



**City of Manassas, Virginia**  
**City Council Meeting**

**AGENDA**

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**City Council Regular Meeting**  
**Council Chambers**  
**9027 Center Street**  
**Manassas, VA 20110**  
**Monday, January 13, 2025**

**Call to Order - 6:30 p.m. (Tentative)**

**Roll Call**

**Moment of Silence and Pledge of Allegiance**

**Council Time**

**Mayor Time**

**City Manager Time**

**1. Presentations**

- 1.1 Presentation: 2024 Community Satisfaction Survey**  
**(Staff: Douglas W. Keen, Interim City Manager)**  
[Manassas 2024 Community Survey Results Presentation](#)
- 1.2 Department Annual Report: Electoral Board**  
**(Pamela Kincheloe, Secretary of the Electoral Board)**  
[Department Annual Report: Electoral Board](#)
- 1.3 Department Annual Report: Commissioner of the Revenue**  
**(Staff: Tim Demeria, Commissioner of the Revenue)**  
[Department Annual Report: Commissioner of the Revenue](#)

- 1.4      **Department Annual Report: City Treasurer**  
(Staff: Patricia Richie-Folks, City Treasurer)  
[Department Annual Report: City Treasurer](#)
- 1.5      **Department Annual Report: Finance**  
(Staff: Diane Bergeron, Assistant City Manager and Finance Director)  
[Department Annual Report: Finance](#)

2.      **Consent Agenda**

*All matters listed under the consent agenda are considered to be routine by the City Council and will be enacted by one motion. There will be no separate discussion of these items. If discussion is desired, that item will be removed from the consent agenda and considered separately.*

*SUGGESTED MOTION: "I move that the Consent Agenda be approved and the readings of the ordinances be dispensed."*

*SUGGESTED MOTION #2: "I move that Items # and # be removed from the Consent Agenda and be added as Items # and #, respectively, and that the remaining Consent Agenda items be approved as it now appears and the readings of the ordinances be dispensed."*

- 2.1      **Resolution #R-2025-462: Consenting to a Leasehold Deed of Trust on Property Leased to Flying Crown LLC, and Approving a Ground Lease Recognition and Estoppel Agreement and Memorandum Between the City of Manassas, Flying Crown LLC and Pasadena Private Lending Inc.**  
(Staff: Juan Rivera, Airport Director)  
[2025-462 RES Flying Crown](#)  
[ATTH01 Flying Crown Ground Lease Recognition Agreement and Estoppel](#)  
[ATTH02 Flying Crown Memorandum of Ground Lease Recognition Agreement and Estoppel](#)  
[ATTH03 Flying Crown Leasehold Deed of Trust](#)
- 2.2      **Resolution #R-2025-441 Application for FY 2031 Congestion Mitigation and Air Quality Improvement/Regional Surface Transportation Program**  
(Staff: Chloe Delhomme, AICP, Senior Planner)  
[2025-441 RES Application for FY31 CMAQ-RSTP](#)

3.      **Ordinances and Resolutions**

- 3.1      **Resolution #R-2025-466: Approving a Real Estate Purchase / Sale Agreement Between the City of Manassas & Manassas Ice and Fuel Company ("MIFCO")**  
(Staff: Douglas W. Keen, Interim City Manager and Craig Brown, City Attorney)  
[2025-466 RES - MIFCO Purchase/Sale Agreement](#)  
[Purchase Agreement-MIFCO.Final. MIFCO Executed.12-30-2024](#)
- 3.2      **Ordinance #O-2025-468 - An Uncodified Ordinance Approving Towing and**

**Related Fees for the City of Manassas (First Reading)**

**(Staff: Lt. Andrew Brooks, Manassas City Police Department)**

[2025-468 ORD An Uncodified Ordinance Approving Towing and Related Fees for the City of Manassas](#)

[ATTH01 MCPD Wrecker Policy with Proposed Changes](#)

[ATTH02 MCPD Towing Fee Schedule Current](#)

[ATTH03 MCPD Towing Fee Schedule Proposed](#)

[ATTH04 MCPD Towing Provider Application](#)

**3.3 Resolution #R-2025-465 Amending the FY 2025 Budget by Budgeting and Appropriating \$166,095.76 of State Grant Funding for Airport Capital Projects (Staff: Juan Rivera, Airport Director)**

[2025-465 RES Airport Capital Projects Grant](#)

[ATTH01 Airport State Grant Agreements](#)

[PRES Airport State Grants](#)

**4. Public Comment**

*The Public Comment portion of the agenda is set aside for those residents who wish to address the Council for less than three minutes each. Residents need not give prior notice to the City to speak during the Public Comment portion of the agenda. Residents may address the Council for longer than three minutes if they ask the City Manager for a place on the agenda at least four working days before the meeting.*

**5. Authorize a Closed Meeting**

**5.1 Resolution R-2025-472 Authorizing a Closed Meeting (Staff: Craig Brown, City Attorney)**

[2025-472 RES Authorizing a Closed Meeting](#)

**6. Certify the Closed Meeting**

**6.1 Resolution #R-2025-473 Certifying a Closed Meeting (Staff: Craig Brown, City Attorney)**

[2025-473 RES Certifying a Closed Meeting](#)

**Adjournment**



## City Council Agenda Item Report

Agenda Item No. 1.1

Submitted by: Kristina Wilber

Submitting Department: City Manager

Meeting Date: January 13, 2025

### Item Title

Presentation: 2024 Community Satisfaction Survey  
(Staff: Douglas W. Keen, Interim City Manager)

### Suggested Action and/or Recommendation

### Suggested Motion

**Item Type** Other

**Submitting Department** City Manager

**Meeting Body** City Council

**Item ID** 2025-403

**Drafter** Kristina Wilber

**Meeting Date** January 13, 2025

### ATTACHMENTS

- [Manassas 2024 Community Survey Results Presentation](#)



# 2024 Community Survey

## City of Manassas, Virginia



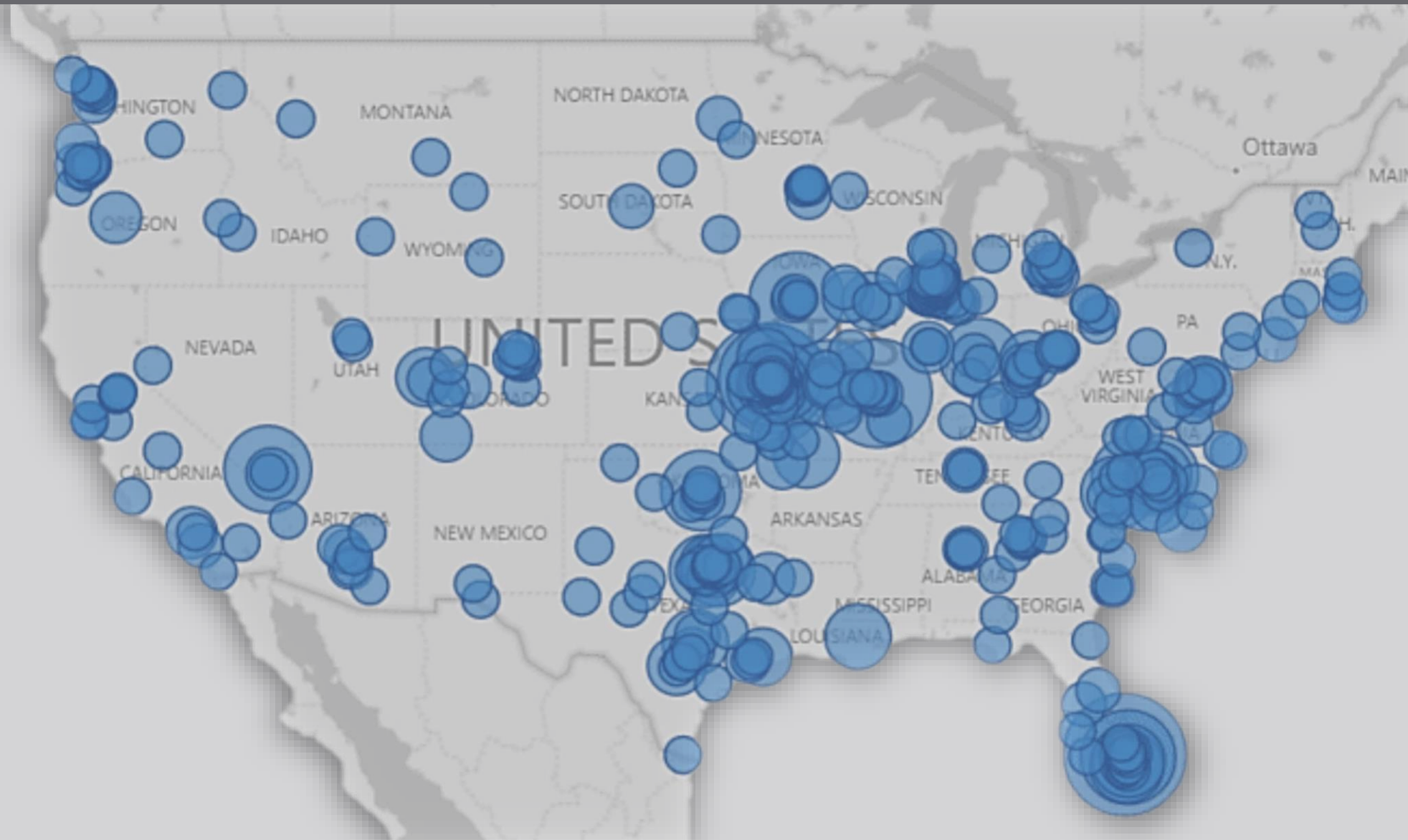
PRESENTED BY



JANUARY 2025

# ETC Institute is a National Leader in Market Research for Local Governmental Organizations

*For over 40 years, our mission has been to help city and county governments gather and use survey data to enhance organizational performance.*



