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ORDINANCE

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Enacted:	December 14, 1998
Effective:	February 27, 1999

AN ORDINANCE TO AMEND FRANCHISE AGREEMENT

FOR THE LEASE OF PROPERTIES BETWEEN

THE CITY OF MANASSAS AND

AIRFRAME HANGARS OF MANASSAS, INC.

FOR PARCEL 16 - WEST COMPLEX

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FRANCHISE AGREEMENT

This Amended Franchise Agreement entered into this 27th day of February 1999 by and between:

THE CITY OF MANASSAS, through its Airport Manager, hereinafter referred to as the "City"; and Airframe Hangars of Manassas, Inc. a Delaware Corporation, having an office at 2412 E. Heather Road, Wilmington, Delaware 19803, hereinafter referred to as the "Lessee".

WITNESSETH THAT:

WHEREAS, the City is the owner of the premises known as Manassas Regional Airport located in the City of Manassas, Virginia, and presently comprising approximately 830 acres, and wherever "Airport" is used in this Franchise it shall be construed to mean Manassas Regional Airport as it may be expanded from time to time; and

WHEREAS, the City and the Lessee entered into a Franchise Agreement effective July 27, 1998, hereinafter referred to as the "Agreement", for the use and occupancy of certain areas at the Airport; and

WHEREAS, the City desires to accommodate, promote and enhance general aviation at the Airport and the Lessee desires to construct hangar facilities for general aviation aircraft; and

WHEREAS, the Lessee intends to offer permanent rights to occupy individual hangars to prospective tenants in accordance with the Code of Virginia Condominium Act; and

WHEREAS, the Lessee intends to create a condominium association whose members shall consist of individual hangar tenants; and

WHEREAS, the Lessee intends to assign this Agreement to the condominium association of Manassas Airport Hangars Condominium hereinafter referred to as the "Association"; and

WHEREAS, the Lessee desires to lease additional property to construct additional individual hangars; and

WHEREAS, it is necessary to amend the Agreement to provide for the lease of additional land; and

WHEREAS, the City operates the Airport through its Airport Manager; and

WHEREAS, the City and the Lessee do hereby agree to amend the Agreement so that the Agreement as amended will appear in its entirety in this Amended Agreement;

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained, the City does hereby lease to the Lessee the area of the Airport described in Article 2 hereof (hereinafter referred to as "the Leased Premises"), during the Term hereof, pursuant to the conditions hereinafter set forth in this Amended Agreement.

ARTICLE 1

TERM

1.1 The Term of this Agreement shall be for a period of thirty-two years commencing on July 27, 1998, and expiring on July 26, 2030, hereinafter "the Term", unless sooner terminated in accordance with the provisions hereof.

1.2 Lessee may permit an encumbrance, mortgage or lien to exist on the Leasehold Improvements but such encumbrance, mortgage or lien shall not exceed the term of this Agreement.

ARTICLE 2

LEASED PREMISES

2.1 The Leased Premises consist of:

2.1.1 Parcels of land described in Exhibit A and Exhibit A-1 attached hereto and made a part hereof. These parcels include approximately 1.4030 acres and 1.2520 acres of unimproved land respectfully, and

2.1.2 All Improvements now or hereafter constructed on the aforementioned land are a part of the Leased Premises, subject to Lessee's leasehold interest.

ARTICLE 3

USE OF LEASED PREMISES

3.1 The Lessee shall occupy and use the Leased Premises for the following purposes and for no other purpose whatsoever:

3.1.1 Hangar storage of general aviation aircraft and such equipment and apparatus that may be incidental and/or necessary to the operation thereof. Aircraft tie-downs are not permitted upon the Leased Premises. Hangars shall be used for non-commercial activities. A commercial activity is defined as an operation of any business for the exchange, trading, buying, hiring or selling of commodities, goods, services or property of any kind or any revenue producing activity.

3.1.2 Lessee may sublet aircraft hangars. Notwithstanding the definition of a commercial activity as contained in Section 3.1.1, the leasing or subleasing of an individual hangar unit is not a commercial activity within the definition.

3.2 The Lessee shall provide any and all sublet agreements to the City for its approval which approval shall not be unreasonably withheld. The sale of an individual hangar unit is not considered a sublet under this Franchise.

3.3 Upon request, Lessee shall provide a monthly listing of all persons, individuals, partnerships, or organizations who execute a sublease for one or more hangar units. In addition, Lessee shall promptly notify the City of the change of any right to occupy a hangar unit, whether by sale, rental, lease, sublease or other means, by providing to the City the name and address of such occupant and the identification and description of the occupant's aircraft.

3.4 All vehicles shall be stored within hangars, and not parked outside the structures, unless appropriate parking areas designed in accordance with City standards are provided.

3.5 Lessee or its sublessees may perform preventative maintenance on aircraft based on the Premises as outlined in Federal Aviation Regulations Part 43, Appendix A, (3)(c). All such maintenance activity shall only be performed on a "not-for-profit", non-commercial, or non-revenue-producing basis.

3.6 The City shall, during the term of this Agreement or any extension thereof, be provided with all information that is provided to its unit owners for the conduct of Lessee's business activities including unit owner meeting dates. The City, if it so chooses, may attend and participate in the Lessee's scheduled meetings of its unit owners or board of directors.

3.7 The City shall have, during the term of this Agreement, the right to approve Lessee's Bylaws, which shall include Lessee's proprietary lease and any amendments thereto. Approval may only be denied on the basis that such Bylaws, proprietary lease or amendments thereto are inconsistent with Lessee's obligations under this Agreement, or are inconsistent with the City being able to obtain and protect compliance with fulfillment of Lessee's obligations and covenants herein. This Agreement is subject to the City's approval of Lessee's hangar sales, purchase, or sublease agreements, Corporate Charter, Bylaws, proprietary leases and other similar organizational documents. Such approvals shall not be unreasonably withheld by the City. Copies of Lessee's documents, as listed above, shall be delivered to the City no less than thirty (30) days prior to the date of execution of this Agreement.

ARTICLE 4

RENTAL

4.1 For use and occupancy of the Leased Premises and privileges herein granted, the Lessee agrees to pay to the City during the period commencing July 27, 1998, and ending July 26, 2010, an annual rental of Nine Thousand Four Hundred Seventy Dollars and Twenty-Five Cents ($9,470.25) for the 1.4030 acre parcel shown on Exhibit A. For the period commencing February 27, 1999 and ending February 26, 2011, the Lessee agrees to pay an annual rental rate of Ten Thousand Sixteen Dollars ($10,016) for the 1.2520 acre parcel shown on Exhibit A-1.

4.2 For use and occupancy of the 1.4030 acre parcel shown on Exhibit A and privileges herein granted, the Lessee agrees to pay to the City during the period commencing July 27, 2010, and ending July 26, 2013, an annual rental of Sixteen Thousand Eight Hundred Thirty Six Dollars ($16,836), plus any adjustments to the annual rental of Sixteen Thousand Eight Hundred Thirty Six Dollars ($16,836) that would have occurred in the third, sixth, ninth and twelfth years of this Agreement pursuant to Section 4.3 below. For the use and occupancy of the 1.2520 acre parcel as shown on Exhibit A-1, commencing on February 27, 2011, and ending on February 26, 2014, Lessee agrees to pay to the City an annual rent of Fifteen Thousand Twenty Four Dollars ($15,024) plus any adjustments to the annual rental of that would have occurred in the third, sixth, ninth and twelfth years of this Agreement pursuant to Section 4.3 below.

4.3 Commencing on July 27, 2013, for the 1.4030 acre parcel shown on Exhibit A and commencing on February 27, 2014, for the 1.2520 acre parcel as shown on Exhibit A-1, and on each third anniversary thereof during the Term hereof, the annual rental payable hereunder shall be adjusted by multiplying the annual rental payable in the next preceding year of the leased term by a fraction, the numerator of which shall be the P.P.I. (as hereinafter defined) published for the month of the year in which such adjustment is made and the denominator of which shall be the P.P.I. published for the month of the calendar year in which the last preceding such adjustment was made; provided, however, that the denominator for first adjustment for the 1.4030 acre parcel shown on Exhibit A shall be the P.P.I. for the month of July 1998. The denominator for first adjustment for the 1.2520 acre parcel shown on Exhibit A-1 shall be the P.P.I. for the month of February 1998.In no event shall the annual rental payable under this Section 4.3 be less than the amount payable for the last adjusted period.

4.3.1 The term "P.P.I." as used herein shall mean the Producer Price Index for selected commodity groupings, all commodities, as published by the Bureau of Labor Statistics of the United States Department of

Labor, 1982 base = 100. In the event the base year is changed, the P.P.I. shall be converted to the equivalent of the base year 1982 =100.

4.4 The annual rental payable hereunder shall be paid in equal monthly installments on the first day of each month in advance at the Office of the Airport Manager or at such other office as may be directed in writing by the City. The monthly installment for the 1.4030 acre parcel as shown on Exhibit A, for the period July 27, 1998, through July 26, 2010, shall be Seven Hundred Eighty Nine Dollars and Eighteen Cents ($789.18). The monthly installment for the 1.2520 acre parcel as shown on Exhibit A-1, for the period February 27, 1999, through February 26, 2011, shall be Eight Hundred Thirty Four Dollars and Sixty Six Cents ($834.66).

4.5 The monthly installment on the 1.4030 acre parcel as shown on Exhibit A, for the period beginning on July 27, 2010, through July 26, 2013, shall be One Thousand Four Hundred Three Dollars and Zero Cents ($1,403.00) plus any P.P.I. adjustment that would have occurred in the third, sixth, ninth and twelfth years. The monthly installment on the 1.2520 acre parcel as shown on Exhibit A-1, for the period February 27, 2011, through February 26, 2013, shall be One Thousand Two Hundred Fifty Two Dollars ($1,252.00) plus any P.P.I. adjustment that would have occurred in the third, sixth, ninth and twelfth years.

