

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE ("First Amendment") made this ____ day of _____, 2006, by and between **THE COUNTY BOARD OF ARLINGTON, VIRGINIA**, a body corporate, hereinafter called "Lessor", and **SUBWAY REALTY OF RICHMOND, INC.**, a Virginia corporation registered to do business in the Commonwealth of Virginia, hereinafter called "Lessee" (jointly "Parties").

RECITALS

WHEREAS, Lessor and Lessee entered into a Lease Agreement, dated May 11, 1996 ("Original Lease"), pursuant to which Lessee leased premises consisting of two spaces commonly known as 1435 North Courthouse Road ("Building"), Suites 10 and 11; said original leased premises containing a total of 1,960 rentable square feet ("Original Property"),

WHEREAS, the Parties hereto desire to amend certain terms and conditions of the Original Lease by means of this First Amendment; and, the Lessee desires to renew the Original Lease consistent with this First Amendment.

WITNESSETH:

NOW THEREFORE, the Parties hereto agree as follows:

For and in consideration of the amount of One Dollar (\$1.00), the covenants and agreements set forth hereinafter, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties amend the Original Lease as set forth in this First Amendment.

1. **LEASED PREMISES:** On March 31, 2006, Lessee shall surrender, and deliver to Lessor, Suite 11, consisting of approximately 600 rentable square feet of the Original Property, in good order and broom swept condition, ordinary wear and tear excepted. Effective April 1, 2006, the Original Property is hereby amended to consist only of Suite 10, located at 1435 North Courthouse Road, consisting of 1,360 square feet of space for the operation on a continuous basis of a quality restaurant/food service facility ("Property" or "Leased Premises").
2. **TERM:** Section 1 of the Original Lease is hereby amended by deleting the entire section and adding, in its stead: "The term of this First Amendment shall be for ten (10) years commencing on April 1, 2006 ("Renewal Date") and expiring at midnight on March 31, 2016 ("Extended Term")."
3. **RENT:** Section 2 of the Original Lease is hereby amended by deleting the entire section and adding, in its stead: "Lessee shall pay a base rent for the Leased Premises ("Base Rent") in equal monthly installments, without deduction or demand, on the first (1st) day of each month during the Extended Term. The payment shall be made by check, payable to the Treasurer Arlington County, Virginia, and delivered to the following address: Arlington County, Virginia, Department of Environmental

Services, Engineering and Capital Projects Division, 2100 Clarendon Boulevard, Suite 813, Arlington, Virginia 22201, Attention: Real Estate Bureau or to Lessor at such other place as Lessor may from time to time designate, in writing. The rate per annum for Base Rent shall be increased by three percent (3%) and rounded up to the nearest dollar, upon each subsequent anniversary of the Extended Term, pursuant to the following schedule:

Lease Year	Base Rent - Rate per Annum	Annual Rent	Monthly Rent
Year 1: 4/1/06-3/31/07	\$32	\$43,520.00	\$3,626.67
Year 2: 4/1/07-3/31/08	\$33	\$44,825.60	\$3,735.47
Year 3: 4/1/08-3/31/09	\$34	\$46,170.37	\$3,847.53
Year 4: 4/1/09-3/31/10	\$35	\$47,555.48	\$3,962.96
Year 5: 4/1/10-3/31/11	\$36	\$48,982.14	\$4,081.85
Year 6: 4/1/11-3/31/12	\$37	\$50,451.61	\$4,204.30
Year 7: 4/1/12-3/31/13	\$38	\$51,965.16	\$4,330.43
Year 8: 4/1/13-3/31/14	\$39	\$53,524.11	\$4,460.34
Year 9: 4/1/14-3/31/15	\$41	\$55,129.83	\$4,594.15
Year 10: 4/1/15-3/31/16	\$42	\$56,783.73	\$4,731.98

Additional Fee: For an additional initial fee of \$50.00 per month ("Additional Fee"), Landlord shall permit Tenant to empty Tenant's trash into the Landlord's trash receptacle on a daily basis and Landlord shall clean the Building's exterior glass once per annum. The Additional Fee shall be paid by Lessee to Lessor at the same time as the Monthly Rent. The Additional Fee may be increased by the Lessor, upon five (5) days prior written notice to Lessee, to reflect any increase in actual costs to Lessor for the services provided by Lessor to Lessee, which are defrayed by such Additional Fee.

Utilities: Landlord shall, at Tenant's expense, supply water and sewerage and electricity to the Premises. Landlord shall invoice Tenant for the cost of water and sewerage and electricity.