More Than 3,000,000 Person's Surveyed Since 2014 for More Than 1,000 Communities in 49 States

# Purpose

- **To objectively assess resident satisfaction with the delivery of major City services**
- **To help determine priorities for the community**
- **To measure trends from previous surveys**
- **To compare the City's performance with other communities regionally and nationally**

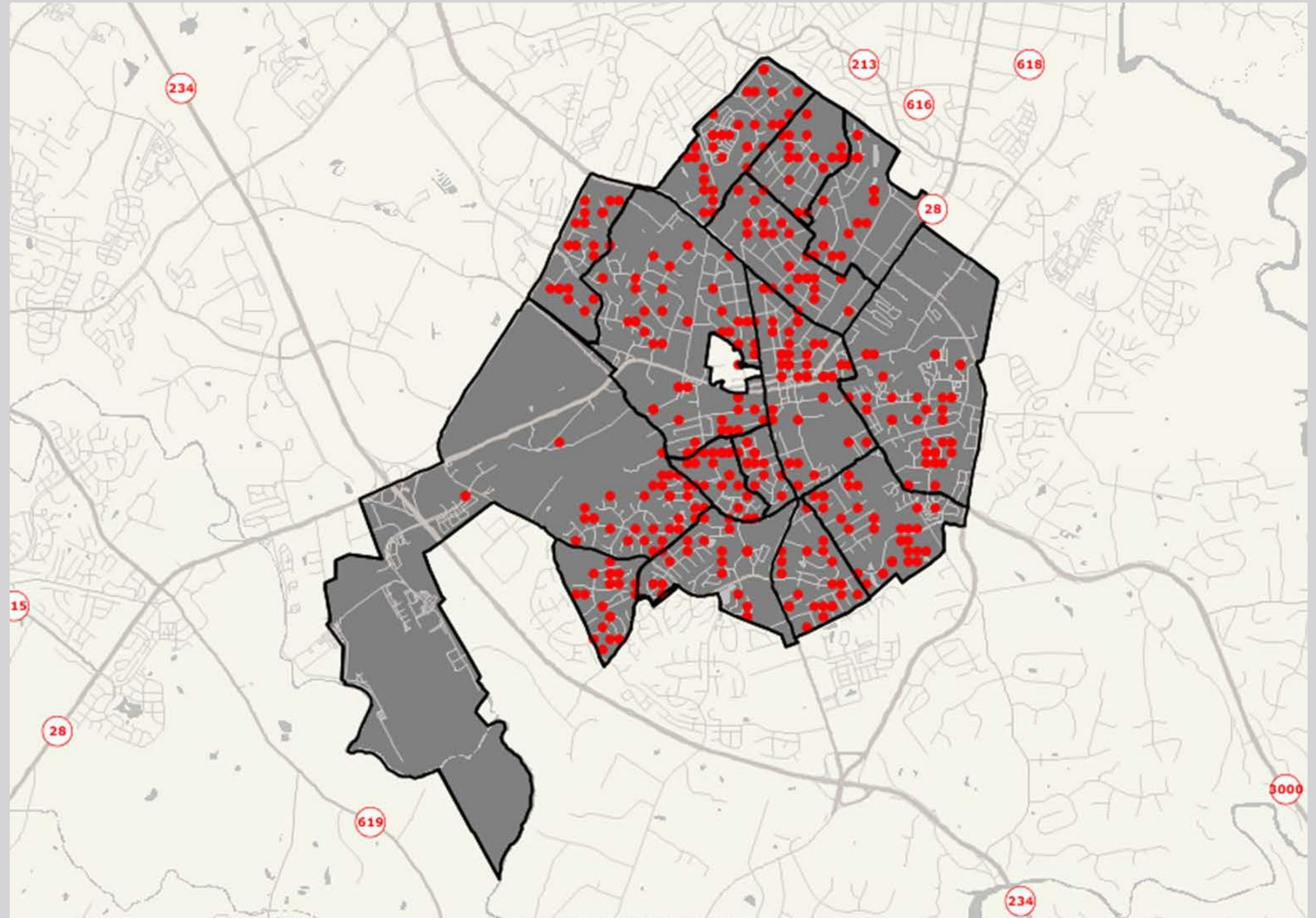
# Methodology

- **Survey Description**
  - Seven-page survey; included many of the same questions asked on previous surveys
  - 6<sup>th</sup> Community Survey conducted for the City
- **Method of Administration**
  - By mail and online to randomly selected sample of City residents
- **Sample Size**
  - 407 completed surveys (goal was 400)
  - Margin of error: +/- 4.8% at the 95% level of confidence



## Location of Survey Respondents

- Good representation throughout the City
- Demographics of survey respondents reflects the actual population of the City



# What We Learned

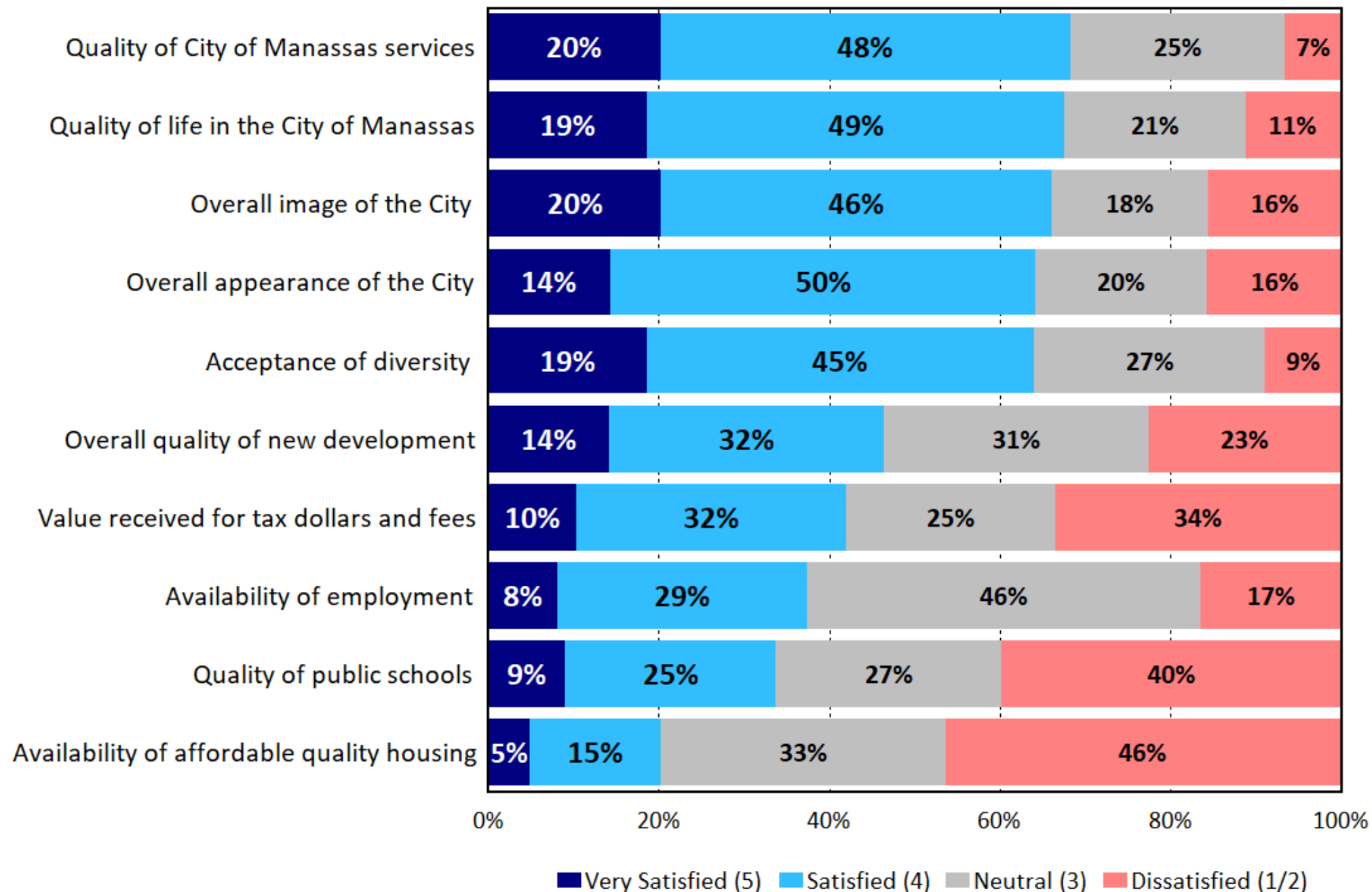
- **Residents Have a Positive Perception of Manassas**
  - 79% Rated Manassas as an Excellent or Good Place to Live
- **Satisfaction with City Services Is Much Higher in Manassas Than Other Cities**
  - Manassas Rated Above the U.S. Average in 52 of 61 Areas
  - Satisfaction with Customer Service Rated 30% Above the U.S. Average
- **Satisfaction Ratings Are Similar to 2022**
- **Top Overall Priorities:**
  - Traffic Flow and Ease of Getting Around the City
  - Public Education
  - Public Safety
  - Affordable Housing