ARTICLE 5

ADDITIONAL PAYMENTS

5.1 At such time as construction commences on the hangar improvements referred to in Article 3, Lessee shall deposit with the City a sum equal to one-half (1/2) of the total annual rental as set forth in Article 4.1 as and for a security deposit. At any time construction begins upon additional improvements on the Leased Premises, then an additional amount equal to one-half (1/2) of the increase in the annual rental for such improvements shall be deposited into the security deposit fund account. Such sum is to be kept in a separate account by the City, and shall be invested or placed at interest or in such manner or in such institution as may be agreed upon between the parties. Neither party shall be liable for any defaults or failure of any financial institution or investment vehicle so selected. Such security deposit or interest may be used by the City to cure any default, including payment of rent or other expense and reasonable attorney's fees incurred by the City pursuant to this Agreement, as set forth herein. Upon demand, the security deposit plus interest lost shall be replenished by Lessee in such amount so expended by the City within 180 days. Failure to do so shall constitute a default entitling the City to possession as hereinafter set forth. All interest earned upon the security deposit shall be accrued in such fund. The security deposit shall be adjusted every third (3rd) anniversary date as referred to in Article 4.3 hereof. Any deficiency in such fund after adjustment shall be paid to the City within 90 days upon written demand. The City shall credit Lessee for the adjustment with interest earned from the initial security deposit.

5.2 Each time the right to occupy a hangar unit is modified or an assignment, sale or transfer of capital stock, as part of the modification transaction a fee shall be paid to the City in a sum equal to One Percent (1%) of the gross sales amount or fair cash market value of the hangar. Such fee shall apply to all initial sales of hangar units by Lessee or developer, as well as all resales by subsequent owners. Such fee shall be applicable when transfer is effected by conveyance of the interest of any partner, co-owner, co-lessee, or corporate subsidiary of any sublessee. Payment of such fee shall be due no later than the date required for payment of rent next coming due.

5.3 Lessee will pay a monthly pro-rata share of the Airport's contract security service charges, such charges to be computed based on the total number of leaseholds located upon the Airport at the time of such charges. The Airport will pay one-half of each month's charges, with the remaining one-half to be distributed among the current leaseholds pro-rata on an equal basis. The Airport will provide guard key stations at locations mutually agreed upon by Lessee and Airport.

5.3.1. It is understood and agreed that while the City will make reasonable efforts to protect the assets and employees of Lessee, the City makes no warranty, expressed or implied, that the security services it contracts for will avert or prevent occurrences, or the consequences therefrom, which may result in loss or damage to the Lessee. Lessee agrees that the City shall not be liable for any loss or damage of a security related nature, irrespective of origin, to person or to property, whether directly or indirectly caused by the performance or nonperformance of contract security service personnel.

ARTICLE 6

ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

6.1 The City indemnifies the Lessee from environmental liability in regard to subsurface conditions on the Leased Premises that were present prior to the execution of this Agreement.

6.2 With the exception of Section 6.1, the Lessee warrants it has inspected the Leased Premises and accepts possession of the Leased Premises and the improvements thereon "as is" in its present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration and by ordinances of the City, and admits its suitableness and sufficiency for the uses permitted hereunder. Except as may otherwise be provided for herein, the City shall not be required to maintain nor to make improvements, repairs or restoration upon or to the Leased Premises or to any of the improvements presently located thereon. The City shall never have any obligation to repair, maintain or restore, during the term of this Agreement, any improvements placed upon the Leased Premises by the Lessee, its successors and assigns.

6.3 The Lessee shall throughout the term of this Agreement assume the entire responsibility, cost and expense for all repair and maintenance whatsoever on the Leased Premises and all improvements thereon in a good workmanlike manner, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise. Additionally, the Lessee, without limiting the generality hereof, shall:

6.3.1 Keep at all times, in a clean and orderly condition and appearance, the Leased Premises, all improvements thereon and all of the Lessee's fixtures, equipment and personal property which are located on any part of the Leased Premises.

6.3.2 Provide and maintain on the Leased Premises all obstruction lights and similar devices, and safety equipment required by law.

6.3.3 Repair any damage caused by Lessee to paving or other surface of the Leased Premises caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.

6.3.4 Take measures to prevent erosion, including but not limited to, the planting and replanting of grasses with respect to all portions of the Leased Premises not paved or built upon, and in particular shall plant, maintain and replant any landscaped areas.

6.3.5 Be responsible for the maintenance and repair of all utility service lines placed on the Leased Premises and used by the Lessee exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone conduits and sanitary sewers and storm sewers.

6.4 In the event the Lessee fails: (a) to commence to maintain, clean, repair, replace, rebuild or repaint within a period of sixty (60) days after written notice from the City to do any maintenance or repair work required to be done under the provisions of this Agreement, other than preventive maintenance; (b) or within a period of ninety (90) days if the said notice specifies that the work to be accomplished by the Lessee involves preventive maintenance only; (c) or to diligently continue to complete any repairs, replacement, rebuilding, painting or repainting as required under this Agreement; then, the City may, at its option, and in addition to any other remedies which may be available to it, enter the premises involved, without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of the Leased Premises, and repair, replace, rebuild or paint all or any part of the Leased Premises or the improvements thereon, and do all things reasonably necessary to accomplish the work required, and the cost and expense thereof shall be payable to the City by the Lessee on demand. Provided, however, if in the opinion of the City, the Lessee's failure to perform any such maintenance endangers the safety of the public, the employees or property of the City or other tenants at the Airport, and the City so states same in its notice to the Lessee, the City may at its sole option, in addition to all other remedies which may be available to it, elect to perform such maintenance at any time after the giving of such notice, and the Lessee agrees to pay to the City the cost and expense of such performance on demand. The City's costs and expenses shall include, but not be limited to, all direct and indirect costs and expenses of the City, its agents, contractors, and employees and all financing charges, if any, and all allocations of fringe benefits, overhead, and legal charges. Furthermore, should the City, its officers, employees or agents undertake any work hereunder, the Lessee hereby waives any claim for damages, consequential or otherwise, as a result therefrom except for claims for damages arising from the sole negligence of the City, its agents and contractors. The foregoing shall in no way affect or alter the primary obligations of Lessee as set forth in this Agreement, and shall not impose or be construed to impose upon the City any obligations to maintain the Leased Premises, unless specifically stated otherwise herein.

6.5 Plans and specifications for all major structural repairs, construction, alterations, modifications, additions or replacements (hereinafter referred to as "Improvements") shall be submitted to and receive the written approval of the City, and no such work shall be commenced until such written approvals are obtained from the City which approval shall not be unreasonably withheld or delayed. The City shall advise the Lessee within thirty (30) days after receipt of the written request, together with copies of the plans and specifications for the proposed improvements in sufficient detail to make a proper review thereof, of its approval or disapproval of the proposed work, and in the event it disapproves, stating its reasons therefore. The criteria for the City's review shall be consistency with City ordinances and the Statewide Building Code, compatibility with the Airport's architecture, and functionality for present and future uses appropriate to the Airport.

6.6 If the Lessee makes any Improvements without City approval that are disapproved of by the City, then, upon notice to the lien holder of record and Lessee, the Lessee shall remove the improvement or at the option of the City cause the same to be changed to reasonable satisfaction of the City. If the Lessee fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, the City may effect the removal or change and the Lessee shall pay the cost (as defined in Section 6.3) thereof to the City. The Lessee expressly agrees in the making of all Improvements that, except with the written consent of the City, it will neither give nor grant, nor purport to give or grant any lien upon the Leased Premises or upon any Improvements thereupon or which is in the process of construction or repair, nor allow any condition to exist or situation to develop whereby any party would be entitled, as a matter of law, to a lien against said Leased Premises and improvements thereon, and the Lessee will within thirty (30) days after notice of filing thereof either discharge the lien or contest the validity of the lien and provide a bond securing its payment until it is discharged. Notice is hereby given by the City to all persons that no lien attaches to any such Improvements without the City's permission.

6.7 Upon expiration of this Agreement, the complete and unencumbered title to all Improvements located on the Leased Premises shall immediately vest in the City free and clear of all claims on the part of the Lessee on account of any repair or improvement work done or to be done under the terms hereof by the Lessee. This vesting of title in the City at the time specified is a part of the consideration for this Agreement. The City shall not be liable to the Lessee or the Lessee's contractors, sublessees or third party interests for the value of any Improvements constructed or located on the Leased Premises.

ARTICLE 7

ADDITIONAL OBLIGATIONS OF LESSEE

7.1 The Lessee shall conduct its operations hereunder in an orderly and proper manner, considering the nature of such operation so as not to unreasonably annoy, disturb, endanger or be offensive to others.

7.2 Further, the Lessee shall take all reasonable measures:

7.2.1 To reduce to a practicable minimum vibrations tending to damage any equipment, structure, buildings or portions of buildings.

7.2.2 Not to produce on the Airport through the operation of machinery or equipment any electrical, electronic or other disturbance that interferes with the operation by the City or the Federal Aviation Administration's operation of navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

7.2.3 At all times and at its own expense, control pedestrian and vehicular traffic from the Leased Premises onto the Aircraft Operations Area (AOA).

7.3 The Lessee shall control the conduct and demeanor of its officers, agents, employees, invites, subtenants and, upon objection from the City concerning the conduct or demeanor of any such person, the Lessee shall immediately take all lawful steps necessary to remove the cause of the objection. If the City shall so request, the Lessee agrees to supply and require its employees and/or subtenants to wear suitable attire and to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the Airport Manager.

7.4 The Lessee shall comply with all health and safety laws and requirements and any other federal, state or municipal laws, ordinances, rules, regulations and requirements, applicable to the Leased Premises and or the improvements thereon and its operations at the Airport hereunder.

7.5 The Lessee shall comply with all written instructions of the City in disposing of its trash and refuse at Lessee's expense, and shall use a system of refuse disposal approved by the City. The Lessee shall be responsible for removal from the Airport, or otherwise disposing of in a manner approved by the City, all garbage, debris and other waste materials (whether solid or liquid) arising out of its occupancy of the Leased Premises or out of its operations. The Lessee shall dispose of its sewage through the City's system. The Lessee shall provide and use suitable covered metal or other rigidly and sturdily constructed receptacles, suitably screened from public view, for all garbage, trash and other refuse created on or arising in connection with the activities conducted on the Leased Premises. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the Leased Premises is forbidden. The manner of handling and disposing of trash, garbage and other refuse and the frequency of removal thereof from the Airport premises shall at all times be subject to the rules, regulations and approval of the City. Lessee shall use extreme care when effecting removal of all such waste to prevent littering the Airport premises.

7.6 The Lessee shall commit no nuisance, waste or injury on the Leased Premises, and shall not do, or permit to be done, anything which may result in the creation, commission or maintenance of such nuisance, waste or injury on the Leased Premises.

7.7 The Lessee shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located on the Leased Premises.

7.8 The Lessee shall not overload any floor, structure, structural member or paved area on the Leased Premises, or paved area elsewhere on the Airport, and shall repair at the Lessee's expense any floor, structure, structural member, or any paved area damaged by overloading without limiting the Lessee's obligations pursuant to Article 6 above.