4. **RENEWALS AND HOLDOVERS:** Section 3 of the Original Lease is hereby amended by deleting Subsection a thereof and adding, in its stead: "Upon termination of this Lease, it shall not be renewed if the Leased Premises are required for any of the purposes mentioned in Virginia Code §15.2-1639".
5. **USE:** Section 4 of the Original Lease is hereby amended by deleting the entire section and adding, in its stead: "Lessee shall use the Leased Premises only to operate a restaurant/food service facility serving food freshly prepared daily on a continuous basis, and for no other uses whatsoever. Freshly prepared breakfast foods, sandwiches, soups, salads, desserts, fountain soft drinks, other hot and cold beverages, including special coffees, will be served in the restaurant. No Lottery, alcoholic beverages, or tobacco products shall be sold in the Leased Premises. Lessee shall comply with the rules and regulations contained in Exhibit B of this First

Amendment, which Lessor may modify with written notice of such modifications to Lessee."

6. **HOURS OF OPERATION:** The first sentence in Section 5, of the Original Lease, is hereby amended by deleting the following: "~~and the snack bar/newsstand will operate between the hours of 6:00 a.m. and 10:00 p.m. Monday through Friday.~~" The aforesaid sentence now reads "The restaurant will operate between the hours of 7:00 a.m. and 7:00 p.m. Monday through Friday. Lessee may submit a written proposal to request a change to its hours of operation at any time. The written proposal must be submitted to Arlington County, VA, Department of Environmental Services, Engineering and Capital Projects Division, Real Estate Bureau, 2100 Clarendon Boulevard, Suite 900, Arlington, VA, Attention: Real Estate Bureau Chief. On behalf of Lessor, Arlington County's Real Estate Bureau Chief may approve or disapprove Lessee's proposed changes to its hours of operation pursuant to this Lease."
7. **ACCESS TO PROPERTY:** The first sentence in the second paragraph of Section 6, of the Original Lease, is hereby amended by deleting the words "~~concession area~~" and adding, in its stead the word, "restaurant". The aforesaid sentence now reads "Lessee shall have access across the exterior plaza to the restaurant area for delivery and pickup when a representative of the Lessee is present."
8. **LICENSES AND PERMITS:** Section 8 of the Original Lease is hereby amended by deleting the word "~~concessions~~" and adding, in its stead, "restaurant". The aforesaid sentence now reads "Lessee shall obtain such licenses and permits as are necessary to operate the restaurant at its sole cost and expense."
9. **ALTERATIONS AND IMPROVEMENTS:** Section 13.a., last sentence in the first paragraph of the Original Lease is hereby amended by deleting the words "~~larger space~~" and adding, in its stead, "Leased Premises". The aforesaid sentence now reads "At Lessee's option, Lessee shall be permitted to construct the interior of the Leased Premise in accordance with standard Subway decor and specifications with County approval, not to be unreasonably withheld."
10. **NOTICES:** Section 17 of the Original Lease is hereby amended by deleting Lessor's notification addresses and adding, in its stead, the following:

To Lessor:	The County Board of Arlington County, Virginia 2100 Clarendon Boulevard Arlington, Virginia 22201 Attn: County Manager
with a required copy to:	Arlington County, VA Department of Environmental Services, Real Estate Bureau 2100 Clarendon Boulevard, Suite 900 Arlington, Virginia 22201 Attn: Real Estate Bureau Chief

with a required copy to: County Manager
Arlington County, Virginia
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201

11. **EFFECT OF FIRST AMENDMENT ON LEASE:** Except as modified herein, all other terms and conditions of the Original Lease remain in full force and effect. In the event the terms and conditions of this First Amendment conflict with the terms of the Original Lease, the terms and conditions of this First Amendment shall prevail and be controlling.
12. **THIRD PARTIES:** This First Amendment shall inure to the benefit of, and bind, the Parties' respective successors.
13. **FULL FORCE AND EFFECT:** The Parties each represent and warrant to the other that the Original Lease, as amended by this First Amendment, is in full force and effect and has not been assigned, modified, supplemented or further amended in any way, other than by this First Amendment.
14. **ENTIRE AGREEMENT, AMENDMENT:** The Original Lease, as amended by this First Amendment, contains the entire agreement of the Parties hereto with respect to the subject matter hereof. No representations, inducements, or agreements, oral or otherwise, between the Parties not contained in this First Amendment shall be of any force and effect. This First Amendment may not be modified, changed or terminated, in whole or in part, in any manner other than by an agreement in writing signed by duly authorized representatives of the Parties.
15. **COUNTERPARTS:** This First Amendment may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.
16. **INCORPORATION OF RECITALS:** The foregoing recitals are fully incorporated into this First Amendment by this reference.

