arise between Landlord and Tenant or anyone using Tenant's parking passes. Vehicle owners and users shall utilize the Garage at their sole risk. No member of the Landlord Group shall have any liability to Tenant or to others for damage or loss to any vehicle or personal property or for death or bodily injury sustained in or about the Garage. Tenant shall comply with all rules and regulations adopted by Landlord with respect to the Garage and observe reasonable precautions in the use of the Garage, and shall cause all of its parking pass recipients and all other members of the Tenant Group to do so. Landlord may in any case terminate the parking privileges of any parking pass recipients who violate any Garage rules or regulations. Tenant shall not store or repair vehicles in the Garage. Tenant shall not assign, sublet, license, or transfer any monthly parking permits to others without Landlord's prior written consent, which may be withheld in Landlord's sole discretion. Tenant shall reimburse Landlord upon demand for the cost of replacing lost access cards or similar devices. Landlord reserves the right to close the Garage for repairs on at least thirty (30) days' notice (or such shorter period as is practicable under exigent circumstances). Landlord reserves the right to modify, in any way that Landlord deems appropriate, the manner in which the underground parking garage serving the Building is accessed.

19.15 Setoff Rights. Whenever Landlord is obligated by this Lease to pay money to Tenant, before making the payment Landlord may set off against such payment any amounts then owed by Tenant to Landlord.

19.16 Unenforceability/Joint and Several Liability.

(A) Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Lease or the application thereof to any person, entity, or circumstance shall, to any extent, be held invalid or unenforceable, the remaining provisions and the application of such invalid or unenforceable provisions to persons, entities and circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

(B) If Tenant consists of more than one person or entity, then the obligations of each are joint and several.

19.17 Headings. The headings of the several articles, paragraphs, and sections contained herein are for convenience only and do not define, limit, or construe the contents of such articles, paragraphs, and sections.

19.18 Modification. This Lease may be amended or modified only by a written agreement signed by both Parties. It may not be modified by oral agreement or by the actions or conduct of the Parties.

19.19 Force Majeure. Each Party shall be excused from performing any obligation or undertaking provided for in this Lease (other than Tenant's obligation to pay all items of Rent and to vacate the Premises upon the termination of this Lease), and such Party's failure to perform shall not constitute a default hereunder for so long as such performance is prevented or delayed, retarded, or hindered by circumstances beyond such Party's control (including, but not limited to fire, earthquake, flood, explosion, act of nature, war, invasion, insurrection, riot, mob violence, sabotage, general shortage of or inability to procure labor, equipment, facilities, materials, or supplies in the open market, failure of electronic or computer-operated equipment, failure of transportation, strike, lockout, action of labor unions, a taking, requisition, laws, orders of government or civil or military authorities, and reasonable delays for the adjustment of insurance claims).

19.20 Entire Agreement. This Lease sets forth the entire agreement between the Parties concerning the subject matter hereof, and no other oral or written understandings, representations, promises, or agreements have been made or relied upon by either Party. All prior oral or written agreements relating to the subject matter hereof are merged herein and superseded by this Lease.

19.21 Governing Law; Exclusive Venue. THIS LEASE SHALL BE GOVERNED, CONSTRUED, AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF VIRGINIA. THE GENERAL DISTRICT COURT AND THE CIRCUIT COURT OF ARLINGTON COUNTY, VIRGINIA SHALL BE THE EXCLUSIVE VENUES FOR ANY DISPUTE OR CLAIM BY OR BETWEEN LANDLORD AND TENANT ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, INCLUDING WITHOUT LIMITATION CLAIMS RELATING TO THE RELATIONSHIP OF LANDLORD AND TENANT HEREUNDER, TO TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND TO CLAIMS OF INJURY OR DAMAGE OCCURRING ON OR ABOUT THE

PREMISES. ALL ACTIONS, SUITS, AND OTHER CAUSES CONCERNING OR ARISING OUT OF THIS LEASE SHALL BE BROUGHT IN THE ABOVE-DESCRIBED COURTS AND IN NO OTHER COURTS.