7.9 The Lessee shall not do, nor permit to be done, any act or thing upon the Leased Premises:

7.9.1 Which will invalidate or conflict with any fire insurance policies as applicable to the Leased Premises or any part thereof; or other contiguous premises at the Airport; nor,

7.9.2 Which may constitute a hazardous condition that increases the risks attendant upon the operations permitted by this Agreement.

7.10 If Lessee uses flammable liquids then Lessee shall use only a working supply of flammable liquids within any covered or enclosed portion of the Leased Premises. Any other supplies of such liquids shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories. The term "working supply" as used in this Section 7.10 shall mean the amount consumed by the Lessee and other parties using the Leased Premises during any normal work day.

7.11 The Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food.

7.12 The Lessee shall provide prompt written notice to the City of any person, firm or corporation performing aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Leased Premises for commercial purposes.

7.13 It is the intent of the parties hereto that noise, including but not limited to noise caused by aircraft engine operation, shall be held to a reasonable minimum. To this end the Lessee will conduct its operations in such a manner as to keep the noise produced by aircraft engines and component parts thereof or any other noise to a minimum by such methods as are practicable, considering the extent and type of the operations of the Lessee. In addition, the Lessee will employ the maximum amount of noise arresting and noise reducing devices that are available and economically practicable, considering the extent of the operations of the Lessee but in no event less than those devices required by Federal, Commonwealth or Local Law. In its use of the Leased Premises, the Lessee shall take all possible care, caution and precaution and shall use its best efforts to minimize prop or jet blast interference to aircraft operating on taxiway or to buildings, structures and roadways, now located on or which in the future may be located on areas adjacent to the Leased Premises. In the event the City determines that the Lessee has not curbed the prop or jet blast interference, the Lessee hereby covenants and agrees to erect and maintain at its own expense such structure or structures as may be necessary to prevent prop or jet blast interference, subject, however, to the prior written approval of the City as to type, manner and method of construction.

ARTICLE 8

INGRESS AND EGRESS

8.1 The Lessee shall have the right of ingress and egress between the runways and public ramp areas at the Airport by means of taxiways, and between the Leased Premises and the entrance(s) to the Airport by means of connecting paved roads. The Lessee shall also have the right to ingress and egress between the Leased Premises and public tie-down areas. Such rights of ingress and egress shall be in common with others having rights of passage thereon, and may be used except when the Airport is closed to the public.

8.2 The use of any roadway or taxiway or access gate shall be subject to the Rules and Regulations of the Airport which are now in effect or which may hereafter be promulgated. The City may, at any time, temporarily or permanently close or consent to or request the closing of any such roadway or taxiway or access gate and any other way at, in or near the Leased Premises presently or hereafter used as such, so long as a reasonable means of ingress and egress as provided above remains available to the Lessee. The Lessee hereby releases and discharges the City, its officers, employees and agents; and all municipalities and other governmental authorities and their respective successors and assigns, of and from any and all claims, demands, or causes of action which the Lessee may now or at any time hereafter have against any of the foregoing, arising or alleged to arise out of the closing of any street, roadway or other area, provided that a reasonable means of access to the Leased Premises remains available to the Lessee whether within the Leased Premises or outside the Leased Premises at the Airport. However, if necessary for safety and/or security at the Airport, Lessee agrees that the City may temporarily prevent access to all or part of the Airport for a reasonable period of time. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Leased Premises or in any streets or roadways or access gates near the Leased Premises.

ARTICLE 9

INSURANCE, DAMAGE OR DESTRUCTION

9.1 To safeguard the interest and property of the City, the Lessee at its sole cost and expense, shall procure and maintain throughout the term of this Agreement insurance protection for all risk coverage on the structure and improvements of which the Leased Premises is a part, to the extent of one hundred percent (100%) of the actual replacement cost thereof. Such insurance shall be written by insurers of recognized financial standing. If said insurers become financially incapable of performing under the terms of said policy, the Lessee shall promptly obtain a new policy issued by a financially responsible carrier and shall submit such new policy as previously provided.

9.1.1 The above stated property insurance shall name the City of Manassas as the insured, provide sixty (60) days notice of cancellation or material change, by registered mail, to the City, Attention: Airport Manager.

9.1.2 The City shall have sole authority to settle all losses with the insurance carrier. With respect to settlements of losses that the Lessee must repair or rebuild pursuant to this Agreement, the City shall consult with the Lessee and attempt to obtain a settlement that covers the cost of repairing or rebuilding.

9.1.3 The Lessee shall provide certificates of insurance evidencing existence of all insurance required to be maintained prior to the inception of the Agreement term. Upon the failure of the Lessee to maintain such insurance as provided, the City, at its option, may take out such insurance and charge the cost thereof to the Lessee with the next installment of the monthly fee due hereunder or may give notice of a default hereunder pursuant to Article 19 herein.

9.2 In the event any improvements, insurable or uninsurable, on the Leased Premises are damaged or destroyed (except damage or destruction caused by the Lessee as set forth in Section 9.6 hereof) to the extent that they are unusable by the Lessee for the purposes for which they were used prior to such damage, or same are destroyed, the Lessee shall have the election of repairing or reconstructing the improvements substantially as they were immediately prior to such casualty or in a new or modified design, subject to applicable building codes existing at the time of repairing or rebuilding, or not to construct the improvements. The Lessee shall give the City written notice of its election hereunder within sixty (60) days after the occurrence of such casualty or the

adjustment of the claim, whichever is later. In the event of damage or destruction to any of the improvements upon the Leased Premises, the City shall have no obligation to repair or rebuild the improvements or any fixtures, equipment or other personal property installed by the Lessee pursuant to this Agreement.

9.3 If the Lessee elects to repair or reconstruct the damaged improvements, to the extent that any loss is recouped by actual payment to the City of the proceeds of the insurance, the amount of such proceeds will be paid to the Lessee necessary to cover its costs of rebuilding or repairing the portion or all the Leased Premises which have been damaged or destroyed. Such payment will be made by the City to the Lessee in installments as work progresses provided that as to each request for payment the Lessee shall certify by a responsible officer or authorized representative that the amounts requested are due and payable to its contractor for work completed. Upon completion of all the work, the Lessee shall certify by a responsible officer or authorized representative that such rebuilding and repairs have been completed, that all costs in connection therewith have been paid by the Lessee and said costs are fair and reasonable and said certification shall also include an itemization of costs. If the insurance proceeds are not sufficient, the Lessee agrees to bear and pay the deficiency. Nothing herein contained shall be deemed to release the Lessee from any of its repair, maintenance or rebuilding obligations under this Agreement.

9.4 In the event the Lessee elects to repair or reconstruct as aforesaid, Lessee, if it elects to continue its operation on the Airport, shall, at its expense, replace and repair any and all fixtures, equipment and other personal property necessary to properly and adequately continue its operation on the Airport, but in no event shall Lessee be obligated to provide equipment and fixtures in excess of those existing prior to such damage or destruction except for requirements of construction codes existing at the time of repair or replacement. During such period of repair or replacement, the rentals provided for elsewhere herein shall be proportionately abated during the period from the date of such damage, destruction or loss until the same is repaired, replaced, restored or rebuilt, according to the portion of the improvements on the Leased Premises that are used only for repair or rebuilding of same and not the uses described in Section 3.1. Such abatement shall not exceed the actual time required for arranging for and the doing of such work. The proportional amount of reduction of rentals will be determined by the City. The Lessee agrees that such work will be promptly commenced and prosecuted to completion with due diligence; subject to delays beyond the Lessee's control.

9.5 If the Lessee shall elect not to repair or to reconstruct the damaged improvements, the Lessee shall, at its own cost and expense, unless otherwise reimbursable by insurance hereunder, remove all debris resulting from such damage to the Leased Premises including foundations, concrete piers, pavement, etc., and restore the surface to a level condition based upon the surrounding land. Upon completion of such debris removal and restoration, this Agreement shall terminate, and the Lessee's and City's unaccrued obligations hereunder shall cease. There shall be no obligation on the part of the City to reimburse the Lessee from the insurance proceeds for the loss or damage to fixtures, equipment or other personal property of the Lessee. The Lessee, for its own protection, may separately insure such fixtures, equipment or other personal property as its interest may appear.

9.6 In the event the improvements on the Leased Premises are damaged or destroyed by fire or other causes by reason of any act or omission of the Lessee or its employees, this Agreement shall continue in full force and effect, notwithstanding the provisions of Sections 9.2, 9.3, 9.4, and 9.5 hereof, and the Lessee shall repair or rebuild the improvements so damaged or destroyed, at the Lessee's own cost and expense with a right of reimbursement from insurance proceeds in the manner described in Section 9.3, in a good workmanlike manner substantially as they were immediately prior to the casualty or in a new or modified design, subject to applicable building codes existing at the time of repairing or rebuilding. Upon the failure of Lessee to repair or rebuild the City may, as agent of the Lessee, repair or rebuild the improvements so damaged or destroyed substantially as they were immediately prior to the casualty, subject to applicable building codes then existing, at the expense of the Lessee, which expense shall be due and payable on demand. The Lessee shall be reimbursed from any insurance proceeds received by the City in the manner described in Section 9.3.

ARTICLE 10

LIABILITIES AND INDEMNITIES

10.1 The City shall not in any way be liable for any cost, liability, damage or injury occurring on the Leased Premises or the Airport including cost of suit and expenses of legal services, claimed or recovered by any person whomsoever, or occurring on the Leased Premises, or the Airport, or as a result of any operations, works, acts or omissions performed on the Leased Premises or the Airport, by the Lessee, its sublessees or tenants, or their guests or invitees.

10.2 The Lessee agrees to indemnify, save and hold harmless, the City and its officers, agents, servants and employees of and from any and all costs, liability, damage and expense (including costs of suit and expenses of legal services) claimed or recovered, justly or unjustly, falsely, fraudulently or frivolously, by any person, firm or corporation by reason of injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property, including City personnel and City property, directly or indirectly arising from, or resulting from, any operations, works, acts or omissions of Lessee, its agents, servants, employees, contractors, sublessees or tenants. In any case in which such indemnification would violate Commonwealth of Virginia Statues, or any other applicable legal prohibition, the foregoing provisions concerning indemnification shall not be construed to indemnify the City, its officers, employees or agents for damage arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the City, its officers, employees or agents. Upon the filing with the City by anyone of a claim for damages arising out of incidents for which the Lessee herein agrees to indemnify and hold the City harmless, the City shall notify the Lessee of such claim and in the event that the Lessee does not settle or compromise such claim, then the Lessee shall undertake the legal defense of such claim both on behalf of the Lessee and on behalf of the City. It is specifically agreed, however, that the City at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the City for any cause for which the Lessee is liable hereunder shall be conclusive against the Lessee as to liability and amount upon the expiration of the time for appeal.