IN WITNESS WHEREOF, the Parties hereto have caused multiple counterparts of this First Amendment to be signed in their respective names by their respective authorized officers, effective as of the later of the dates set forth below.

**Lessor: THE COUNTY BOARD OF
ARLINGTON COUNTY, VIRGINIA**

By: _____

Title: _____

Date: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON, VA

The foregoing instrument was acknowledged before me this ____ day of _____,
2006, by _____, on behalf of the County Board of Arlington County, Virginia.

Notary Public: _____

My Commission Expires: _____

Lessee: SUBWAY REALTY OF RICHMOND, INC.

By: _____

Title: _____

Date: _____

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of
_____, 2006, by _____, of _____
a _____ corporation, on behalf of the corporation.

Notary Public: _____

My Commission Expires: _____

Approved as to form:

County Attorney

Attachment 1 - Original Lease

LEASE AGREEMENT

This Deed of Lease Agreement is made on May 11, 1996 between THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body corporate, ("Lessor"), and SUBWAY REALTY OF RICHMOND, INC., ("Lessee").

In consideration of the following covenants and agreements, the Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the premises situated in Arlington County, Virginia consisting of two spaces, 1,360 square feet and 600 square feet respectively, for a total of 1,960 square feet, more or less (the "Property"), for the operation on a continuous basis of a quality restaurant/food service facility and a snack bar/newsstand, respectively, the Property being more particularly described as:

1435 North Courthouse Road, Suites 10 and 11
Arlington, Virginia 22201

Subject to zoning and other applicable legal requirements, Lessee may be permitted to use portions of the courtyard adjacent to both spaces for seating (see Exhibit A attached).

This Agreement is subject to the following terms and conditions:

1. **TERM:** The initial term of this Lease shall be for ten (10) years beginning on the date the Property is delivered to Lessee by Lessor (not later than 30 days following final approval of the Lease by the County Board) ("Commencement Date"), and continuing until the last day of the month next following the tenth anniversary of the Commencement Date.
2. **RENT:** Rent will be due and payable after construction and build-out have been completed and within one business day of issuance of Certificate of Occupancy. Construction and build-out period is not to exceed 90 days after commencement date of the Lease unless an extension is approved in writing by the County Manager or designee. Lessee agrees to pay Lessor an initial rent of Thirty Nine Thousand Two Hundred Dollars (\$39,200) per year for the first three (3) years, payable monthly in advance with rent being due on the first day of each month, at Three Thousand Two Hundred Sixty Seven Dollars (\$3,267) per month, said rent to be credited to Lessee each month as if paid until approved amount for the cost of design and finishing of the space, including build-out and utilities installation (excluding any Lessee supplied furnishings or trade fixtures) has been credited to Lessee by Lessor in full, up to a maximum of \$100,000. Lessor shall be responsible for providing utility service (including electrical, water and sewer) to the Property, and Lessee shall be responsible for all

equipment necessary to connect the interior of the leased space to such utility service. Beginning in year four (4) after rent becomes payable, the rent shall be \$23.00 per square foot or \$3,757 monthly, payable in advance, with annual increases based on the increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers, all items for Washington, DC-MD-VA (CPI-W) (1982-84=100) each year thereafter with maximum annual increases of 4%. Rent shall be made payable to "Treasurer, Arlington County" and mailed to:

Melissa Baker
Office of Support Services
Room 126
1400 North Court House Road
Arlington, Virginia 22201

3. **RENEWALS AND HOLDOVERS:**

- a. Renewal. Lessee shall have the option to renew this Lease for an additional ten years at the same terms and conditions of the existing Lease. Lessee shall notify Lessor in writing six months prior to expiration of this Lease of the intent to renew.

Upon termination of this Lease, pursuant to Virginia Code §15.1-261.1 it shall not be renewed if the Leased Premises are required for any of the purposes mentioned in Virginia Code §15.1-258.

- b. Holdovers. Should Lessee hold over beyond the original term of this Lease other than as renewed under this Paragraph, its tenancy will be on a month-to-month basis. All other terms and conditions of this Lease will remain the same. Lessee may hold over only with the prior express written consent of Lessor.