19.22 Waiver of Jury Trial. Tenant hereby waives trial by jury in any action, proceeding, claim, or counterclaim brought by either Party in connection with any matter arising out of or in any way connected with this Lease, including without limitation claims relating to the relationship of Landlord and Tenant hereunder, to Tenant's use or occupancy of the Premises, and to claims of injury or damage occurring on or about the Premises.

19.23 Commencement Date Memorandum. If requested by Landlord, Tenant shall execute an agreement confirming the Rent Commencement Date and the date on which the Term will expire.

19.24 Recording of Lease. Tenant may not record this Lease without Landlord's prior written consent, which may be withheld in Landlord's sole and absolute discretion. If requested by Landlord, Tenant shall execute a short form memorandum of deed of lease in any form reasonably requested by Landlord. Landlord may record the memorandum at its election in the Land Records for Arlington County, Virginia. Landlord shall have the right and option at any time, at Landlord's sole and absolute discretion, to record a certificate terminating and releasing such memorandum of deed of lease without the necessity of obtaining Tenant's signature on such certificate, and Tenant hereby acknowledges and agrees that Tenant's execution of such certificate shall not be necessary for its validity. Without limiting the foregoing, at Landlord's request, Tenant shall sign and deliver to Landlord a certificate terminating and releasing such memorandum of deed of lease, which certificate Landlord shall be entitled to record at any time at Landlord's sole and absolute discretion.

19.25 No Partnership. Nothing contained in this Lease shall be construed as creating a partnership or joint venture between Landlord and Tenant, or any other relationship between the Parties other than that of landlord and tenant.

19.26 Successors and Assigns. This Lease is binding upon and shall inure to the benefit of the respective Parties and their heirs, executors, administrators, successors, and permitted assigns.

19.27 Waiver. No waiver of any of the terms of this Lease shall bind either Party unless reduced to a writing signed by such Party. Neither a Party's failure to enforce or require strict performance of any provision of this Lease, nor Landlord's failure to enforce or require strict performance of any provision of the Rules and Regulations, shall be deemed to waive or alter such provision. Landlord's acceptance of Rent with knowledge of a breach shall not constitute a waiver of such breach or any future breach.

19.28 Financial Statements. Tenant agrees, at any time and from time to time upon at least ten (10) days' prior written notice, to deliver to Landlord Tenant's most current financial statements, together with such other information regarding Tenant's financial condition as Landlord may reasonably request. All statements of Tenant shall be certified by Tenant, if an individual, or by a corporate officer of Tenant's, a managing partner of Tenant's, or a managing member of Tenant's, as applicable, if an entity, as true and correct in all material respects.

19.29 Counterparts. This Lease may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same Lease.

19.30 Survival. The obligations of Landlord and Tenant that accrue during the Term but that have not been satisfied prior to the termination of this Lease shall survive the termination.

19.31 Effective Date. This instrument is not effective as a Lease or otherwise unless and until executed by and delivered to both Landlord and Tenant. This Lease shall be effective on the date (the "Effective Date") upon which all of the following shall have occurred: Tenant shall have executed and delivered this Lease; Landlord shall have taken the necessary action to approve this Lease and authorize its execution; and this Lease shall have been executed and delivered on Landlord's behalf.

IN WITNESS WHEREOF, the Parties have caused this Lease to be executed by their respective representatives thereunto duly authorized, as of the date first above written.