10.3 In addition to the Lessee's undertaking, as stated in this Article, and as a means of further protecting the City, its officers, agents, servants and employees, the Lessee shall at all times during the term of this Agreement obtain and maintain in effect Public Liability and Automobile Liability Insurance coverage as set forth in Article 30 which is made a part hereof. In this connection, the Lessee agrees to require its contractors doing work on the Airport, and the Lessee's tenants and sublessees, to carry adequate insurance coverage, and if the Lessee so desires,

it may accomplish same by an endorsement to the Lessee's policies to include such persons or parties as additionally named insured.

10.3.1 The City reserves the right to increase the minimum liability insurance set forth in Article 30 to a reasonable threshold when, in the City's opinion, the risks attendant to the Lessee's operations hereunder have increased. Such increases applied to the Lessee will be consistently applied to all similar type of leasehold operations at the Airport.

10.4 The Lessee represents that it is the owner of or fully authorized to use any and all services, processes, machines, articles, marks, names or slogans used by it in its operations under or in anyway connected with this Agreement. The Lessee agrees to save and hold the City, its officers, employees, agents and representatives free and harmless of and from any loss, liability, expense, suit or claim for damages, including attorney fees, in connection with any actual or alleged infringement of any patent, trademark or copyright, or arising from any alleged or actual unfair competition or other similar claim arising out of the operations of the Lessee under or in any way connected with this Agreement.

10.5 The Lessee represents and warrants that no broker has been concerned on its behalf in the negotiation of this Agreement and shall indemnify and save harmless the City from all liability, damage, cost and expense, including reasonable attorneys' fees, resulting from any breach of this representation and warranty.

ARTICLE 11

RULES AND REGULATIONS AND MINIMUM STANDARDS

11.1 From time to time, the City may adopt, amended and enforce rules and regulations and minimum standards with respect to the occupancy and use of the Airport. The Lessee agrees to observe and obey any and all such rules and regulations and minimum standards, Commonwealth and municipal rules, regulations and laws, as amended, and to require its officers, agents, employees, contractors sublessees, and suppliers, to observe and obey the same. The City reserves the right to deny access to the Airport and its facilities to any person, firm or corporation that fails or refuses to obey and comply with such rules, regulations or laws.

ARTICLE 12

SIGNS

12.1 The Lessee shall have the right to install and maintain one or more signs on the Leased Premises identifying it and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the written approval of the City. No sign will be approved that may be confusing to aircraft pilots or automobile drivers or to the traffic, or which fails to conform to the architectural scheme of the Airport or meet the requirements of the City.

ARTICLE 13

ASSIGNMENT AND SUBLEASE

13.1 The Lessee covenants and agrees that it will not sell, convey, transfer, mortgage, pledge or assign this Agreement or any part thereof, or any rights created thereby, without the prior written consent of the City.

13.2 Any assignment or transfer of this Agreement, or any rights of the Lessee hereunder, without the consent of the City, shall entitle the City at its option to forthwith cancel this Agreement.

13.3 Any assignment of this Agreement approved and ratified by the City shall be on the condition that the assignee accepts and agrees to all of the terms, conditions and provisions of this Agreement, and agrees to accept and discharge all of the covenants and obligations of the Lessee hereunder, including but not limited to, the payment of all sums due and to become due by Lessee under the terms hereof.

13.4 Subject to all of the terms and provisions hereof, the Lessee may, with the prior written consent of the City, sublet a portion or portions of the Leased Premises to a person, partnership, firm or corporation that is, in the opinion of the City compatible with Lessee's authorized use of the Leased Premises.

13.5 No consent to subleasing by the Lessee to a person, corporation or partnership conducting any business for profit derived from activities at the Airport shall be granted by the City without a duly executed Commercial Operating Permit agreement between the City and the sublessee.

13.6 If the Lessee assigns, sells, conveys, transfers, mortgages, or pledges this Agreement in violation of the foregoing provisions of this Article, the City may collect from any assignee, sublessee or anyone who claims a right to this Agreement or who occupies the Leased Premises any charges or fees payable by it and may apply the net amount collected to the rents herein reserved; and no such collection shall be deemed a waiver by the City of the agreements contained in this Article nor of acceptance by the City of any assignee, claimant or occupant, nor as a release of the Lessee by the City from the further performance by the Lessee of the agreements contained herein.

13.7 If the Lessee assigns its interest in this Agreement and is not released from liability thereafter, then:

13.7.1 The City shall give the assignor a copy of any notice of default sent to the Assignee, such copy to be sent to the last notice of address of the assignor provided to the City and otherwise as provided in Section 25. Failure to give the assignor a copy of the notice of default shall not prevent the City from exercising all remedies against the then Lessee; and,

13.7.2 The City shall recognize the exercise of any right or re-entry or reverter retained by the assignor.

13.8 If Lessee is a non-public corporation, Lessee warrants and represents that the ownership and power to vote its entire outstanding capital stock belongs to and is vested in the officer or officers executing this Agreement. Any change in the ownership of or the power to vote the majority of the outstanding capital stock of Lessee shall be subject to the requirements of this Article 13 in the same manner as if such change were on assignment of this Agreement, and any such attempted change without the prior written consent of the City, which shall not be unreasonably withheld, shall be regarded as a material default hereunder entitling the City to exercise any and all of the remedies as provided in this Agreement in the event of Lessee's default.

ARTICLE 14

CONDEMNATION

14.1 In the event that the Leased Premises or any part thereof shall be condemned and taken by authority of eminent domain for any purpose during the term of this Agreement or sold to such authority in lieu of a taking (collectively, a "condemnation"), any award which shall be made as a result of such condemnation shall be paid to the City. The Lessee may seek payment from the City for the then remaining value of the improvements based upon the average of three appraisals minus a straight line depreciated value. The cost of such appraisals shall be borne by the Lessee and the City may select two of the three appraisers. The Lessee may also, consistent with its rights under applicable law, appear in any such condemnation proceeding and present its claims for damages, if any, arising from such condemnation.

14.2 Rentals for that portion of the Leased Premises condemned shall be abated from the date that the Lessee is dispossessed therefrom; provided, however, if all of the Leased Premises are condemned or if a portion of the Leased Premises are condemned and in the Lessee's judgment, the remaining portion of the Leased Premises is insufficient for the Lessee's operations authorized hereunder, the Lessee may terminate this Agreement and all of its rights and unaccrued obligations hereunder effective as of the date it is dispossessed of the condemned portion (or effective) as of the date thereafter and within 90 days of the date of such dispossession by giving the City 30 days written notice of such termination.

14.3 The Lessee shall be entitled to the award made for a temporary taking of possession of all or part of the Leased Premises for any period of time within the term of this Agreement. Such award shall be full compensation to the Lessee for such temporary taking and no claims for damages arising out of the temporary taking shall be made against the City.

ARTICLE 15

NON-DISCRIMINATION

15.1 The Lessee, for it, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the Leased Premises, for a purpose for which a United States Government program or activity is extended, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the City - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

15.2 The Lessee, for itself, its personal representatives, successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the ground of race, creed, color, national origin, or sex shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of the Leased Premises; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, creed, color, national origin or sex shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that the Lessee shall use the Leased Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

15.3 In this connection, the City reserves the right to take whatever action it might be entitled by law to take in order to enforce this provision. This provision is to be considered as a covenant on the part of the Lessee, a breach of which, continuing after notice by the City to cease and desist and after a determination that a violation exists made in accordance with the procedures and appeals provided by law, will constitute a material breach of this Agreement and will entitle the City, at its option, to exercise its right of termination as provided for herein, or take any action that it deems necessary to enforce compliance herewith.

15.4 The Lessee shall include the foregoing provisions in every agreement or concession pursuant to which any person or persons, other than the Lessee, operates any facility at the Leased Premises providing service to the public and shall include thereon a provision granting the City a right to take such action as the United States may direct to enforce such covenant.

15.5 The Lessee shall indemnify and hold harmless the City from any claims and demands of third persons including the United States of America resulting from the Lessee's noncompliance with any of the provisions of the Section and the Lessee shall reimburse the City for any loss or expense incurred by reason of such noncompliance.

15.6 The Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participation in any employment activities covered in 14 CFR Part 152, Subpart E. The Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Lessee assures that it will require that its covered sub-organizations provide assurances to the Lessee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

15.7 Lessee shall not discriminate against any otherwise qualified person with a disability in violation of the American with Disabilities Act.

ARTICLE 16

GOVERNMENTAL REQUIREMENTS

16.1 The Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Lessee's operations at the Leased Premises which may be necessary for the Lessee's operations thereat.

16.2 The Lessee shall pay all leasehold interest taxes, other taxes, licenses, certification, permit and examination fees and excise taxes which may be assessed, levied, exacted or imposed on the Leased Premises or operation hereunder or on the gross receipts or gross income to the Lessee therefrom, and shall make all applications, reports and returns required in connection therewith.

16.3 In addition to compliance by the Lessee with all laws, ordinances, governmental rules, regulations and orders now or at any time in effect during the term hereunder which as a matter of law are applicable to the operation, use or maintenance by the Lessee of the Leased Premises or the operations of the Lessee under this Agreement, the Lessee agrees that it shall conduct all its operations under the Agreement and shall operate, use and maintain the Leased Premises in such manner that there will be at all times a practicable minimum of air pollution or any other type of pollution and in accordance with Section 7.5, a practicable minimum of noise emanating from, arising out of or resulting from the operation, use or maintenance of the Leased Premises by the Lessee and from the operations of the Lessee under this Agreement.

16.4 The City hereby reserves the right from time to time and at any time during the term of the Agreement to require the Lessee, and the Lessee agrees, to design and construct at its sole cost and expense such reasonable structures, fences, equipment, devices and other facilities as may be necessary or appropriate to accomplish the objective as set forth in the first sentence of Section 16.3, so long as such requirements are applied to all other leaseholds at the Airport. The manner, type and method of construction and the size of any of the foregoing shall be determined by the City.

16.4.1 The Lessee shall submit for the City approval a Construction Application together with its plans and specifications covering the required work or any other work and upon receiving such approval shall proceed diligently to construct the same.

ARTICLE 17

RIGHTS OF ENTRY RESERVED

17.1 The City, by its officers, employees, agents, representatives and contractors shall have the right at all reasonable times to enter upon the Leased Premises for any and all purposes not inconsistent with this Agreement, provided, such action by the City, its officers, employees, agents, representatives and contractors does not unreasonably interfere with the Lessee's use, occupancy, or security requirements of the Leased Premises.