4. **USE:** Lessee shall use the Property only to operate a restaurant/food service facility serving food freshly prepared daily at 1435 North Courthouse Road, Suite 10, and a snack bar/newsstand in 1435 North Courthouse Road, Suite 11, both on a continuous basis, and for no other uses whatsoever. Freshly prepared breakfast foods, sandwiches, soups, salads, desserts, fountain soft drinks, other hot and cold beverages, including special coffees, etc. will be served in the restaurant. Fresh pastries, doughnuts, bagels, coffees and other hot and cold beverages, including vending machines, pre-packaged snacks, newspapers and periodicals, etc. shall be available in the smaller space. No Lottery, alcoholic

beverages, or tobacco products shall be sold in either space.

5. **HOURS OF OPERATION:** The restaurant will operate between the hours of 7:00am and 7:00pm and the snack bar/newsstand will operate between the hours of 6:00am and 10:00pm Monday through Friday. The hours and days of operation may be expanded at Lessee's option subject to applicable County law and approval by the County Manager or designee, approval not to be unreasonably withheld..
6. **ACCESS TO PROPERTY:** Lessor will provide keys for Property to Lessee and will maintain copies of said keys for emergency access. Replacement of keys lost by Lessee will be replaced at the expense of Lessee.

Lessee shall have access across the exterior plaza to the concession area for delivery and pickup when a representative of the Lessee is present. No parking spaces are available for the use of the Lessee within the Detention Facility and Courthouse premises. Obtaining appropriate parking is the sole responsibility of the Lessee.
7. **SIGNS AND ADVERTISING:** All outside and interior signs and advertisements will be in compliance with applicable law and the Site Plan for the structure.
8. **LICENSES AND PERMITS:** Lessee shall obtain such licenses and permits as are necessary to operate the concessions at its sole cost and expense.
9. **UTILITIES:** Plumbing, electric, heating, ventilation, and air conditioning equipment will be installed by Lessee. Lessor will be responsible for supplying water, sewerage, electrical power, heating, and air conditioning service to the leased premises, with Lessee being billed depending upon when the County is billed, for the actual cost of services. All utilities will be connected to the main systems of the Detention Facility, locations to be determined by design, and sub-metered for the basis of determining use and payment. Utility bills shall be paid by Lessee when billed and are not included in any rent credit for build-out. Lessee will be responsible for telephone service. Lessor will not be responsible for repairing interruptions in utility service beyond utility service provided by Lessor, and such interruptions in operations will not be considered a cause for default.
10. **MAINTENANCE AND REPAIRS:**
 - a. Lessee will be responsible for the maintenance, cleaning, and repair of the Property and any equipment and fixtures installed by Lessee. Lessee shall empty all interior and exterior trash cans and

pick up all litter within a boundary of five feet beyond any area used for outside seating and any litter attributable to Lessee's operations within one hour after closing and at any other time when trash cans are full of litter or the area becomes unsightly in the reasonable opinion of the County Manager or designee.

- b. Lessee will be responsible for insuring that all of Lessee's activities, and all installation, operation and storage of Lessee's equipment, fixtures, and supplies, are at all times in compliance with applicable federal, state and local laws, ordinances and codes, including without limitation, the Americans with Disabilities Act (the "ADA"), and that all areas which Lessee is responsible for maintaining shall be maintained in accordance with such laws, ordinances and codes. Violation of any applicable federal, state or local law, ordinance or code shall be considered a default of this agreement which may lead to termination of this agreement if Lessee fails to remedy the situation within 15 days of notice of violation or such longer period as may be necessary, provided that Lessee shall make a commitment to remedy the situation within such 15 day period and takes prompt steps to so remedy the situation.

11. **INSURANCE:** During its tenancy, Lessee will carry at its own expense, and with a company licensed to do business in Virginia and acceptable to the Lessor:

- a. Commercial general liability insurance covering claims for damages because of bodily injury, sickness or disease or death of any person, claims for personal injury damages, and claims for property damages arising out of the maintenance, use, or occupancy of the Leased Premises. A limit of liability of at least \$1,000,000 per occurrence, \$1,000,000 aggregate shall apply on a combined single limit basis for bodily injury and property damage. An aggregate limit of at least \$1,000,000 is to apply for personal injury. The Lessor is to be included as an additional insured.
- b. Lessee will also carry at its own expense, and with a company acceptable to the Lessor, commercial fire insurance coverage including the standard "all risks" extension, insuring all personal property, furniture, equipment, supplies and trade fixtures owned or leased by the Lessee, and any permanent improvements made by the Lessee at 100% of replacement cost value. An agreed amount

endorsement is to be attached to prevent application of any coinsurance clause. Any right of subrogation of the Lessee's insurer against the Lessor due to the negligence of the Lessor is to be waived. An endorsement is to be attached indicating that any loss shall be payable to Lessor or Lessee as their respective interest may appear.