LANDLORD:

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

Approved as to Form:

County Attorney

By: _____ (seal)

Name: _____

Title: _____

Date: _____, 201_

TENANT:

PHOENIX BIKES, a Virginia corporation

By: Meg M. Rapely (seal)

Name: Meg M. Rapely

Title: Executive Director

Date: August 15th, 2017

EXHIBIT A

RETAIL AREA

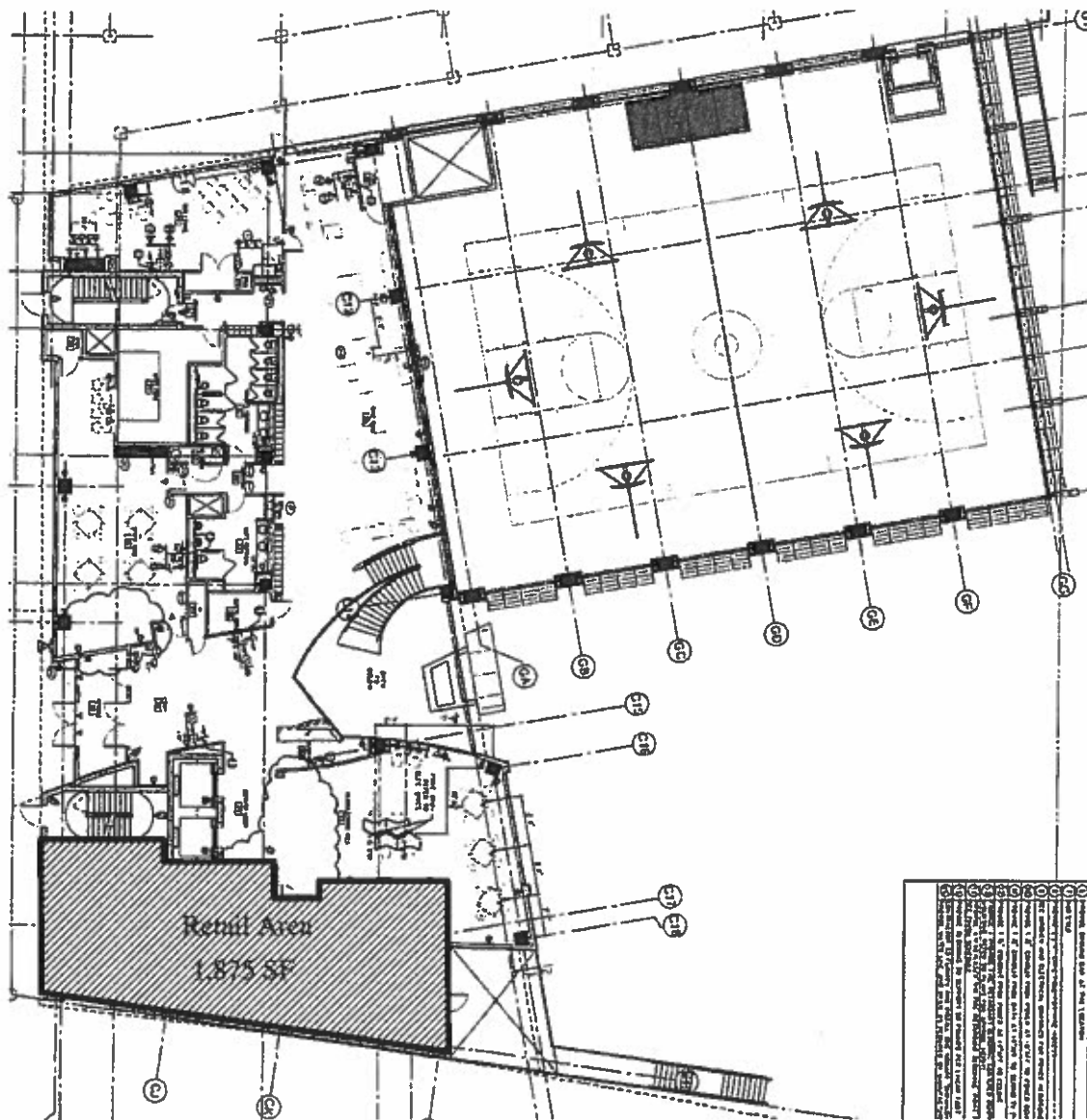
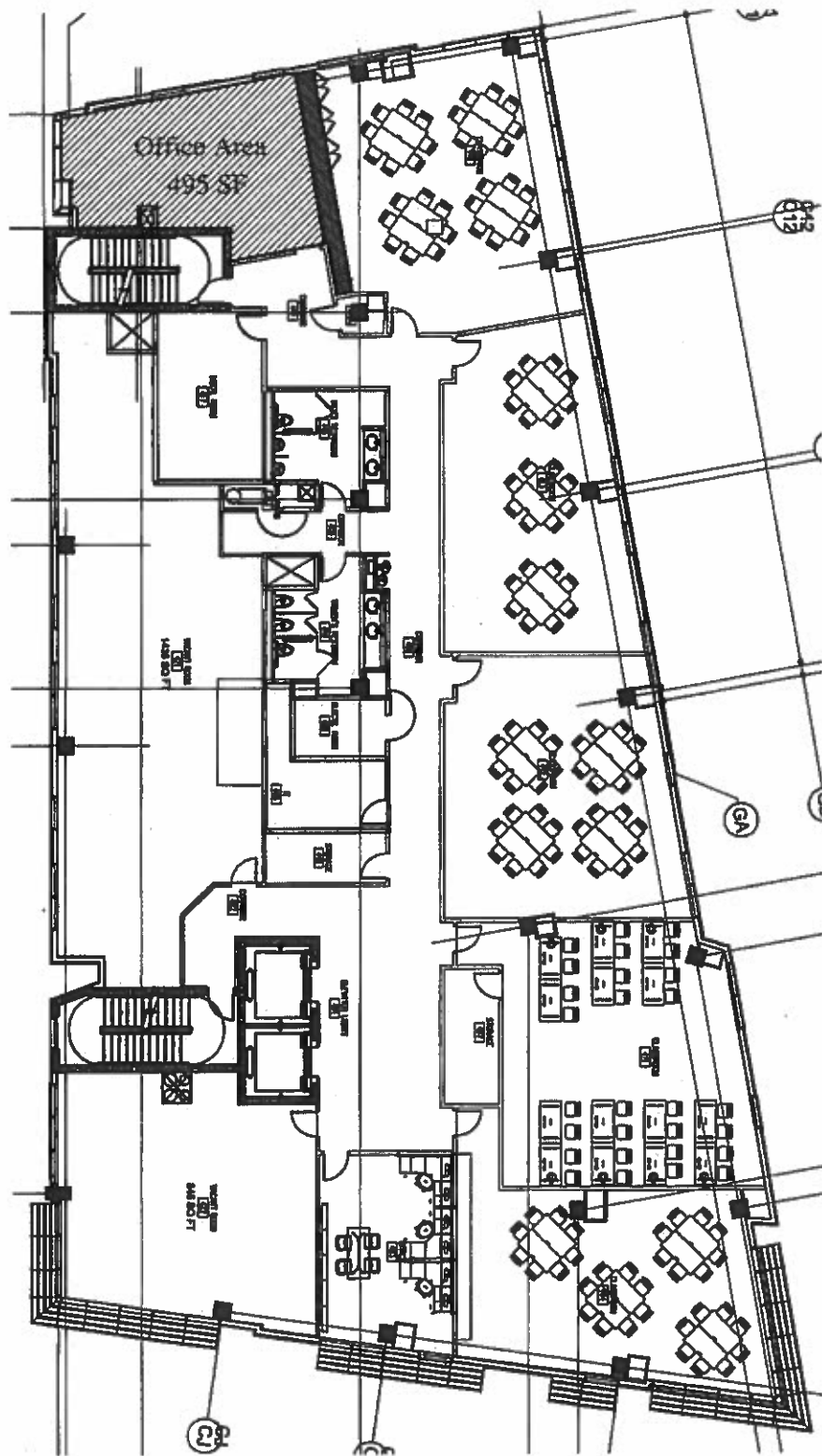