17.2 Without limiting the generality of the foregoing, the City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right, at its own cost and expense, whether for its own benefit, or for the benefit of others than the Lessee at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and to enter upon the Leased Premises at all reasonable times to make such repairs, replacements or alterations thereto, as may, in the opinion of the City, be deemed necessary or advisable, and from time to time to construct or install over, in or under the Leased Premises such systems or parts thereof and in connection with such maintenance use the Leased Premises for access to other parts of the Airport otherwise not conveniently accessible, provided, however, that in the exercise of such right of access, repair, alteration or new construction, the City shall not install a utility under or through any building on the Leased Premises or unreasonably interfere with the actual use and occupancy of the Leased Premises by the Lessee. It is specifically understood and agreed that the reservation of the foresaid right by the City shall not impose or be construed to impose upon the City any obligation to repair, replace or alter any utility service lines now or hereafter located on the Leased Premises for the purpose of providing utility services only to the Leased Premises.

17.3 In the event that any personal property of the Lessee shall obstruct the access of the City, its officers, employees, agents or contractors, or the utility, mechanical, electrical and other systems, and thus shall interfere with the inspection, maintenance or repair of any such system pursuant to Section 17.2, the Lessee shall move such property, as directed by the City or said utility company, in order that access may be had to the system or part thereof for inspection, maintenance or repair. If the Lessee shall fail to so move such property after direction from the City or said utility company to do so, the City or the utility company may move it, and the Lessee hereby agrees to pay the cost of such moving upon demand, and further the Lessee hereby waives any claim against the City for damages as a result therefrom, except for claims for damages arising from the City's sole negligence.

17.4 At any reasonable time, and from time to time during the ordinary business hours, the City, by its officers, agents and employees, whether or not accompanied by a prospective lessee, occupier or user of the Leased Premises, shall have the right to enter thereon for the purpose of exhibiting and viewing all parts of the same, subject to the Lessee's reasonable security requirements.

17.5 Exercise of any or all of the foregoing rights in this Article, by the City, or others under right of the City, shall not be, nor be construed to be, an eviction of the Lessee, nor be made the grounds for any abatement of rental nor any claim or demand for damages against the City, consequential or otherwise, except claims for damage to person or property caused solely by the negligence of the City.

ARTICLE 18

ADDITIONAL RENTS AND CHARGES

18.1 Except as provided in Section 6.4 (b), in the event the Lessee fails within sixty (60) days after receipt of written notice from the City to perform or commence to perform any obligation required herein to be performed by the Lessee, the City may enter the Leased Premises (without such entering causing or constituting a cancellation of this Agreement or an interference with the possession of such Leased Premises by the Lessee) and do all things reasonably necessary to perform such obligation, charging to the Lessee the cost and expense thereof, and the Lessee agrees to pay to the City upon demand such charge in addition to any other amounts payable by the Lessee hereunder. Provided, however, that if the Lessee's failure to perform any such obligation endangers the safety of the public or employees or property of the City, or other tenants of the Airport, and the City so states in its notice to the Lessee, the City may perform such obligation of the Lessee at any time after the giving of such notice, and charge to the Lessee the reasonable cost and expense thereof which the Lessee shall pay upon demand.

18.2 If the City elects to pay any sum or sums or incur any obligation or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement, or as the result of any act or omission of the Lessee contrary to said conditions, covenants or agreements, the Lessee hereby agrees to pay the sum or sums so paid or expense so incurred by the City as the result of such failure, neglect or refusal of the Lessee, including interest, at a rate of eighteen per cent (18%) per annum, together with all costs, damages and penalties including reasonable attorney fees. In such event, the total of such amounts may be added to any installment of rent thereafter due hereunder, and each and every part of the same shall be and become additional rent recoverable by the City in the same manner and with like remedies as if it were originally a part of the rent provided for in this Agreement.

ARTICLE 19

TERMINATION BY THE CITY

19.1 In the event of a default on the part of the Lessee in the payment of rents, arrears or any other charges required by this Agreement to be paid to the City, the City shall give written notice to the Lessee of such default, and demand the immediate cancellation of this Agreement and full payment of amounts due thereunder, including all arrears and interest thereon. If, within sixty (60) days after the date the City gives such notice, the Lessee has not corrected said default, and paid the delinquent amounts in full, the City may, by written notice to the Lessee, terminate this Agreement and all rights and privileges granted hereby in and to the Leased Premises.

19.2 This Agreement together with all rights and privileges granted in and to the Leased Premises shall terminate automatically, upon the happening of any one or more of the following events:

19.2.1 The filing by the Lessee of a voluntary petition in bankruptcy, or any assignment for benefit of creditors of all or any part of the Lessee's assets; or,

19.2.2 Any institution of proceedings in bankruptcy against the Lessee; provided, however, that the Lessee may defeat such termination if the petition is dismissed within sixty (60) days after the institution thereof; or

19.2.3 The filing of a petition requesting a court to take jurisdiction of the Lessee or its assets under the provision of any Federal reorganization act which, if it is an involuntary petition is not dismissed within sixty (60) days after its being filed; or

19.2.4 The filing of a request for the appointment of a receiver or trustee of the Lessee's assets by a court of competent jurisdiction, which if the request is not made by the Lessee, is not rejected within sixty (60) days after being made, or the request for the appointment of a receiver or trustee of the Lessee's assets by a voluntary agreement with the Lessee's creditors.

19.2.5 The failure of the Lessee to commence construction of the proposed improvements within 30 days of the effective date of this Franchise Agreement

19.3 Upon the default by the Lessee in the performance of any covenant or conditions required to be performed by the Lessee, and the failure of the Lessee to remedy such default for a period of sixty (60) days after receipt from the City of written notice to remedy the same (except as otherwise provided in Section 6.4 (b) above) and, except default in the timely payment of any money due the City, the City shall have the right to cancel this Agreement for such cause by notice to the Lessee.

19.4 Upon the default by Lessee, and the giving of notice of the default and cancellation by the City as provided for elsewhere herein, the notice of cancellation shall become final; provided, however, that should the City determine that the Lessee is diligently remedying such default to completion, and so advises the Lessee in writing, said notice of cancellation may be held in abeyance. If, however, the City determines that such default is no longer being diligently remedied to conclusion, the City shall so advise the Lessee in writing, and said notice of cancellation shall no longer be held in abeyance for any reason and shall become final without further notice to the Lessee. The determination of the City in this regard shall in all events be conclusive and binding upon the Lessee.

19.5 Upon the cancellation or termination of this Agreement for any reason, all rights of the Lessee, tenants and any other person in possession shall terminate, including all rights or alleged rights of creditors, trustees, assigns, and all others similarly so situated as to the Leased Premises. Upon said cancellation or termination of this Agreement for any reason, the Leased Premises, except for such personal property which may be removed from said Leased Premises as provided elsewhere herein, shall be free and clear of all encumbrances and all claims of the Lessee, its tenants, creditors, trustees, assigns and all others and the City shall have immediate right of possession to the Leased Premises.

19.6 Failure by the City to take any authorized action upon default by the Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by the Lessee shall not be construed to be, nor act as, a waiver of said default nor of any subsequent default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by the Lessee. Acceptance of rentals by the City from the Lessee, or performance by the City under the terms hereof, for any period or periods after a default by the Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by the Lessee shall not be deemed a waiver or estoppel of any right on the part of the City to cancel this Agreement for any subsequent failure by the Lessee to so perform, keep or observe any said terms, covenants or conditions.

19.7 If the Lessee ceases to conduct its authorized airport activities at the Airport for a period of 180 days, excluding state and federal holidays, within any twelve (12) month period, the City may terminate this Agreement by written notice to the Lessee given at any time while such cessation continues. Upon the termination of this Agreement by the City pursuant to this Section, neither party shall have any liability under this Agreement for obligations not then accrued. The Lessee shall not be deemed to have ceased its activities at the Airport solely on the basis that it subleases or otherwise allows other parties to use all or part of the Leased Premises, notwithstanding the fact that the Lessee does not itself use the Leased Premises.

ARTICLE 20

SURRENDER AND RIGHT OF RE-ENTRY

20.1 Upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, the Lessee agrees peaceably to surrender up the Leased Premises to the City in the same condition as they may hereafter be repaired and improved by the Lessee; save and except, (a) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance, (b) obsolescence in spite of repair, and (c) damage to or destruction of the leasehold improvements for which insurance proceeds are received by the City. Upon such cancellation or termination, the City may re-enter and repossess the Leased Premises together with all improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the City's election. Furthermore, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days after such cancellation or termination, and for which period the Lessee will pay to the City current Agreement rentals), or during the term of this Agreement, if the Lessee is not in default in rentals or any other charges or obligations due the City, the Lessee shall have the right to remove its personal property, fixtures and trade equipment which it may have on the Leased Premises, provided the removal thereof does not impair, limit or destroy the utility of said Leased Premises or building for the purpose for which they were constructed or improved, and provided, further, that the Lessee repairs all damages that might be occasioned by such removal, and restore the building and site to the condition above required.

ARTICLE 21

SERVICES TO LESSEE

21.1 The City covenants and agrees that during the term of this Agreement it will operate the Airport as such for the use and benefit of the public provided however, that the City may prohibit or limit any given type, kind, or class of aeronautical use of the Airport if such action is necessary for the safe operation of the Airport or necessary to serve the civil aviation needs of the public. The City further agrees to use its best efforts to maintain the runways and taxiways in good repair including the removal of snow. The City agrees to keep in good repair hard-surfaced public roads for access to the Leased Premises and remove snow therefrom. The City also agrees to maintain water and sanitary sewer services in areas designated for utilities or easements adjacent to the Leased Premises for access thereto by the Lessee in accordance with the City policy governing same.

21.2 The Lessee will contract with and obtain all required permits from the appropriate agencies for any utility services provided by the City, paying any required connection fees, including those to be paid by owners, and all such services will be provided at rates and on terms and conditions established by the City for similar users in the City.

21.3 The Lessee will also contract with the furnishers of all other utilities for the furnishing of such services to the Leased Premises and shall pay for all water, gas, propane gas, electricity, sanitary sewer service, other utilities and telephone services furnished to the Leased Premises. The City shall allow the providers of such utilities reasonable access to the boundaries of the Leased Premises for the installation of their utility systems.