Lessor may, upon thirty (30) days notice, require Lessee to increase or allow Lessee to decrease, the limits of coverage specified above to amounts which adequately protect the Lessor's interest. Lessee will furnish to the Lessor, evidence of required insurance coverage for the entire term of its lease prior to occupying the property. If the Lessee holds over, then evidence of insurance coverage for the holdover period must also be provided to Lessor in advance.

12. INDEMNIFICATION OF LESSOR: Lessee agrees that Lessor will not be responsible for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person whosoever may at any time be in, using or occupying or visiting the Property or be in, on or about the same, whether such loss, injury, death or damage is caused by or in any way results from or arises out of any act, omission or negligence of Lessee or of any occupant, visitor, or user of any portions of the Property, or results from or is caused by any other matter or thing whether the same kind as or of a different kind than the matters or things above set forth. Lessee covenants to save, defend, keep harmless and indemnify the Lessor and all of its agents, officers, and its employees from and against all claims, losses, damages, injuries, costs (including court costs and attorneys' fees), charge, liability or exposure, however caused, resulting from, arising out of, or in any way connected with Lessee's occupation, use or nonuse of the Leased Premises. Notwithstanding the foregoing, Lessee shall have no obligation to indemnify Lessor in the event any loss, injury, death or damage to persons or property is caused by the gross negligence or willful misconduct of Lessor or any of its employees, or agents.
13. ALTERATIONS AND IMPROVEMENTS:
 - a. No alterations, improvements, additions, or changes to the Property will be made by Lessee without the prior written permission of the County Manager or designee. This provision includes, but is not limited to, the Property's structure, heating and air conditioning system, plumbing, electrical system, and non-structural partition walls. All such work will be done in accordance with applicable

federal, state and local laws, codes and ordinances including without limitation, the ADA. At Lessee's option, Lessee shall be permitted to construct the interior of the larger space in accordance with standard Subway decor and specifications with County approval, not to be unreasonably withheld.

If at any time under the provisions of this Lease the consent of the Lessor is required, it shall not be unreasonably withheld.

- b. All improvements made to the Property (excluding equipment Lessee supplied furnishings or trade fixtures for which Lessee did not receive reimbursement through rent credit, as identified in Exhibit B, to become part of this Lease and to be completed and submitted after Certificate of Occupancy is issued) will at the expiration or termination of this lease remain as a part of the Property and revert to the Lessor free from all encumbrances. If this Lease should be terminated before the end of the initial three (3) years at no fault of Lessee, any rent credit due Lessee for build-out expenses as provided above shall be prorated and reimbursed to Lessee, subject to appropriation by Lessor, provided Lessee has no outstanding financial obligations to Lessor.
- 14. **EQUIPMENT AND FIXTURES:** Lessee will have the privilege of installing any furniture, equipment and trade fixtures on the Property which are used in the conduct of its business. These items must be removed within five (5) business days of the expiration of this Lease Agreement and the space restored as near as possible to its original condition prior to installation of said equipment, furniture, or trade fixtures, or they will become the property of Lessor. Lessee will promptly repair any damage other than normal wear and tear, caused by removal or promptly reimburse the Lessor for the cost of such repairs.
- 15. **NO SMOKING AREA:** The Detention Facility is a smoke-free facility. Smoking is not permitted on the premises, including within the building's concession areas. The Lessee shall not allow smoking by employees and shall post no smoking signs that are clearly visible to the public.
- 16. **ASSIGNMENT OR SUBLEASE:** Lessee will not sublease all or any portion of the leased premises without the consent of the Lessor, which consent shall not be unreasonably conditioned or withheld. Lessee may not assign this Lease without the prior written consent of Lessor, which consent may not be unreasonably

conditioned or withheld. In the event of any such assignment, Lessee shall identify the proposed assignee and set forth all material terms and conditions of the proposed assignment. This information shall be delivered to Lessor accompanied by certified financial statements of the proposed assignee for the three (3) years immediately preceding such proposed assignment and such other documentation or information relating to the financial strength and creditworthiness of the proposed assignee as may be acceptable to Lessor, as well as information demonstrating that the assignee is fully capable and experienced to carry out its obligations under the Lease. With respect to any assignment allowed under this Lease, such assignment shall not be valid or effective unless and until Lessee delivers to Lessor an executed copy of the instrument of assignment in form and substance satisfactory to Lessor pursuant to which the assignee assumes all of the obligations and liabilities of Lessee under this Lease, whereupon Lessee be released from all future liability hereunder.