# **Topic #1**

**Residents Have a Positive Perception  
of the City**

### Q3. Overall Perceptions of Manassas

by percentage of respondents who rated the item as a 1 to 5 on a 5-point scale (excluding don't knows)

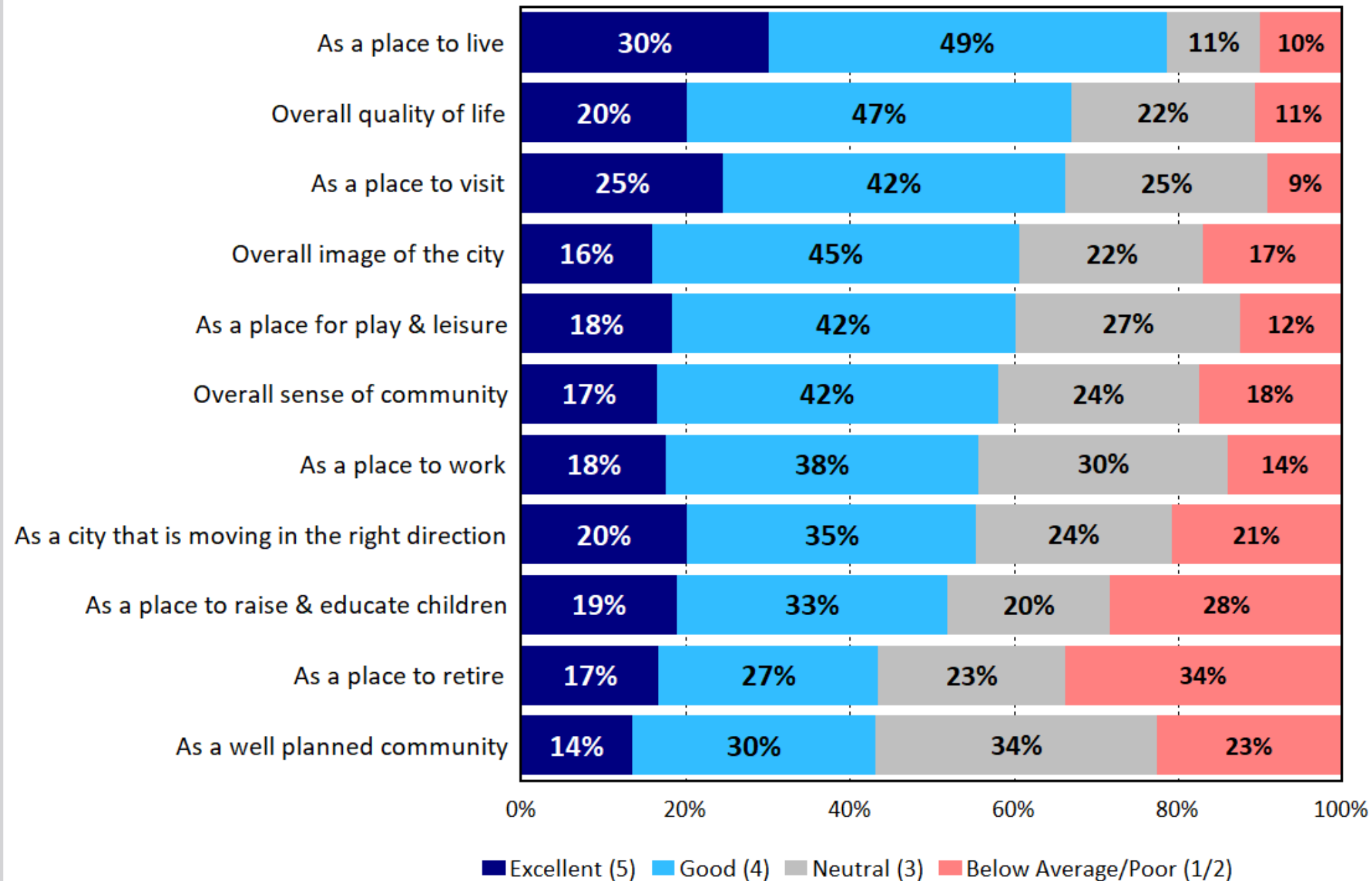


Most Respondents Are Satisfied with the Overall Quality of City Services and the Overall Quality of Life in Manassas



## Q22. Overall Opinion of the City

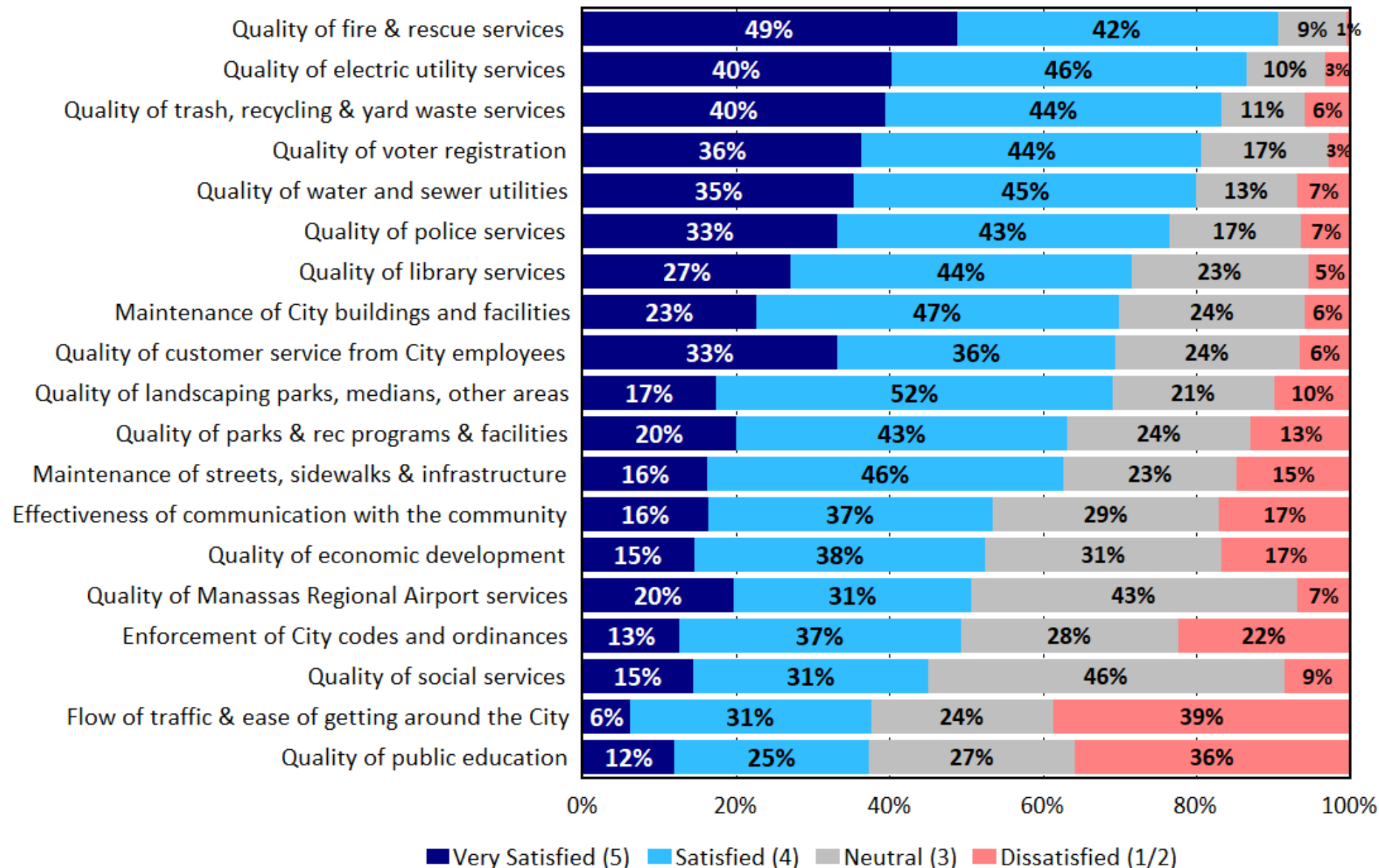
by percentage of respondents who rated the item as a 1 to 5 on a 5-point scale (excluding don't knows)



79% Rated Manassas as an Excellent/Good Place to Live; Only 10% Gave a Rating of Below Average/Poor