EXHIBIT A

OFFICE AREA



[illegible]

Storage Area
(225 SF)

EXHIBIT B

RULES AND REGULATIONS

Landlord reserves the right to: (a) amend, modify, or rescind any of these Rules and Regulations; and (b) make such other reasonable rules and regulations as in its judgment are necessary or appropriate for the operation of the Property. Tenant shall comply with these and all future Rules and Regulations. Capitalized terms have the same meanings as those assigned in the Lease.

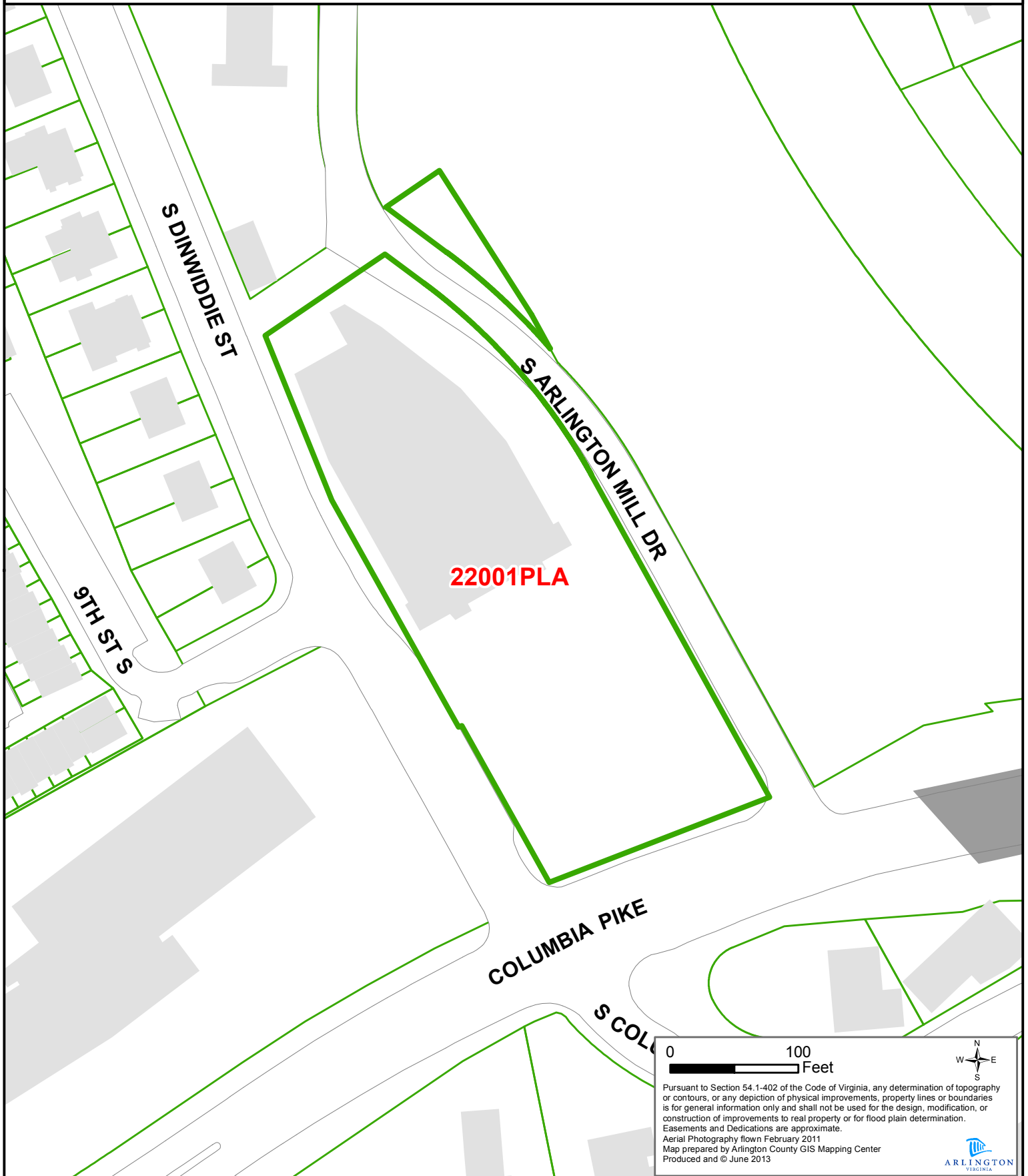
1. Sidewalks, doorways, vestibules, halls, stairways, and other similar areas shall not be obstructed by Tenant or used by Tenant for any purpose other than ingress and egress to and from the Premises. Tenant shall not place, empty, or throw rubbish, litter, trash, or material in these areas.
2. Plumbing fixtures and appliances shall be used only for the purposes for which designed, and no sweepings, rubbish, rags, or other unsuitable material shall be thrown or placed in such fixtures or appliances. Tenant shall pay for damage resulting to fixtures or appliances caused by any member of the Tenant Group, and Landlord shall not be responsible for the damage.
3. Tenant shall not place any locks on any door in the Premises without advance notice to Landlord, and Landlord shall have the right to retain at all times keys to all locks within and into the Premises and to use the same for access to the Premises in accordance with the terms of the Lease. Whenever Tenant installs or changes the Premises' door locks, Tenant shall furnish copies to Landlord. Tenant shall give all Premises door keys to Landlord upon the termination of the Lease.
4. Tenant shall cause all contractors, contractor's representatives, and installation technicians performing work on or about the Property on Tenant's behalf to comply with Landlord's rules, regulations, policies, and procedures, which may be revised from time to time, provided that all such rules, regulations, policies, and procedures shall be commercially reasonable and not inconsistent with the terms of the Lease.
5. Deliveries to Tenant to or from the Premises and freight loading and unloading by Tenant shall be made only at the times, in the areas, and through entrances and exits designated or approved by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with Landlord or with other users of the Property or that is inconsistent with good business practice. Except as otherwise approved by Landlord, equipment used for making Tenant's deliveries to or from the Premises shall have rubber wheels only.
6. Tenant's movement in or out of the Building of furniture or office equipment, and the dispatch or receipt by Tenant of bulk merchandise or bulk materials requiring the use of elevators, stairways, lobby areas, or loading dock areas, shall be restricted to hours designated or approved by Landlord. Tenant shall obtain Landlord's prior approval of such activity in each instance, which approval shall not be unreasonably withheld. Tenant shall submit a detailed written description of the activity for each approval request. The activities shall be under Landlord's supervision if required by Landlord and performed in the manner reasonably required by Landlord. Tenant shall assume all risk of property damage and bodily injury resulting from the activity. If equipment, property, or personnel