17. **NOTICES:** All notices or other communications pursuant to this lease will be delivered by hand or mail to:

a. If to Lessor to:

Arlington County Virginia
Office of Support Services
Real Estate Section,
Suite 704
2100 Clarendon Boulevard
Arlington, Virginia 22201
Attn: Norma J. Cozart

or to such other person and place as Lessor furnishes by notice in accordance with this paragraph; or

b. If to Lessee to:

Lawrence I. Feldman
SUBWAY REALTY OF RICHMOND
8280 Greensboro Drive, Suite 110
McLean, Virginia 22102

or to such other person and place as Lessee furnishes by notice in accordance with this paragraph.

18. **DAMAGE OR DESTRUCTION OF PREMISES:** In the event the leased premises become untenable or unusable for Lessee's business due to fire or other casualty, then this Agreement will terminate without further obligation on the part of either Lessor or Lessee. The Lessor will have no

liability for any loss or inconvenience suffered as the result of conditions described by this paragraph.

19. **DEFAULT:** Upon any default or breach of any condition of this Lease, it may be immediately terminated at the Lessor's sole discretion subject to a right to cure by the Lessee. Said cure shall be effected within ten (10) days from the date of notice by the Lessor to Lessee, unless the default is not capable of such prompt cure, so long as the Lessee makes reasonable good faith efforts to cure, provides Lessor with a description and schedule of these efforts, and Lessee is allowed a reasonable amount of time to cure such default. Lessor may take possession of the leased premises without resorting to legal process in the event of any uncured default, and this Lease will terminate.

Upon termination of this Lease for any reason whatsoever, upon payment by Lessee to Lessor of any outstanding payments due hereunder, and any damages, all further obligations between the parties under this Lease agreement shall cease. If Lessee fails to make payment of any amounts due Lessor, Lessor retains the right to attach and hold any of Lessee's equipment, fixtures, and supplies located on the Leased Property until such payments are made in full. Lessor and Lessee agree that Lessee's liability upon default shall not exceed one (1) year's base rent.

Further, Lessor and Lessee hereby waive any claim(s) against each other for consequential, exemplary, and/or punitive damages arising out of this Lease. In addition, both parties hereby waive their rights to a trial by jury.

20. **CONDEMNATION:** This Lease will terminate if the leased property is taken by or Lessor conveys the leased property to, an entity which has the authority to acquire it by condemnation proceedings. Lessee will not be entitled to any proceeds of sale or award if the property is sold, conveyed, or taken pursuant to this provision.
21. **TERMS AND CONDITIONS:** The terms and conditions of Lessor's solicitation of proposals for this Lease are incorporated herein by reference. Where the terms and conditions of this Lease vary from the terms and conditions of the Lessor's solicitation of proposals, the terms and conditions of this Lease shall prevail.
22. **APPROVAL:** This Lease Agreement must be approved by The County Board of Arlington County, Virginia. Otherwise, it shall be null and void. If this Lease is not approved, there shall be no liability accruing to either party.

WITNESS THE FOLLOWING SIGNATURE AND SEALS:

LESSOR

THE COUNTY BOARD OF
ARLINGTON COUNTY, VIRGINIA, Lessor

BY

Thomas J. O'Reilly, Jr.
Thomas J. O'Reilly, Jr.
Real Estate Coordinator

LESSEE

SUBWAY REALTY OF RICHMOND, INC.

BY

Lawrence I. Feldman
Title SECRETARY / TREASURER

GUARANTOR:

Lawrence I. Feldman
Lawrence I. Feldman
As: GUARANTOR

COMMONWEALTH OF VIRGINIA,
COUNTY OF ARLINGTON

The foregoing instrument was acknowledged before me this 13th
day of May, 1996, by THOMAS J. O'REILLY, JR. as Real
Estate Coordinator of Arlington County, Virginia.

Norma J. [Signature]
Notary Public

My Commission expires: 2/28/97

COMMONWEALTH OF VIRGINIA
COUNTY OF ~~ARLINGTON~~ ^{CLIDE} FAIRFAX

The foregoing instrument was acknowledged before me this 6th
day of MAY, 1996, by LAWRENCE I. FELDMAN,
SECRETARY TREASURER, SUBWAY REALTY OF
RICHMOND, INC.