# Q1. Overall Satisfaction with City Services by Major Category

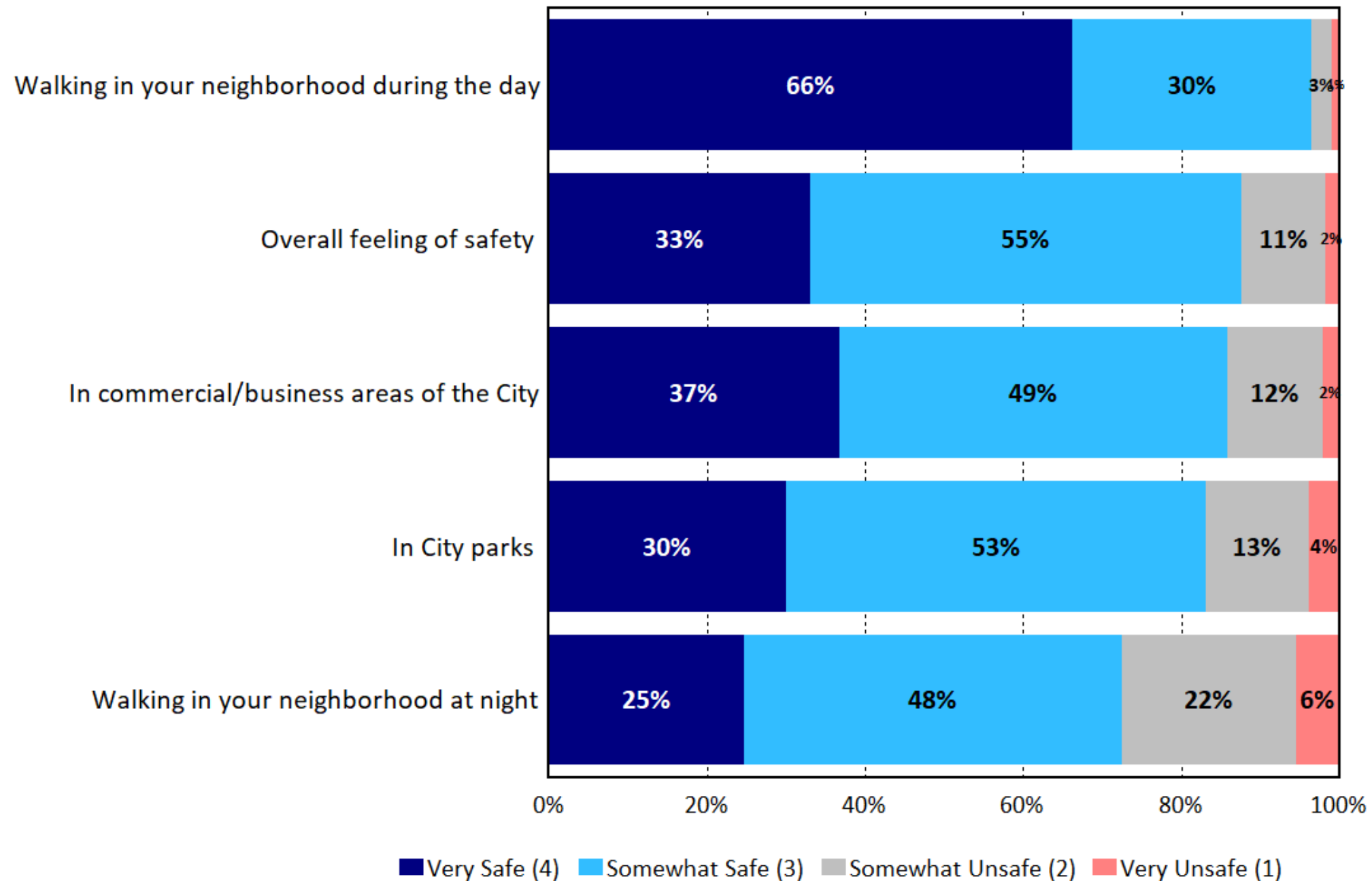
by percentage of respondents who rated the item as a 1 to 5 on a 5-point scale (excluding don't knows)



Satisfaction Is High for City Services

## Q6. Perceptions of Safety in Various Situations

by percentage of respondents who rated the item as a 1 to 4 on a 4-point scale (excluding don't knows)

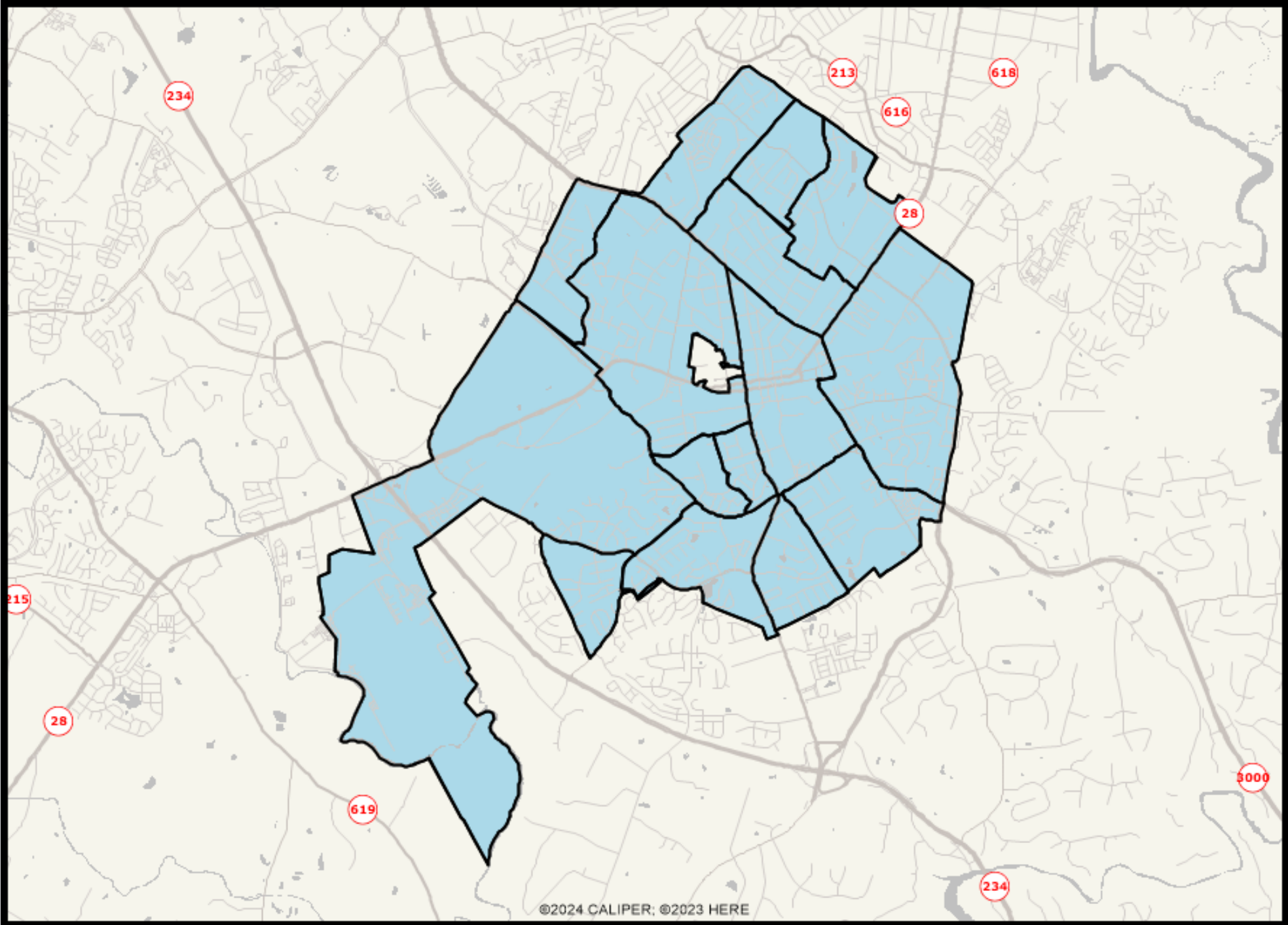


## **Topic #2**

**Satisfaction with City Services Is High  
in All Areas of the City**

# Overall Quality of City Services

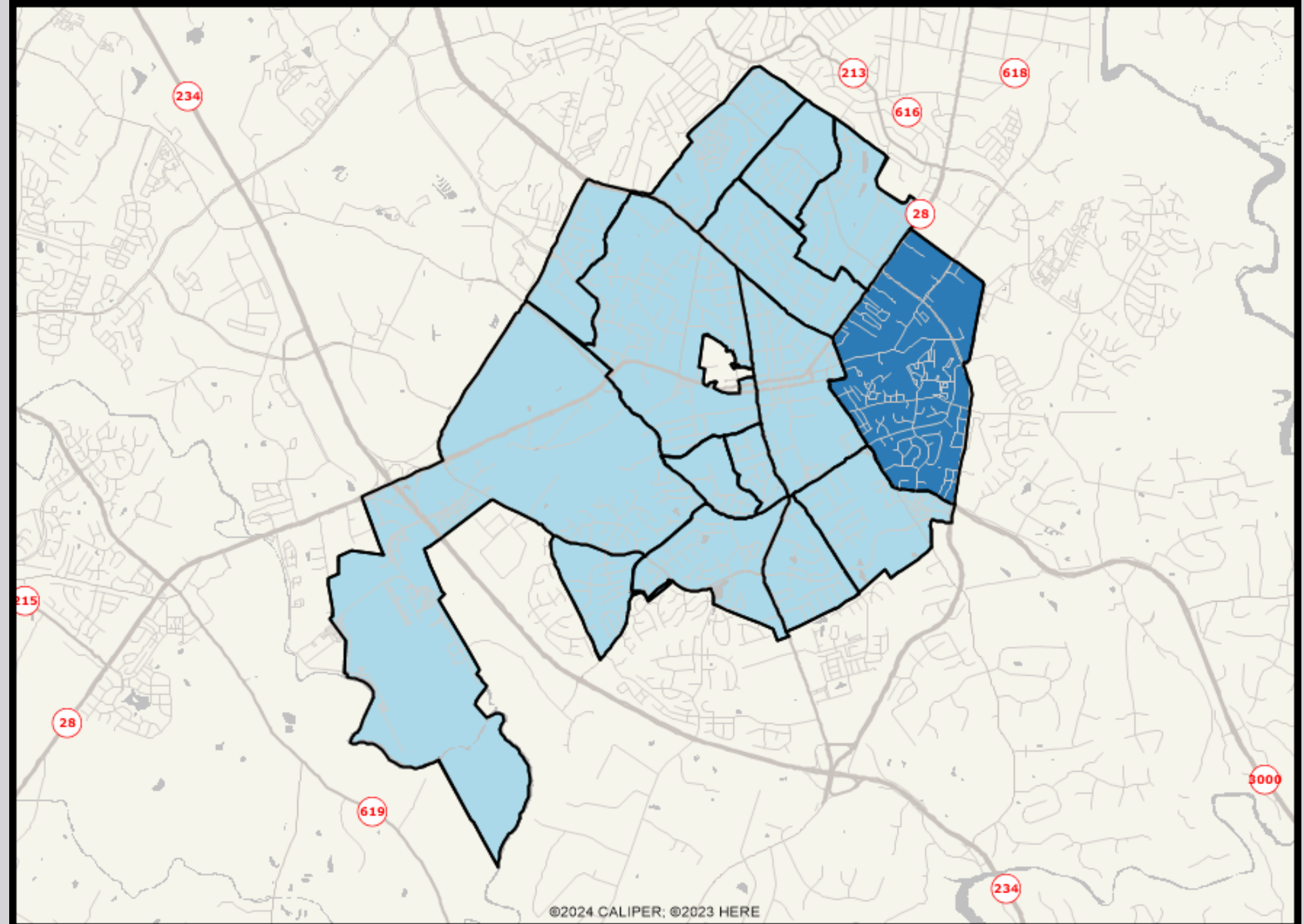
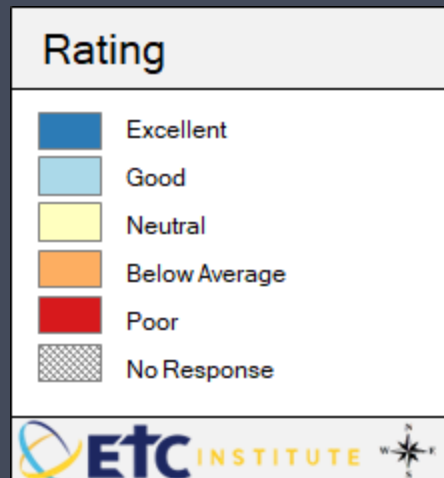
ALL Areas Are in Blue, Indicating That Residents in All Parts of the City Are Satisfied with the Overall Quality of City Services