of Landlord's or of any other party's is or are damaged or injured as a result of or in connection with the activity, Tenant shall be solely liable for any resulting damage or loss.

7. Landlord shall have the right to approve the weight, size, and location of heavy equipment and heavy articles in and about the Premises in order to confirm the same does not exceed the Building's floor load limits. Tenant shall repair at Tenant's sole expense damage to the Building arising from the installation, maintenance, operation, existence, or removal of Tenant's property.
8. Tenant shall not: (1) cause or permit any vibration, noise, odor, or flashing or bright light in or about the Premises, including without limitation a paging system, that is discernable outside of the Premises (2) canvass, solicit business, peddle, or distribute, or cause to be distributed, on or about the Property, handbills, promotional materials, or other advertising materials; (3) conduct or permit other activities on the Property that might, in Landlord's reasonable opinion, cause or constitute a nuisance or waste or be annoying to others; (4) unreasonably interfere in any way with other users or occupants of the Property or persons having business with them; or (5) use or occupy the Premises or permit anything to be done therein which in any manner might cause injury or damage on or about the Property.
9. Except for service animals for the disabled, Tenant shall not bring animals onto the Property, or keep them on or about the Premises.
10. Tenant shall not use the Premises, or permit any part of the Premises to be used, for lodging or sleeping or for any illegal purpose.
11. Tenant shall not, without Landlord's consent, operate or permit to be operated coin- or token-operated in or about the Premises vending machines or similar devices (including without limitation telephones, lockers, toilets, scales, amusement devices, and machines for the sale of beverages, food, candy, cigarettes, and other goods).
12. Tenant shall not bring bicycles or other vehicles into the Building except as approved by Landlord in its sole discretion.
13. Tenant shall comply with all emergency and safety procedures established by Landlord, the fire department, or any other governmental agency having jurisdiction over the Property, including without limitation participation in periodic drills, familiarization with emergency procedures, and the designation of individuals responsible for the implementation of emergency action. Tenant shall post its emergency evacuation plan on a wall of the Premises. Tenant and its employees shall immediately evacuate the Premises and the Building throughout the entire duration of fire drills and emergency evacuations of the Building.
14. Landlord may prohibit the use of the name of the Building or the Property or any other publicity by Tenant that, in Landlord's reasonable opinion, might impair the reputation of the Building or the Property or the desirability of either. Upon written notice from Landlord, Tenant shall refrain from and discontinue such publicity immediately.
15. Tenant shall not display, paint, or place any handbills, bumper stickers, or other advertising devices on any vehicles parked on or about the Property, whether belonging to Tenant, its employees, or any other person.