Nichole Deer Gilder
Notary Public

NICHOLE DEER GILDER
NOTARY PUBLIC COMMONWEALTH OF VIRGINIA
My Commission Expires: My Commission Expires October 31, 2000

COMMONWEALTH OF VIRGINIA
COUNTY OF ~~ARLINGTON~~ ^{CLIDE} FAIRFAX

The foregoing instrument was acknowledged before me this 6th
day of MAY, 1996, by LAWRENCE I. FELDMAN, as
Guarantor.

Nichole Deer Gilder
Notary Public

NICHOLE DEER GILDER
NOTARY PUBLIC COMMONWEALTH OF VIRGINIA
My Commission Expires: My Commission Expires October 31, 2000

SUBWAY2.LSE

EXHIBIT A
Floor Plans
1435 N. Courthouse Road

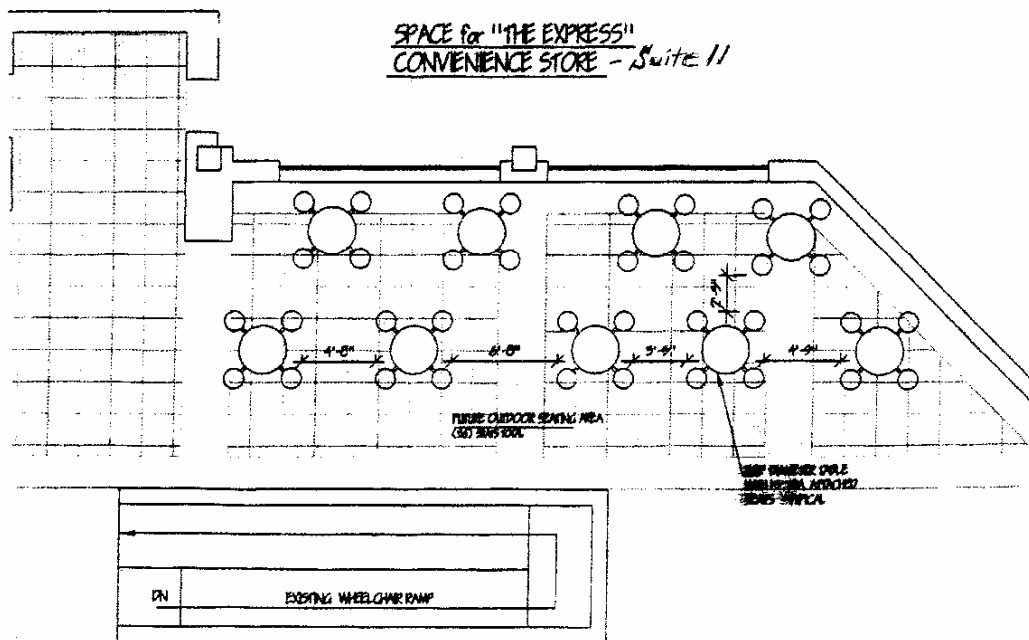
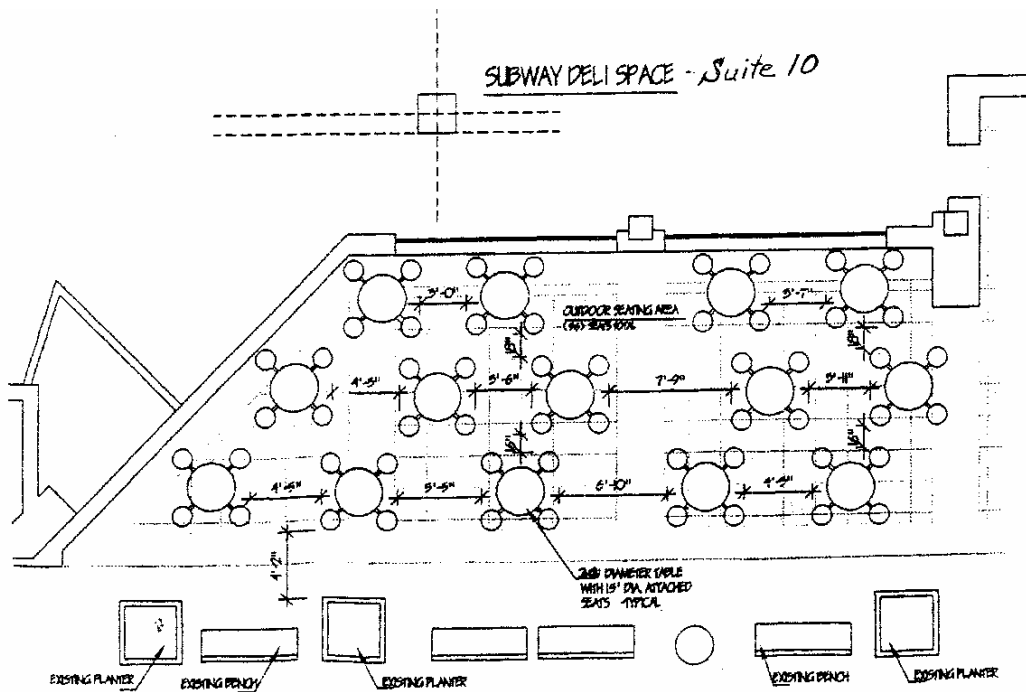