ARTICLE 22

SURVIVAL OF THE OBLIGATIONS OF THE LESSEE

22.1 In the event that the Agreement shall have been terminated in accordance with a notice of termination as provided in Article 19 hereof, all the obligations of the Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the City to the same extent, at the same time or times, and in the same manner as if no termination, re-entry, regaining or resumption of possession had taken place. The City may maintain separate actions each month to recover the damage or deficiency then due or at its option and at any time may sue to recover the full deficiency less the proper discount, for the entire unexpired term of this Agreement.

22.2 In addition to rental payments, the amount of damages for the period of time subsequent to termination (or reentry, regaining or resumption of possession) on account of the Lessee's rental obligations, shall be the sum of the following:

22.2.1 The amount of the total of all installments or rents, less the installments thereof payable prior to the effective date of termination except that the credit to be allowed for the installment payable on the first (1st) day of the month in which the termination is effective shall be prorated for the part of the month the Agreement remains in effect on the basis of the total days in the month;

22.2.2 An amount equal to all expenses incurred by the City and not reimbursed in connection with regaining possession, restoring the Leased Premises, acquiring a new Agreement for the Leased Premises, legal expenses (including but not limited to attorney's fees), putting the Leased Premises in order.

22.3 There shall be credited to the account of the Lessee against its survived obligations hereunder the amount actually received from any franchisee, lessee, licensee, permittee or other occupier in connection with the use of the said Leased Premises or portion thereof during the balance of the term of use and occupancy as the same is originally stated in this Agreement: the market value of the occupancy of such portion of the Leased Premises as the City may itself during such period actually use and occupy. No such use and occupancy shall be or be construed to be an acceptance of a surrender of the Leased Premises, nor shall such use and occupancy constitute a waiver of any rights of the City hereunder. The City will use its best efforts to minimize damages to Lessee under this Article.

ARTICLE 23

USE SUBSEQUENT TO CANCELLATION OR TERMINATION

23.1 The City, upon termination or cancellation pursuant to Article 19 hereof, may occupy the Leased Premises or may enter into an agreement with another lessee and shall have the right to permit any person, firm or corporation to enter upon the Leased Premises and use the same. Such use may be of a part only of the Leased Premises or of the entire Leased Premises, together with other premises, and for a period of time the same as or different from the balance of the term hereunder remaining, and on terms and conditions the same as or different from those set forth in this Agreement.

23.2 The City shall also, upon said termination or cancellation, or upon said re-entry, regaining or resumption of possession, have the right to repair and to make structural or other changes in the Leased Premises, including changes which alter its character and the suitability thereof for the purposes of the Lessee under this Agreement, without affecting, altering or diminishing the obligations of the Lessee hereunder, provided, that any structural changes shall not be at Lessee's expense.

ARTICLE 24

LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

24.1 Except the exclusive right of the Lessee to possession of the Leased Premises, no exclusive rights at the Airport are granted by this Agreement and no greater rights or privileges with respect to the use of the Leased Premises or any part thereof are granted or intended to be granted to the Lessee by this Agreement, or by any provision thereof, than the rights and privileges expressly and specifically granted hereby.

ARTICLE 25

NOTICES

25.1 All notices, consents and approvals required or desired to be given by the parties hereto shall be sent in writing, and shall be deemed given when received at the recipient's notice address except that notice that must be given by a certain time to be effective and is sent registered or certified mail, postage prepaid, return receipt requested, addressed to the recipient's address shall be deemed given when posted. Notice that starts the running of a time period and is delivered on a non-business day shall be deemed delivered on the next business day, if left at the notice address, or the next business day on which it is redelivered if it is not left at the notice address.

25.2 The notice addresses of the parties are as follows:

To the City: The Honorable Marvin L. Gillum
The City of Manassas
Manassas Regional Airport
9027 Center Street
Manassas, Virginia 20110

With a copy to:

City of Manassas
Airport Manager
Manassas Regional Airport
P. O. Box 560
Manassas, Virginia 20108

The Lessee: Airframe Hangars of Manassas, Inc.
2412 E. Heather Road
Wilmington, Delaware 19803

and

Emmanuel G. Fournaris, Esquire
Suite 700, 1220 N. Market Street
Wilmington, Delaware 19801

Such addresses shall be subject to change from time to time to such other addresses as may have been specified in written notice given by the intended recipient to the sender.

ARTICLE 26

HOLDING OVER

26.1 No holding over by the Lessee after the termination of this Agreement shall operate to extend or renew this Agreement for any further term whatsoever; but the Lessee will by such holding over become the tenant at will of the City and after written notice by the City to vacate such premises, continued occupancy thereof by the Lessee shall constitute a trespass.

26.2 Any holding over by the Lessee beyond the thirty (30) day period permitted for removal of fixtures without the written consent of the City shall make the Lessee liable to the City for damages equal to triple the rentals provided for herein and which were in effect at the termination of the Agreement. These damages are in the nature of liquidated damages and are not a penalty.

26.3 All insurance coverage that the Lessee is required under the provisions hereof to maintain in effect shall continue in effect for so long as the Lessee, or any of the Lessee's sublessees or tenants occupy the Leased Premises or any part thereof.

ARTICLE 27

INVALID PROVISIONS

27.1 Any provisions, articles, paragraphs, portions, or clauses of this Agreement that are considered to be invalid or unenforceable shall have no effect upon any other part or portion of this Franchise Agreement.

ARTICLE 28

MISCELLANEOUS PROVISIONS

Remedies to be Nonexclusive.

28.1 All remedies provided in this Agreement shall be deemed cumulative and additional and not in lieu of, or exclusive of, each other, or of any other remedy available to the City, or the Lessee, at law or in equity, and the exercise of any remedy, or the existence herein of other remedies or indemnities shall not prevent the exercise of any other remedy.

Non-Waiver of Rights.

28.2 The failure by either party to exercise any right, or rights accruing to it by virtue of the breach of any covenant, condition or agreement herein by the other party shall not operate as a waiver of the exercise of such right or rights in the event of any subsequent breach by such other party, nor shall such other party be relieved thereby from its obligations under the terms hereof.

Force Majeure.

28.3 Neither party shall be deemed in violation of this Agreement if it is prevented from performing any of its obligations hereunder by reason of labor disputes, acts of God, acts of the public enemy, acts of superior governmental authority or other circumstances for which it is not responsible or which is not in its control; provided, however, that this section shall not excuse Lessee from paying the rentals herein specified.

Non-Liability of Individuals.

28.4 No director, officer, agent or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision of the Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of this or their execution or attempted execution of the same.

Quiet Enjoyment.

28.5 The City covenants that as long as the Lessee is not in default of any provision of this Agreement, the Lessee shall and may peaceably and quietly have, hold and enjoy the Leased Premises exclusively to it and the rights appurtenant to the Leased Premises granted in this Agreement during the term hereof unless sooner canceled as provided in this Agreement.

Estoppel Certificate.

28.6 At the request of the Lessee in connection with an assignment of its interest in this Agreement, the City shall execute and deliver a written statement identifying it as the Lessor under this Agreement and certifying: (a) the documents that then comprise this Agreement; (b) that this Agreement is in full force and effect; (c) the then current annual amount of rent and the date through which it has been paid; (d) the expiration date of this Agreement; (e) that no amounts are then owed by the Lessee to the City (or, if amounts are owed, specifying the same); and, (f) to the knowledge of the City, there are not defaults by the Lessee under this Agreement or any facts which but for the passage of time, the giving of notice or both would constitute such a default.

Short Form of Lease.

28.7 This Agreement shall not be recorded, but at the request of either party, the other shall execute a memorandum or short form of lease for recording.

General Provisions.

28.8 Lessee shall not use, or permit the use of, the Leased Premises, or any part thereof, for any purpose or use other than those authorized by this Agreement.

28.9 This Agreement shall be performable and enforceable in Manassas, Virginia, and shall be construed in accordance with the laws of the Commonwealth of Virginia.

28.10 This Agreement is made for the sole and exclusive benefit of the City and the Lessee, their successors and assigns, and is not made for the benefit of any third party.

28.11 In the event of any ambiguity in any of the terms of this Agreement, it shall not be construed for or against any party hereto on the basis that such party did or did not author the same.

28.12 All covenants, stipulations and agreements in this Agreement shall extend to and bind each party hereto, its legal representatives, successors and assigns.

28.13 The titles of the several articles of this Agreement are inserted herein for convenience only, and are not intended and shall not be construed to affect in any manner the terms and provisions hereof, or the interpretation or construction thereof.

28.14 Nothing herein contained shall create or be construed to creating a co-partnership between the City and the Lessee or to constitute the Lessee an agent of the City.

ARTICLE 29

SUBORDINATION CLAUSES

29.1 This Agreement is subject and subordinate to the following:

29.1.1 The City reserves the right to develop and improve the Airport as it sees fit, regardless of the desires or view of the Lessee, and without interference or hindrance by or on behalf of the Lessee, provided, the Lessee is not deprived of the use or access to the Leased Premises. Accordingly nothing contained in this Agreement shall be construed to obligate the City to relocate the Lessee.

29.1.2 The City reserves the right to take any action it considers necessary to protect the aerial approaches to the Airport against obstruction, together with the right to prevent Lessee from erecting or permitting to be erected any building or other structure on the Airport which, in the opinion of the City, would limit the usefulness of the Airport or constitute a hazard to aircraft.

29.1.3 This Agreement is and shall be subordinate to the provision of existing and future agreements between the City and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the obtaining or expenditure of Federal funds for the benefit of the Airport.

29.1.4 During the time of war or national emergency, the City shall have the right to lease all or any part of the landing area or of the Airport to the United States for military or naval use, and if any such lease is executed, the provisions of this Agreement insofar as they may be inconsistent with the provisions of such lease to the Government, shall be suspended, but such suspension shall not extend the term of this Agreement. Abatement of rentals shall be reasonably determined by the City in proportion to the degree of interference with the Lessee's use of the Leased Premises.

29.1.5 Except to the extent required for the performance of any obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the airspace above the Leased Premises other than those rights which are subject to Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

ARTICLE 30

INSURANCE REQUIREMENTS

30.1 Lessee shall, at its own cost and expense, take out and maintain such insurance for the term of this Agreement as the Lessee is required under the Workers' Compensation Act; and also take out and maintain such public liability insurance as will protect the Lessee, the City and its Operating Agent from any claims for damage to persons, property, etc., arising out of, occurring or caused by operations under this Agreement by the Lessee or otherwise arising out of this Agreement. The policy will provide the amounts of insurance specified in Paragraph 30.3 hereof. Before execution of this Agreement, certificates of insurance in form acceptable to the City should be submitted to the City. Each certificate shall have endorsed thereon:

> "No cancellation or change in the policy shall become effective until after sixty (60) days notice by registered mail to the Airport Manager, Manassas Regional Airport, P. O. Box 560, Manassas, Virginia 20108."