16. Landlord shall have the right to designate, approve, and prohibit window coverings for the Premises and to establish rules to ensure that the Building presents a uniform exterior appearance.
17. Tenant shall not allow any member of the Tenant Group to smoke on the Premises or elsewhere on or about the Property. Subject to the provisions of Article 8 of the Lease, Tenant shall post no-smoking signs in the Premises that are clearly visible to the public.
18. Tenant shall secure and protect the Premises, and all property located within the Premises. Tenant shall keep the Premises' exterior doors closed when not in use. Before leaving the Premises unattended, Tenant shall close and lock all exterior doors. Any doors leading to the corridors or main halls shall be kept closed except as they may be used for ingress and egress.
19. Tenant shall not locate furnishings or cabinets covering or adjacent to mechanical or electrical access panels or over air conditioning or heater outlets. Tenant shall reimburse Landlord on demand, as Additional Rent, for the cost of moving such furnishings.
20. Tenant shall not ask Landlord or Landlord's staff to perform such functions as furniture moving, deliveries, picture hanging, or other similar tasks not related to the general operation of the Building.
21. Landlord reserves the right to exclude or expel from the Property any person who in the judgment of Landlord is intoxicated or under the influence of liquor or drugs or who violates these Rules and Regulations. In case of invasion, riot, public excitement, or other commotion, Landlord may prevent all access to the Building during the continuance of the same, by closing the doors or otherwise, for the safety of the Building users and the protection of property in the Building. Landlord shall not be liable to Tenant for damages or loss arising from the admission, exclusion, or ejection of any person to or from the Premises or the Property under the provisions of this rule.
22. Tenant shall participate in any window cleaning program that may be established by Landlord and cooperate with Landlord in the performance of any such program.
23. Tenant shall not sell, distribute, display, or offer for sale in or about the Premises (1) any paraphernalia commonly employed in the use or ingestion of illicit drugs, or (2) any X-rated, pornographic, lewd, or so-called "adult" newspaper, book, magazine, film, picture, video, or other material.
24. Tenant shall not install, operate or maintain in the Premises, or in any other area of the Property, electrical equipment that does not bear the Underwriters Laboratories seal of approval, or that would overload the electrical system or any part thereof beyond its capacity for proper, efficient, and safe operation.
25. Tenant shall not store, display, sell, or distribute dangerous materials, flammable materials, explosives, or weapons in or about the Premises, or conduct any unsafe activities therein.
26. Whenever these Rules and Regulations require Landlord's consent or approval, unless otherwise expressly provided to the contrary, Landlord may withhold its consent or approval in its sole discretion and revoke its consent or approval at any time immediately upon notice.

Vicinity Map
Arlington Mill Community Center
909 S Dinwiddie ST
RPC# 22001PLA



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