EXHIBIT B RULES AND REGULATIONS

Tenant expressly covenants and agrees, at all times during the Term, and at such other times as Tenant occupies the Premises or any part thereof, to comply, at its own cost and expense, with the following:

1. The Building is a smoke-free facility. Smoking is not permitted in or on the Premises. Tenant shall not allow smoking by employees, guests or clients. Tenant shall post no smoking signs that are clearly visible to the public.
2. Any handling of freight for any purpose, or deliveries to or from the Premises, shall be made in a manner which is consistent with good practice and only at such times, in such areas, and through such entrances and exits as are from time to time designated for such purposes by Landlord (the Loading Area). Any equipment used for making deliveries in the Premises shall have rubber wheels only. Deliveries, loading and unloading of freight shall be conducted only during the hours of 7:00 a.m. to 7:00 p.m.
3. All trash and other debris shall be kept inside the Premises in the type of container specified by Landlord until such time as it is to be collected. All trash shall be prepared for collection, and collected in the manner and at the times and places specified by Landlord. Tenant shall be solely responsible for contracting for the removal of all trash and other debris from the Premises and shall pay promptly all charges therefore.
4. Tenant shall not (i) suffer, allow or permit any vibration, noise, odor or flashing or bright light to emanate from the Premises or from any machine or other installation located therein, or otherwise suffer, allow or permit the same to constitute a nuisance to or interfere with the safety, comfort or convenience of Landlord or of any other occupant or user of the Building; (ii) display, paint, or place any handbills, bumper stickers or other advertising devices on any vehicle(s) parked in the parking area(s) of the Building, whether belonging to Tenant, its employee(s), or any other Person(s); (iii) solicit business or distribute any handbills or other advertising materials in the common areas; (iv) conduct or permit any activities in the Building that might constitute a public or private nuisance; (v) permit the parking of any vehicles or the placement of any displays, trash receptacles or other items, so as to interfere with the use of any driveway, fire lane, corridor, walkway, parking area, mall or any other common area; (vi) use or occupy the Premises or permit anything to be done therein which in any manner might cause injury or damage in or about the Building; or (vii) use or occupy the Premises in any manner which is unreasonably annoying to other Tenants in the Building unless directly occasioned by the proper conduct of Tenant's business in the Premises.
5. Tenant shall secure and protect the Premises, and all property located within the Premises. Tenant acknowledges and agrees that it is solely responsible for securing and protecting the Premises, and all property located within the Premises.

6. The Tenant shall post its emergency evacuation plan on the wall of the Premises. The 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.
7. Tenant shall participate in any window cleaning program that may be established by Landlord.
8. Tenant shall not place a load on any floor in the Building which exceeds the load which the floor was designed to carry, or which may result in improper weight distribution on such floors.
9. Tenant shall not install, operate or maintain in the Premises, or in any other area of the Building, electrical equipment which does not bear the Underwriters Laboratories seal of approval, or which would overload the electrical system or any part thereof beyond its capacity for proper, efficient and safe operation.
10. Tenant shall not store, display, sell, or distribute any alcoholic beverages, dangerous materials, flammable materials, explosives, or weapons in the Premises, or conduct any unsafe activities therein.
11. Tenant shall not sell, distribute, display or offer for sale (i) any paraphernalia commonly employed in the use or ingestion of illicit drugs, or (ii) any X-rated, pornographic, lewd, or so-called "adult" newspaper, book, magazine, film, picture, video tape or video disk.

ATTACHMENT A