30.2 Upon failure of Lessee to furnish, deliver and maintain such insurance as above provided, the City may declare this Agreement be suspended, discontinued or terminated and any and all payments made by Lessee on account of this Agreement shall thereupon be retained by the City as liquidated damage. Failure of Lessee to take out and/or maintain, or the taking out and/or maintenance of any required insurance, shall not relieve Lessee from any liability under this Agreement, or shall the insurance requirements be constructed to conflict with the obligations on Lessee concerning indemnification.

30.3 All required insurance must be in effect and so continue during the life of this Agreement in not less than the following amounts:

A. Workers' Compensation Unlimited - Statutory - in compliance with the Workers Compensation Law of the Commonwealth of Virginia.

B. General Liability Insurance with a maximum combined single limit of $3,000,000 per occurrence. This insurance shall indicate on the Certificate of Insurance the following coverages:

1. Premises and Operations including Hangarkeepers
2. Independent Contractor and Subcontractors
3. Products Liability and Completed Operations
4. Broad Form Contractual
5. Death and Personal Injury

C. Automobile Liability Insurance with maximum limits of liability (single limit per occurrence) of $1,000,000 for bodily injury and $500,000 for property damage.

This insurance shall include for bodily injury and property damage the following coverages:

1. Owned Automobiles
2. Hired Automobiles
3. Non-Owned Automobiles

D. Disability Benefits: The Contractor shall provide proof of compliance with the Disability Benefits Law.

Location of operation shall be "All locations in the City of Manassas, Virginia".

30.4 Nothing herein contained shall prevent the Lessee from taking out any other insurance for protection of its interest which it deems advisable or necessary.

ARTICLE 31

ENTIRE FRANCHISE AGREEMENT

31.1 This Agreement consists of Articles 1 to 31, inclusive, Appendix A, Exhibit A Exhibit A-1, and Exhibit B.

31.2 It constitutes the entire agreement of the parties hereto and may not be changed, modified, discharged or extended except by written instrument duly executed by the City and the Lessee. The parties agree that no representations or warranties shall be binding upon the City or the Lessee unless expressed in writing in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Franchise Agreement on the day and year written above.

THE CITY OF MANASSAS

Marvin L. Gillum Mayor
On behalf of the City Council
of Manassas, Virginia

ATTEST:

Alwilda C. Merritt City Clerk

APPROVED AS TO FORM
CITY ATTORNEY
Robert W. Berdal
DATE 2/27/99

AIRFRAME HANGARS OF MANASSAS

By: Bruce Ritterson

ATTEST:

Its: President

APPENDIX A

Construction by Lessee

1. The Lessee agrees to construct on the space shown on Exhibit B the following facilities;

1.1 group aircraft hangar consisting of approximately 20,486 square feet; and

1.2 a pubic rest room consisting of approximately 100 square feet; and

1.3 paving to accommodate auto parking spaces,

1.4 together with the grading of the ground area contained within the Space and the installation on or in the Space of such utilities as may be appropriate or necessary for the utilization of the Space for the purposes the Lessee is permitted to use the same.

2. Prior to the commencement of construction of the facilities set forth in Section 1 above, or any part thereof, Lessee shall submit to the City complete plans and specifications for such proposed construction within ninety (90) days of the effective date of this Agreement.

3. The City may refuse to grant approval if, in its reasonable opinion, the proposed facilities as laid out and indicated by the Lessee on such plans or constructed according to such plans and specifications:

3.1 will be structurally unsound or unsafe or hazardous for human occupancy or improper for use and occupancy for which it is designed;

3.2 will not comply with all the requirements of this Agreement;

3.3 will be so located that there will not be sufficient clearances in respect to existing or planned projecting aprons, runways or taxiways adjacent thereto;

3.4 will be in violation of any Commonwealth code, OSHA-70, or any other law, ordinance of regulation of any government authority having jurisdiction over the Airport if the City were a private corporation;

3.5 will not be at locations or not be oriented in accordance with the approved comprehensive plans for the Airport.

4. Upon approval of such plans by the City, the Lessee shall proceed expeditiously and with all reasonable diligence to construct, at its own expense and cost, the facilities in accordance with such approved plans and specifications and complete the facilities in accordance with the time limit set forth above.

4.1 The Lessee or the Lessee's construction contractor shall furnish the City performance and payment bonds in a sum equal to the estimated cost of the site work construction, in a form and with sureties satisfactory to the City, for the faithful performance by the Lessee of its site work construction obligations contained in this Agreement and for the guarantee of payment of all claims of materialmen, workmen and subcontractors. The Lessees shall deliver such bonds to the City prior to commencement of construction or within thirty (30) days after the award by Lessee of construction contract or contracts, whichever occurs first.

5. All construction work shall be done in accordance with the following terms and conditions:

5.1 The Lessee hereby assumes the risk of loss or damage to all of the construction work prior to completion thereof and the risk of loss to all property of the City arising out of or in connection with the performance of the construction work. In the event of such loss or damage, the Lessee shall forthwith repair, replace and make good the construction work and the property of the City without cost or expense to the City.

5.2 The Lessee shall itself and shall also require its contractors to indemnify and hold harmless the City, its officers, agents and employees from and against all claims and demands, just or unjust, of third persons (including employees, officers, and agents of the City) arising or alleged to arise out of the performance of the construction work and for all expenses (whether or not such claims, demands, causes of action, liabilities are made or asserted before or after termination or expiration of this agreement) incurred by it and by them in the defense, settlement or satisfaction thereof, including without limitation thereto, claims and demands for death, for personal injury or for property damage, direct or consequential, (to include reasonable attorneys and other professional fees) whether they arise out of or from the acts or omissions of the Lessee, of any contractors of the Lessee, of the City or of third person, or from acts of God or of the public enemy, or otherwise excepting only claims and demands which result solely from negligent acts done by the City its subsidiaries, its officers, agents and employees subsequent to the commencement of the construction work.

5.3 The Lessee shall furnish a project manager during the construction period with whom the City may communicate at all times.

5.4 The City shall have the right, through its duly designated representatives, to inspect the construction work and the plans and specification thereof, at any and all reasonable times during the progress thereof and from time to time, in its discretion, to take samples and perform testing on any part of the construction work., but the taking of samples and testing shall be conducted so as to minimize interference with the construction work.

5.5 The Lessee agrees that it shall deliver to the City "as-built" drawings (capable of being reproduced) of the construction work and shall during the term of this Agreement keep said drawings current showing thereon any changes or modifications which may be made.

5.6 The Lessee shall pay or cause to be paid all claims lawfully made against it by its contractors, subcontractors, materialmen and workmen, and all claims lawfully made against it by other third persons arising out of or in connection with or because of the performance of the construction work, and shall cause its contractors and subcontractors to pay all such claims lawfully made against them, provided, however, that nothing herein contained shall be construed to limit the right of the Lessee to contest any claim of a contractor, subcontractor, materialman, workman and/or other person and no such claim shall be considered to be an obligation of the Lessee within the meaning of this Section unless and until the same shall have been finally adjudicated. The Lessee shall use its best efforts to resolve any such claims and shall keep the City fully informed of its actions with respect thereto.

5.7 The Lessee shall procure and maintain comprehensive general liability insurance, including automotive, with a contractual liability endorsement covering the obligations assumed by the Lessee in Section 5.2 of this Appendix, which shall be in addition to all policies of insurance otherwise required under this Agreement of the Lessee may provide such insurance by requiring each contractor engaged by it for the construction work to procure and maintain such insurance including such contractual liability endorsement, said insurance not to contain any care custody or control exclusions, any exclusions for explosions, collapse or damage to bodily injury or sickness, disease, or death of any employee of the Lessee or of any of its contractors which would conflict with or in anyway impair coverage under the contractual liability endorsement. Said insurance shall name the City as an additional insured an be not less than the following amounts:

(i) Bodily Injury Liability:

For injury to or wrongful death to one person	$1,000,000
For injury or wrongful death to more than one person for any one occurrence	$3,000,000
Aggregate Products Completed Operations	$3,000,000

(ii) Property Damage Liability:

For all damages arising out of injury or destruction of property in any once occurrence	$3,000,000
Aggregate Products Completed Operations	$3,000,000
Aggregate Operations	$3,000,000
Aggregate Productive	$3,000,000
Aggregate Contractual	$3,000,000

The insurance required hereunder shall be maintained in effect during the performance of the construction work. A certified copy of each of the policies or a certificate or certificates evidencing the existence thereof, or binders, shall be delivered to the City at least fifteen (15) days prior to the commencement of any work. In the event any binder is delivered, it shall be replaced in thirty (30) days by a certified copy of the policy or certificate. Each copy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or modified without giving fifteen (15) days' written advance notice thereof to the City.

5.8 The Lessee shall procure and maintain or cause to be procured and maintained Builder's Risk Completed Value Insurance covering the construction work during the performance thereof including material delivered to the construction site but not attached to the reality in an amount and form satisfactory to the City. Such insurance shall name the City, the Lessee and its contractors and subcontractors as additional insureds and such policy shall provide that the loss shall be adjusted with and payable to the Lessee. Such proceeds shall be used by the Lessee for the repair, replacement or rebuilding of the construction work. The policies or certificates representing this insurance shall be delivered by the Lessee to the City prior to the commencement of construction and each policy or certificate delivered shall bear the endorsement of or be accompanied by evidence of payment of the premium thereon and, also, a valid provision

obligating the insurance company to furnish the City fifteen (15) days' written advance notice of the cancellation, termination, change or modification of the insurance evidenced by said policy or certificate

5.9 Nothing contained herein shall grant or be deeded to grant any contractor, architect, supplier, subcontractor or any other person engaged by Lessee of any of its contractors in the performance of any part of the construction work any right of action or claim against the City, its officers, agents and employees with respect to any work any of them may do in connection with the construction work.

5.10 Nothing contained herein shall create or be deemed to create any relationship between the City and any such contractor, architect, supplier, subcontractor or any other person engaged by Lessee or any of its contractors in the performance of any part of the construction work and the City shall not be responsible to any of the forgoing for any payments due or alleged to be due thereto for any work performed or materials purchased in connection with the construction work.