# Manassas as a Place to Live

ALL Areas Are in Blue, Indicating That Residents in All Parts of the City Are Satisfied with Manassas as a Place to Live



## **Topic #3**

**Satisfaction with City Services Is Much Higher  
in Manassas Than Other Cities**

# Benchmarking Analysis

**Manassas Rates Above the U.S. Average in 52 of 61 Areas**

**Manassas Rates *Significantly* Higher (5% or more) in 44 Areas**

**Manassas Rates Above the Regional Average in 48 of 61 Areas**

**Manassas Rates *Significantly* Higher (5% or more) in 42 Areas**

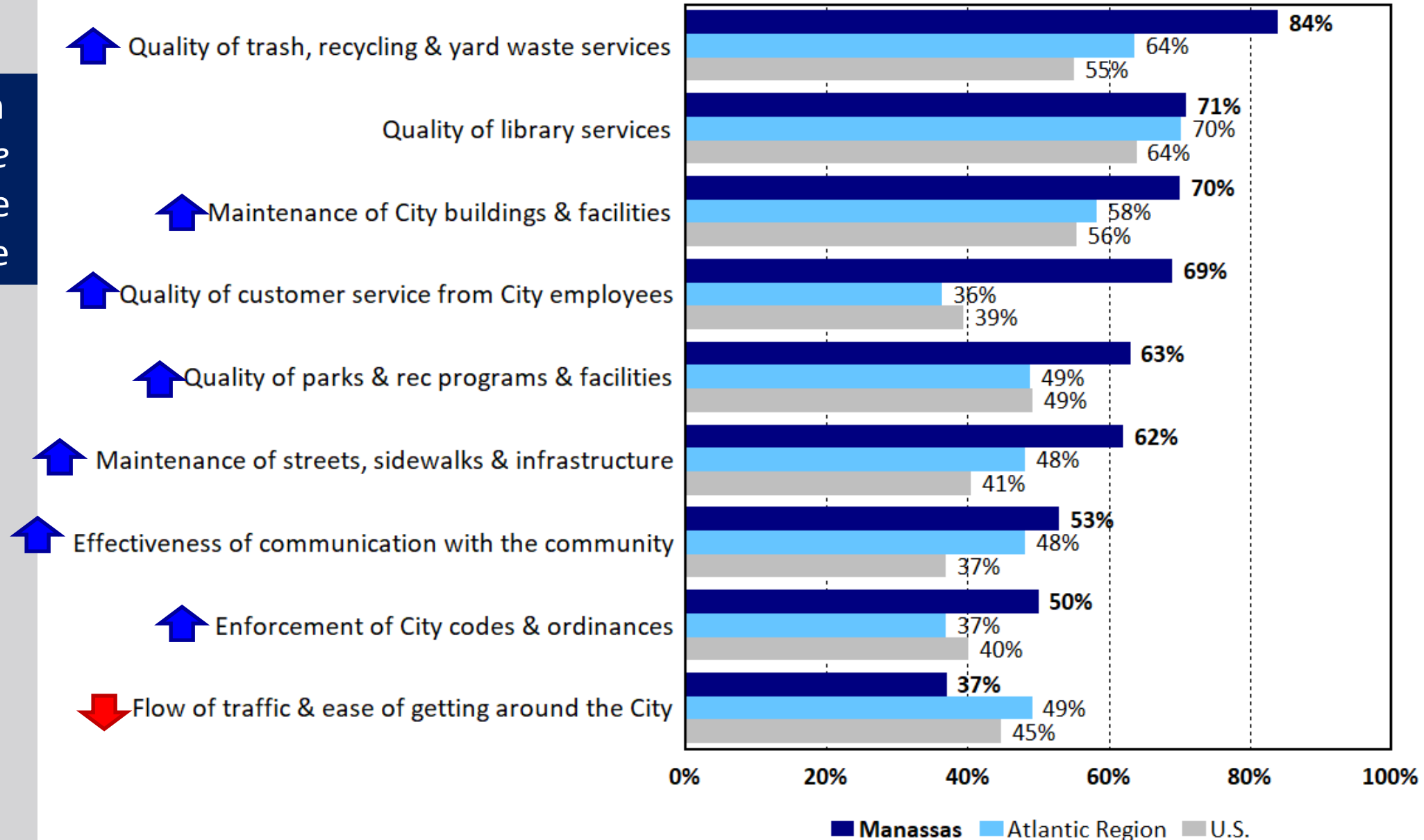


# Overall Satisfaction with Various City Services

## Manassas vs. Atlantic Region vs. the U.S.

by percentage of respondents who rated the item 4 or 5 on a 5-point scale  
where 5 was "very satisfied" and 1 was "very dissatisfied" (excluding don't knows)