5.11 When construction work is substantially completed and is ready for use by the Lessee, the Lessee shall advise the City to such effect and shall deliver to the Department a certificate by an authorized officer of the Lessee certifying that such construction work has been constructed strictly in accordance with the approved plans and specifications and the provisions of this Agreement and in compliance with all applicable laws, ordinances and governmental rules, regulations and orders. Thereafter, such construction work will be inspected by the City and if the same has been completed as specified by the Lessee, a certificate to such effect shall be delivered to the Lessee, subject to the condition that all risks thereafter with respect to the construction and installation of the same and any liability thereof for negligence or other reason shall be borne by the Lessee.

The Lessee shall not use or permit the use of the construction work for the purposes set forth in this Agreement until such certificate is received from the City. The date of delivery of the certificate by the City shall constitute the Completion Date for the purposes of this Agreement.

EXHIBIT A 1999-02-27-BD-EXA

Written Description
Lease Parcel 16A
HANGAR CONDOMINIUM
MANASSAS AIRPORT
Manassas, Virginia
Date: June 6 1998

Beginning at a point, said point being on the east side of Observation Road 20 ft. from the edge of pavement and being the easterly most point of the parcel herein * described; thence departing said road and running across the lands of the City of Manassas N 60 00' 00" E for 386.80 ft. to a point; thence, S 30 00' 00" E for 158.00 ft. to a point; thence, S 60 00' 00" W for 386.80 ft. to a point, said point being approximately 20 ft. from the edge of pavement of said Observation Road; thence, running parallel to Observation Road N 30 00' 00" W for 158.00 ft. to the point of beginning containing 1.4030 Acres more or less.

* **SHOULD READ WESTERLY PER INTERVIEW WITH D. THOMAS BASHAM. OCB 9/19/2011**

PARCEL B
EXISTING HANGAR

EX. TAXIWAY

VA. STATE GRID NORTH

N

36.80'
IPS
IPF
N60°00'00"E
400.00'
386.80'
IPS
50.00'
IPF
33'
PROPOSED LEASE PARCEL 16A
1.4030 ACRES
61,114 SF
158.00'
S30°00'00"E
158.00'
℄ EX. TAXIWAY EXTENDED
420'
36.80'
386.80'
S60°00'00"W
IPS
FORMER PARCEL 16
400.00'
RESIDUAL
PARCEL 16B
2.4036 ACRES
104,700 SF
400.00'
S30°00'00"E
400.00'
S60°00'00"W

MANASSAS MUNICIPAL AIRPORT
TM 91-1-2A
DB 717, PG 593
ZONE: I-1
USE: INDUSTRIAL

TAXIWAY 34A

RUNWAY 34L

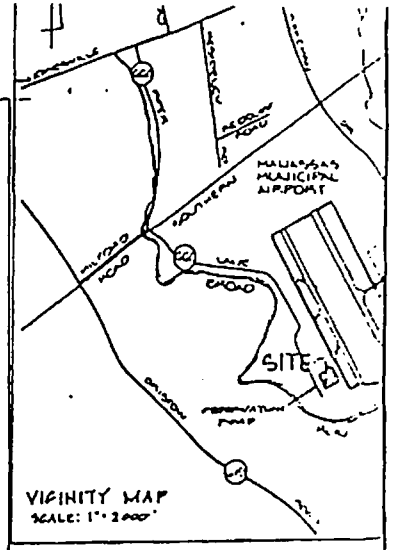


EXHIBIT A

PRESUMED TO BE EXHIBIT A-1

PLAT OF SURVEY
LEASE PARCEL 16A
PROPOSED PHASE I
LEASE PARCEL

AIRFRAME HANGARS, INC.
MANASSAS REGIONAL AIRPORT
CITY OF MANASSAS, VA.

SCALE: 1" = 50'
DATE: 8 MAY 1998

COMMONWEALTH OF VIRGINIA
D. THOMAS BASHAM
No. 1443
LAND SURVEYOR

0 50 100 150
SCALE IN FEET

D. THOMAS BASHAM P.L.S. P.C.
ENGINEERING | SURVEYING | PLANNING
13120 GRANTHAM ROAD
HOGEWILLE, VA 20181
703-791-6441

SHEET 1 OF 1

AIRPLAT.DWG

NOTES:

1. TITLE REPORT NOT FURNISHED, OTHER EASEMENTS OR RIGHTS OF WAY MAY EXIST.
2. THIS PLAT IS BASED UPON A CURRENT FIELD SURVEY AND IS BASED IN PART ON A SURVEY PREPARED BY ROSS, FRANCE & RATLIFF, LTD DATED AUGUST 11 1990 TITLED LEASE PARCEL 16.
3. THIS PROPERTY IS SHOWN ON THE CITY OF MANASSAS' TAX MAP AS 91 ((1)) A, BEING A POR[illegible] PARCEL 2A AND IS RECORDED IN DEED BOOK 717 PAGE [illegible]G THE LAND RECORDS OF PRINCE WILLIAM COUNTY.

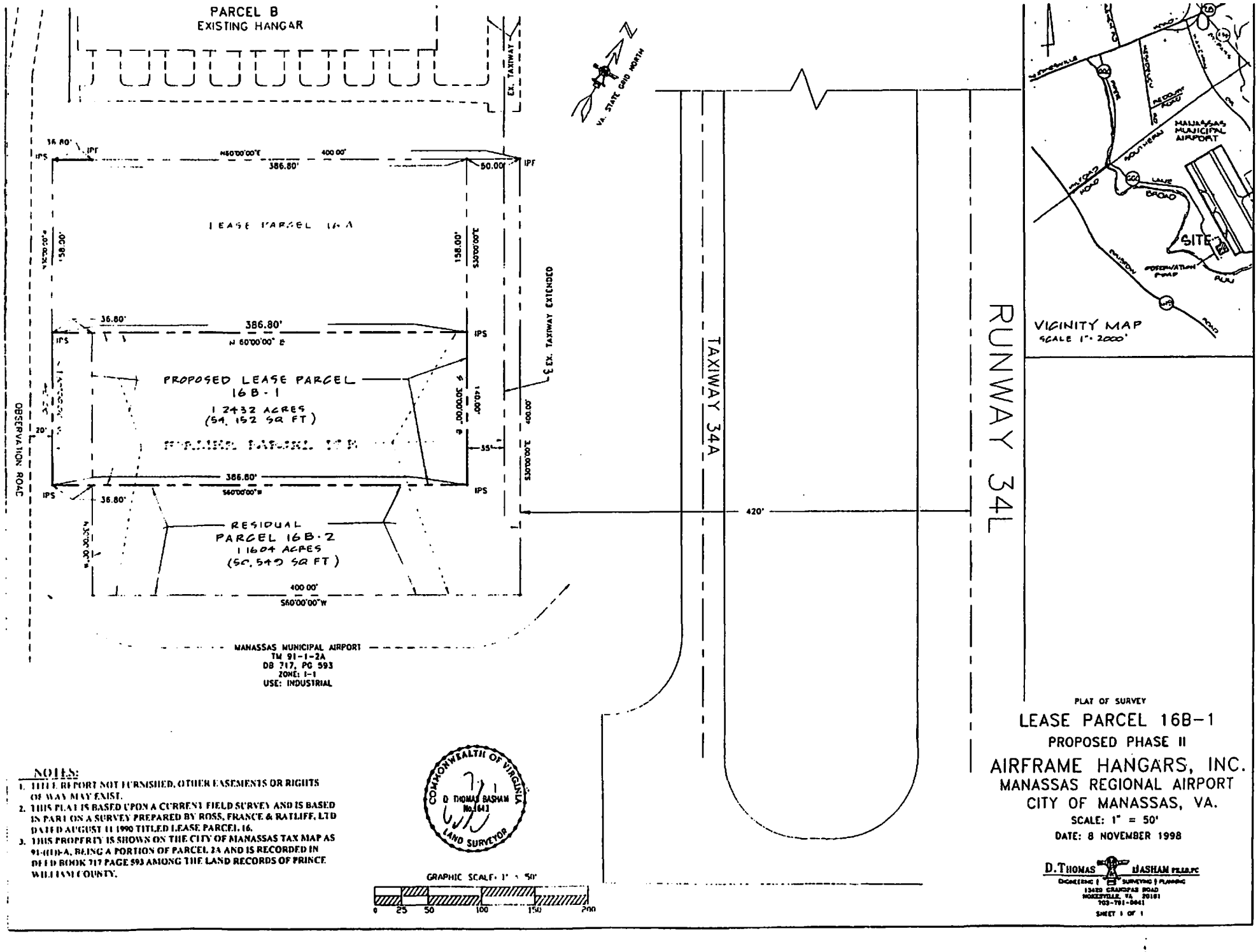
EXHIBIT B 1999-02-27-BD-EXB

D. THOMAS BASHAM PE,LS,pc
13420 GRANDPAS ROAD
NOKESVILLE, VA. 20181
PHONE: 703-791-5641
FAX: 703-791-3139

Written Description
Lease Parcel 16B-1
HANGAR CONDOMINIUM
MANASSAS AIRPORT
Manassas, Virginia
Date: November 8 1998

Beginning at a point, said point being on the east side of Observation Road 20 ft. from the edge of pavement, said point also being a common corner to Lease Parcel 16A to the North; thence departing said road and running with the line of Parcel 16A to the North N 60 00' 00" E for 386.80 feet to a point; thence, running across the lands of the City of Manassas S 30 00' 00" E for 140.00 ft. to a point; thence, S 60 00' 00" W for 386.80 ft. to a point, said point being approximately 20 ft. from the edge of pavement of said Observation Road; thence, running with the east side of Observation Road N 30 00' 00" W for 140.00 ft. to the point of beginning containing 1.2432 Acres more or less and being more particularly described on a plat of survey prepared by D. Thomas Basham dated 8 November 1998.

COMMONWEALTH OF VIRGINIA
D. THOMAS BASHAM
No. 1643
LAND SURVEYOR



NOTES:

1. TITLE REPORT NOT FURNISHED, OTHER EASEMENTS OR RIGHTS OF WAY MAY EXIST.
2. THIS PLAT IS BASED UPON A CURRENT FIELD SURVEY AND IS BASED IN PART ON A SURVEY PREPARED BY ROSS, FRANCE & RATLIFF, LTD DATED AUGUST 11 1990 TITLED LEASE PARCEL 16.
3. THIS PROPERTY IS SHOWN ON THE CITY OF MANASSAS TAX MAP AS 91-(1)1-A, BEING A PORTION OF PARCEL 2A AND IS RECORDED IN DEED BOOK 717 PAGE 593 AMONG THE LAND RECORDS OF PRINCE WILLIAM COUNTY.

EXHIBIT B