Satisfaction with  
*Customer Service*  
Rates 30% Above  
National Average



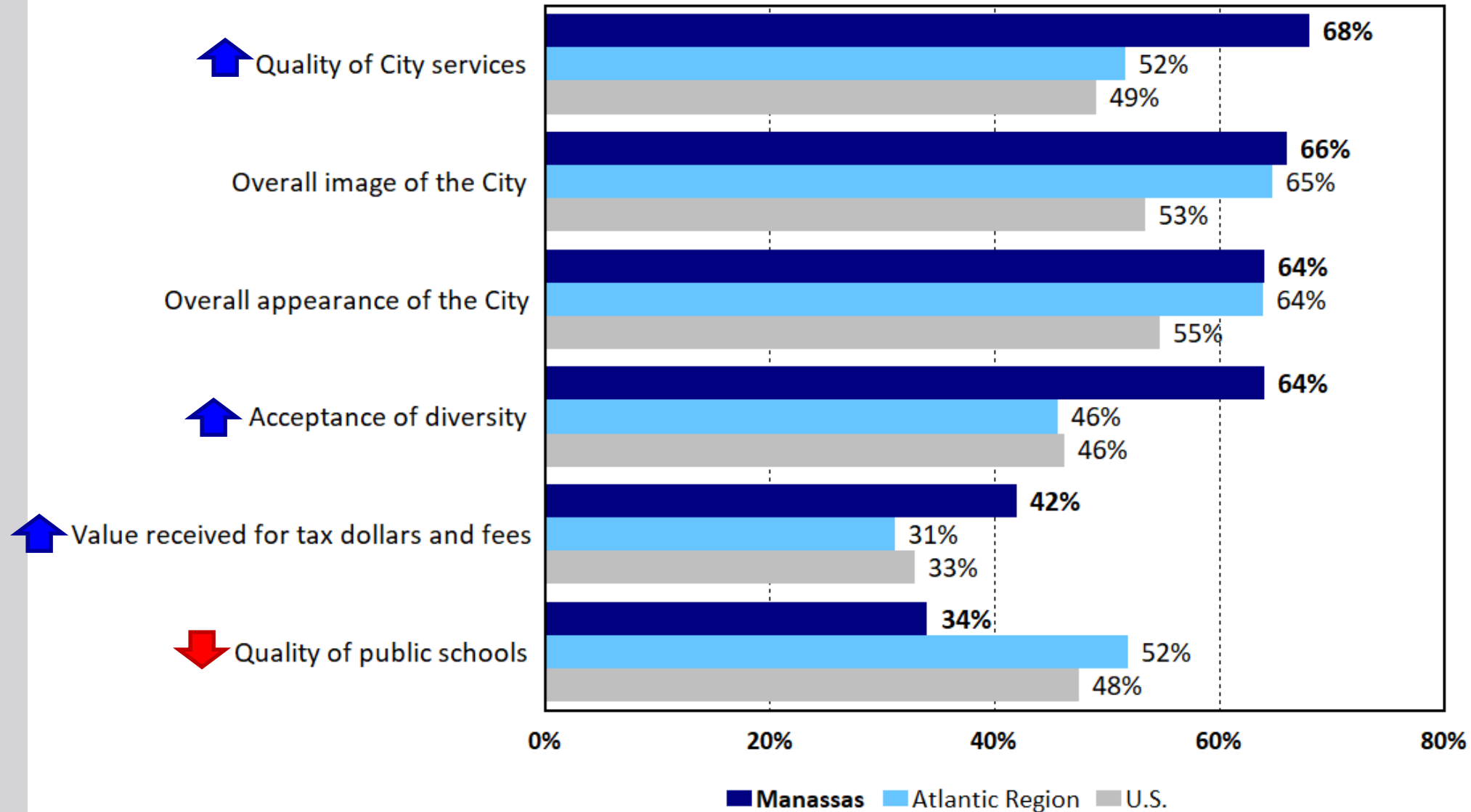
Significantly Higher ↑

Significantly Lower ↓

# Satisfaction with Issues that Influence Perceptions of the City

## Manassas vs. Atlantic Region vs. the U.S.

by percentage of respondents who rated the item 4 or 5 on a 5-point scale where 5 was "very satisfied" and 1 was "very dissatisfied" (excluding don't knows)



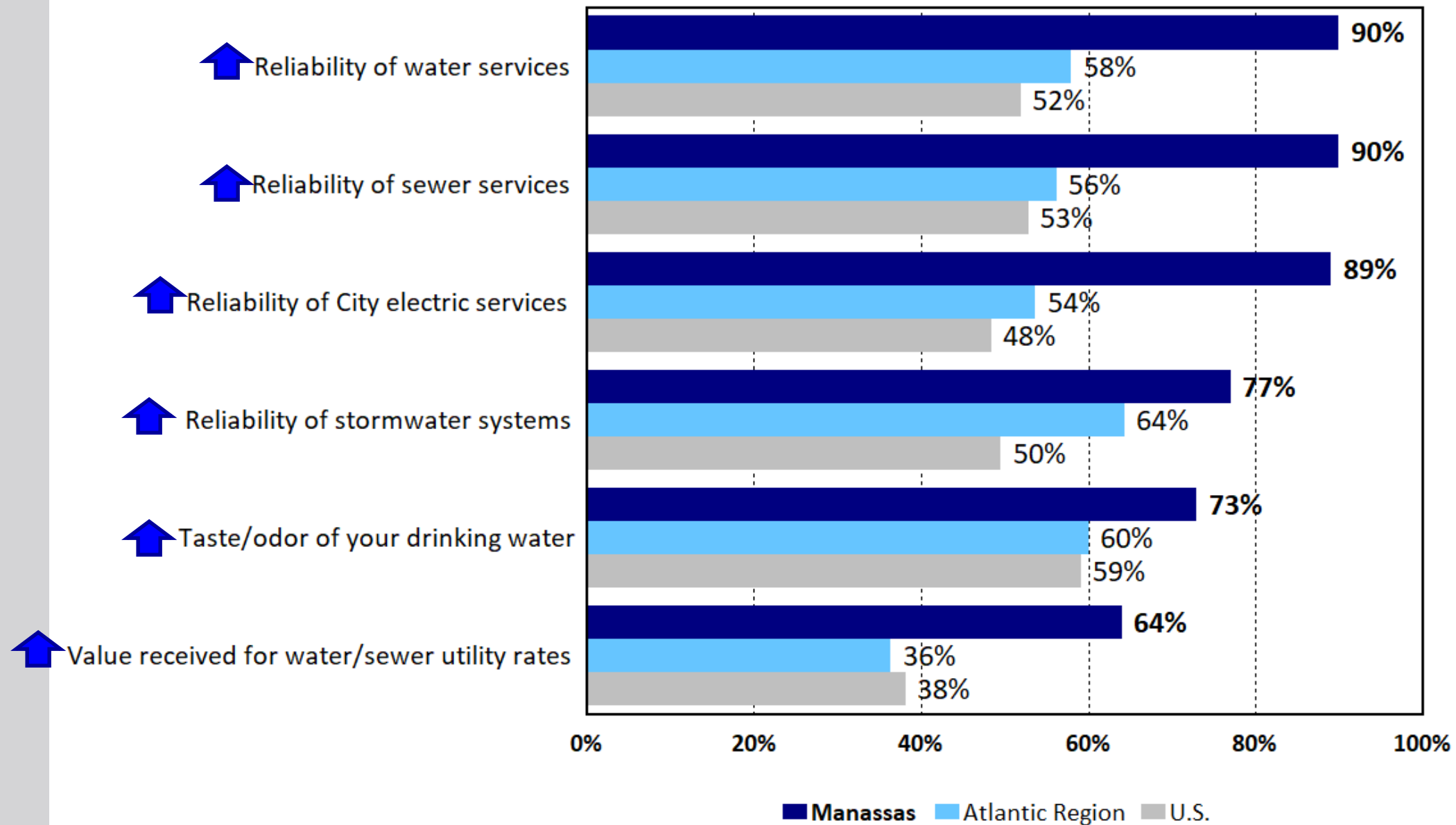
Significantly Higher 

Significantly Lower 

# Overall Satisfaction with Utilities

## Manassas vs. Atlantic Region vs. the U.S.

by percentage of respondents who rated the item 4 or 5 on a 5-point scale where 5 was "very satisfied" and 1 was "very dissatisfied" (excluding don't knows)



Significantly Higher ↑

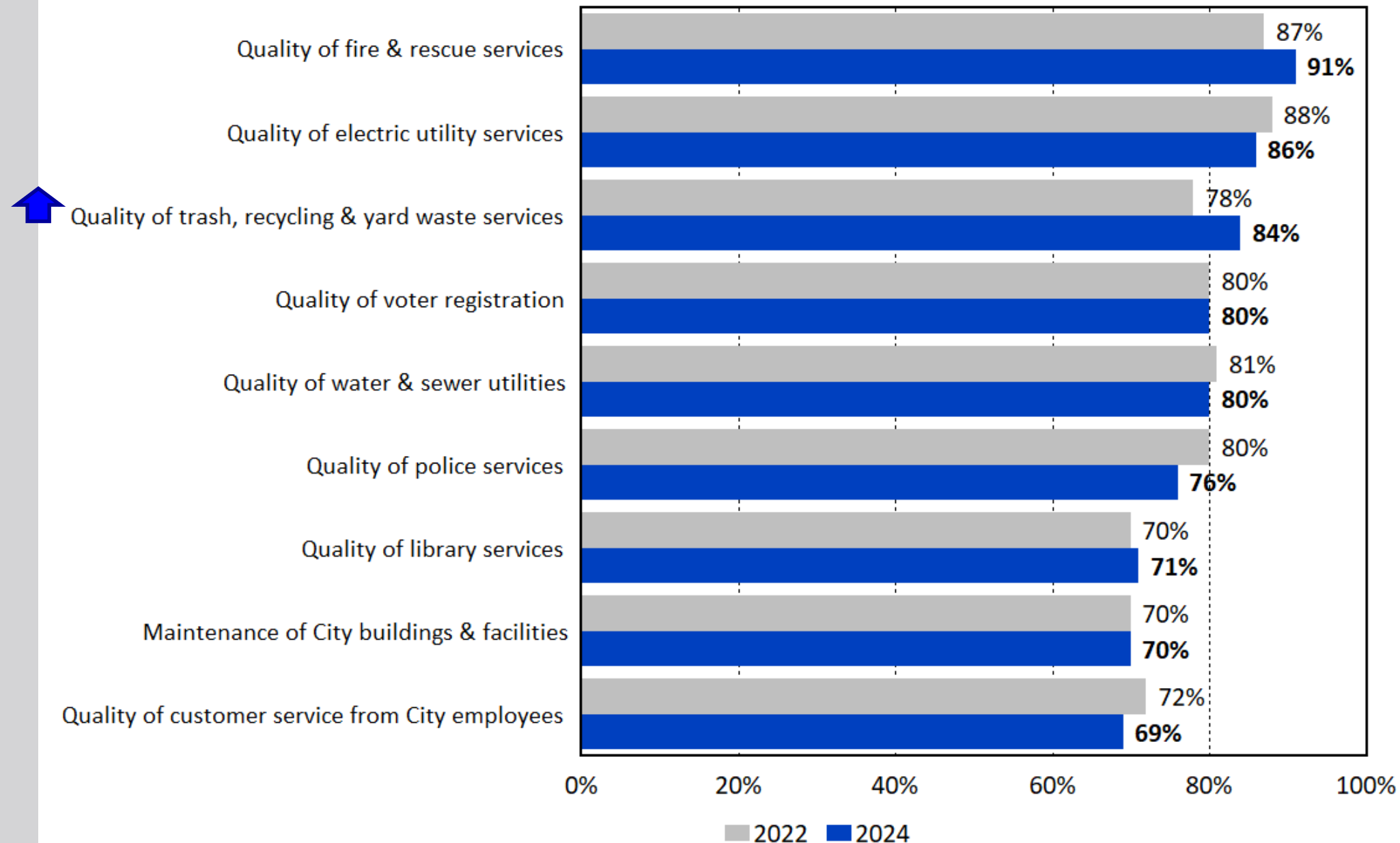
Significantly Lower ↓

## **Topic #4**

**Overall, Satisfaction Ratings Are Similar to 2022**

# Overall Satisfaction with City Services by Major Category - 2022 & 2024

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale (excluding "don't know")

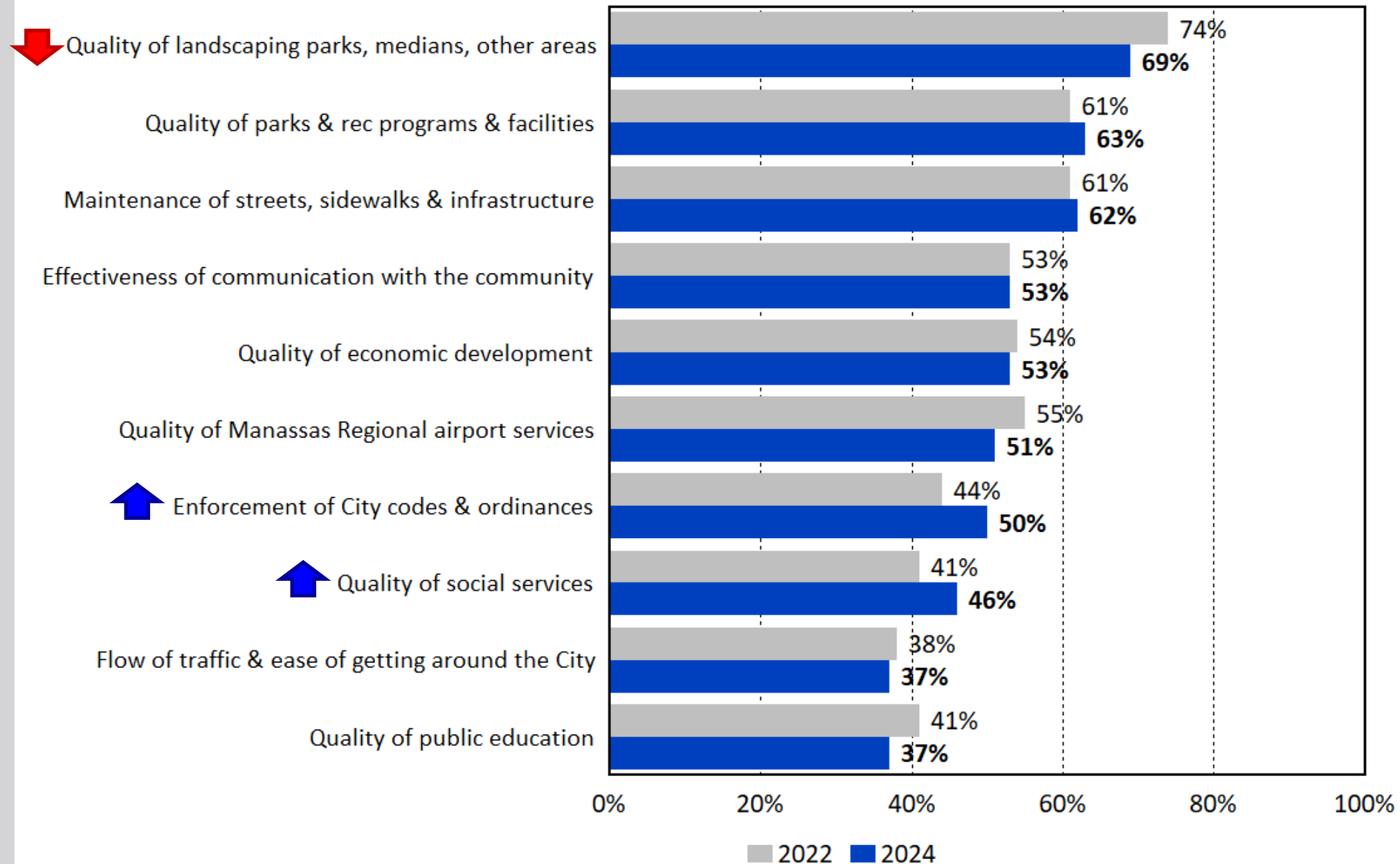


Significant Increase Since 2022 ↑

Significant Decrease Since 2022 ↓

# Overall Satisfaction with City Services by Major Category (cont.) - 2022 & 2024

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale (excluding "don't know")

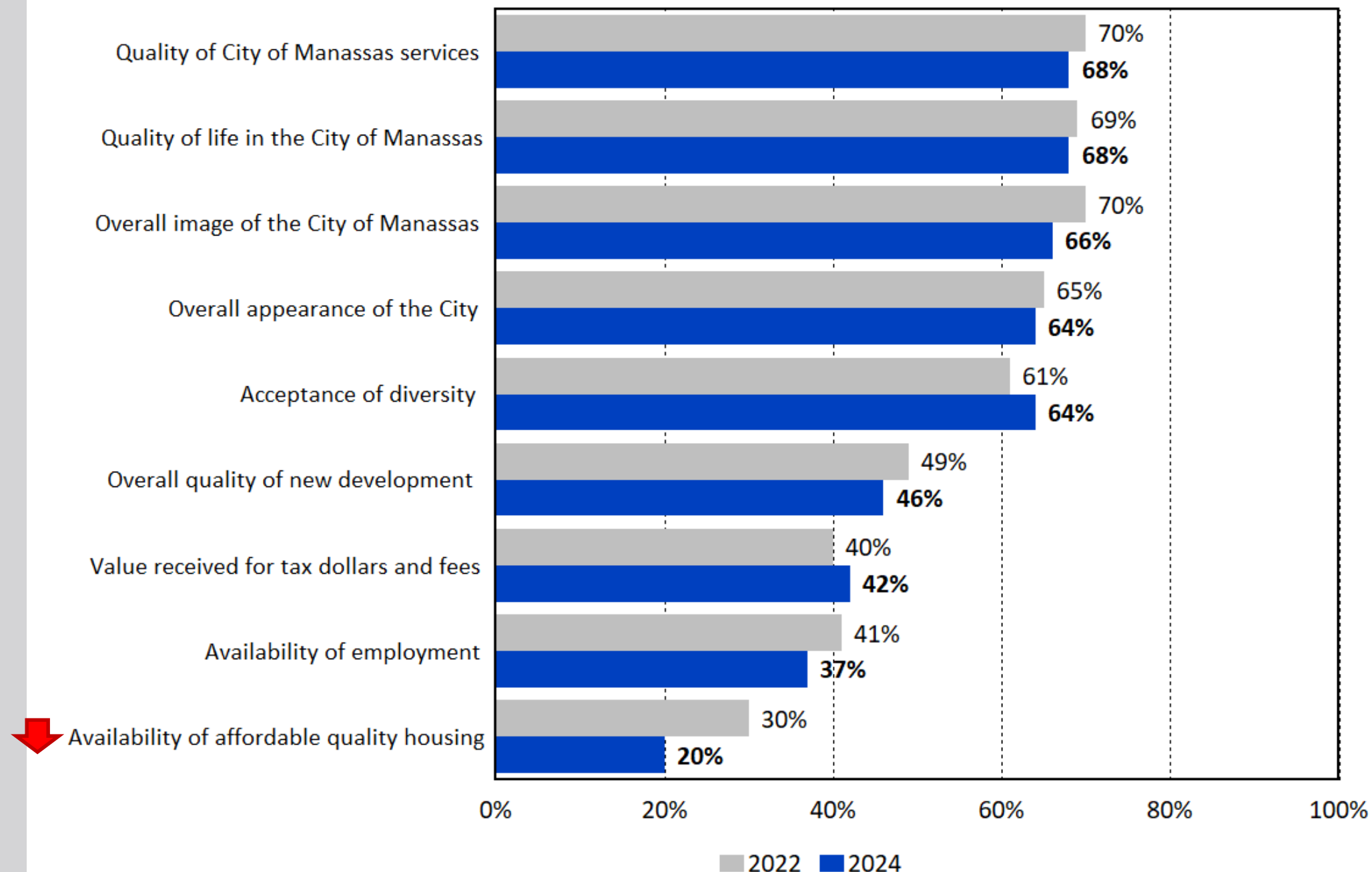


Significant Increase Since 2022

Significant Decrease Since 2022

# Overall Perceptions of Manassas - 2022 & 2024

by percentage of respondents who rated the item as a 4 or 5 on a 5-point scale (excluding "don't know")



Significant Increase ↑

Significant Decrease ↓

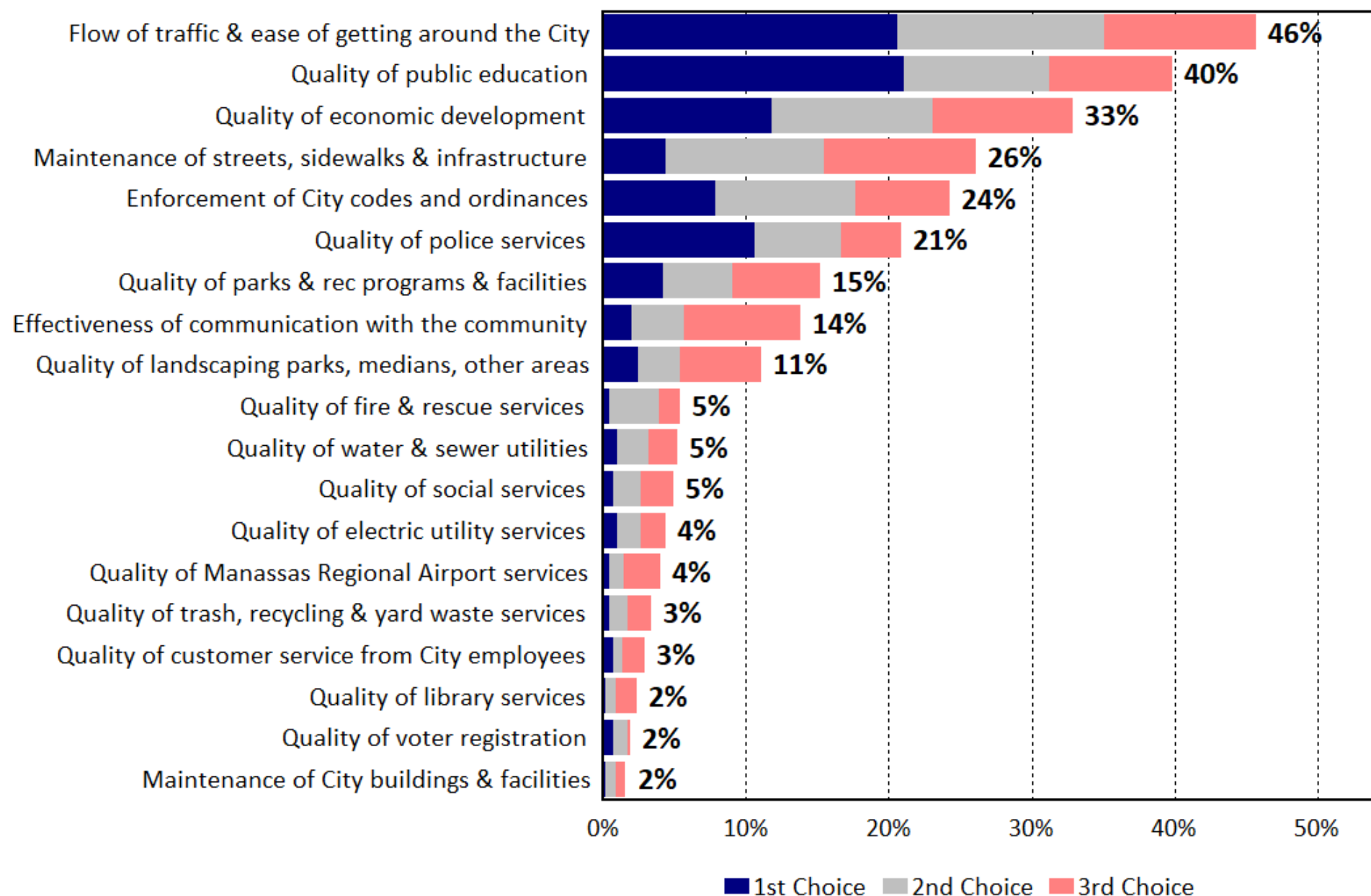
# **Topic #5**

## **Top Priorities**



## Q2. City Items That Should Receive the Most Emphasis Over the Next Two Years

by percentage of respondents who selected the item as one of their top three choices



# 2024 Importance-Satisfaction Rating

## City of Manassas

### Major Categories of City Services

| Category of Service                                | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|--|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b><u>Very High Priority (IS &gt;.20)</u></b>      |                  |                     |                |                   |                                |                 |
| Flow of traffic & ease of getting around the City  | 46%              | 1                   | 37%            | 18                | 0.2879                         | 1               |
| Quality of public education                        | 40%              | 2                   | 37%            | 19                | 0.2507                         | 2               |
| <b><u>High Priority (IS .10-.20)</u></b>           |                  |                     |                |                   |                                |                 |
| Quality of economic development                    | 33%              | 3                   | 53%            | 14                | 0.1546                         | 3               |
| Enforcement of City codes & ordinances             | 24%              | 5                   | 50%            | 16                | 0.1215                         | 4               |
| <b><u>Medium Priority (IS &lt;.10)</u></b>         |                  |                     |                |                   |                                |                 |
| Maintenance of streets, sidewalks & infrastructure | 26%              | 4                   | 62%            | 12                | 0.0992                         | 5               |
| Effectiveness of communication with the community  | 14%              | 8                   | 53%            | 13                | 0.0649                         | 6               |
| Quality of parks & rec programs & facilities       | 15%              | 7                   | 63%            | 11                | 0.0562                         | 7               |
| Quality of police services                         | 21%              | 6                   | 76%            | 6                 | 0.0502                         | 8               |
| Quality of landscaping parks, medians, other areas | 11%              | 9                   | 69%            | 10                | 0.0344                         | 9               |
| Quality of social services                         | 5%               | 12                  | 46%            | 17                | 0.0265                         | 10              |

Overall Priorities

# 2024 Importance-Satisfaction Rating

## City of Manassas

### Transportation and Mobility Services

| Category of Service                                | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|--|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b>High Priority (IS .10-.20)</b>                  |                  |                     |                |                   |                                |                 |
| How traffic signal system provides traffic flow    | 36%              | 1                   | 44%            | 11                | 0.1999                         | 1               |
| Ease of getting around the City of Manassas        | 32%              | 3                   | 53%            | 8                 | 0.1490                         | 2               |
| Ease of traveling from home to regional roadways   | 33%              | 2                   | 55%            | 7                 | 0.1481                         | 3               |
| Availability of public parking - historic downtown | 25%              | 4                   | 51%            | 9                 | 0.1230                         | 4               |
| <b>Medium Priority (IS &lt;.10)</b>                |                  |                     |                |                   |                                |                 |
| Availability of pathways for walking or biking     | 19%              | 6                   | 47%            | 10                | 0.0991                         | 5               |
| Availability of public transit options             | 19%              | 5                   | 56%            | 5                 | 0.0840                         | 6               |
| Availability of public parking                     | 18%              | 8                   | 56%            | 6                 | 0.0770                         | 7               |
| Availability of sidewalks                          | 17%              | 10                  | 56%            | 4                 | 0.0744                         | 8               |
| Maintenance of streets in your neighborhood        | 18%              | 7                   | 64%            | 3                 | 0.0644                         | 9               |
| Adequate street lighting                           | 18%              | 9                   | 65%            | 2                 | 0.0613                         | 10              |

# 2024 Importance-Satisfaction Rating

## City of Manassas

### Public Safety Services

| Category of Service                           | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|---|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b><u>Very High Priority (IS &gt;.20)</u></b> |                  |                     |                |                   |                                |                 |
| City's efforts to prevent crime               | 48%              | 1                   | 50%            | 11                | 0.2420                         | 1               |
| <b><u>High Priority (IS .10-.20)</u></b>      |                  |                     |                |                   |                                |                 |
| Visibility of police in neighborhoods         | 41%              | 2                   | 53%            | 10                | 0.1908                         | 2               |
| City's efforts to enforce local traffic laws  | 32%              | 3                   | 47%            | 13                | 0.1717                         | 3               |
| Visibility of police in retail areas          | 27%              | 4                   | 47%            | 12                | 0.1452                         | 4               |
| <b><u>Medium Priority (IS &lt;.10)</u></b>    |                  |                     |                |                   |                                |                 |
| Quality of shared services with County        | 15%              | 6                   | 57%            | 9                 | 0.0624                         | 5               |
| Quality of local police protection            | 23%              | 5                   | 74%            | 7                 | 0.0590                         | 6               |
| Quality of Animal Control                     | 10%              | 8                   | 59%            | 8                 | 0.0422                         | 7               |
| How quickly police respond to 911 emergencies | 11%              | 7                   | 76%            | 6                 | 0.0259                         | 8               |
| Professionalism of police employees           | 10%              | 9                   | 76%            | 5                 | 0.0242                         | 9               |
| How quickly fire & rescue responds            | 9%               | 10                  | 86%            | 3                 | 0.0123                         | 10              |

# 2024 Importance-Satisfaction Rating

## City of Manassas

### Planning and Economic Development

| Category of Service                                      | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|--|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b><u>Very High Priority (IS &gt;.20)</u></b>            |                  |                     |                |                   |                                |                 |
| Efforts to improve existing commercial corridors         | 33%              | 1                   | 36%            | 7                 | 0.2093                         | 1               |
| <b><u>High Priority (IS .10-.20)</u></b>                 |                  |                     |                |                   |                                |                 |
| Availability of quality housing                          | 27%              | 3                   | 36%            | 8                 | 0.1715                         | 2               |
| Efforts to manage & plan for growth/development          | 28%              | 2                   | 41%            | 5                 | 0.1670                         | 3               |
| Provide for & encourage new detached single-family homes | 22%              | 5                   | 25%            | 11                | 0.1628                         | 4               |
| Efforts to encourage a variety of housing types          | 20%              | 6                   | 36%            | 9                 | 0.1274                         | 5               |
| Developing vacant commercial & industrial areas          | 19%              | 7                   | 35%            | 10                | 0.1261                         | 6               |
| Attract & retain full-time private sector jobs           | 19%              | 8                   | 38%            | 6                 | 0.1184                         | 7               |
| <b><u>Medium Priority (IS &lt;.10)</u></b>               |                  |                     |                |                   |                                |                 |
| Efforts to continue the revitalization of downtown       | 25%              | 4                   | 63%            | 2                 | 0.0921                         | 8               |
| Attract & promote retail businesses & restaurants        | 18%              | 9                   | 50%            | 4                 | 0.0895                         | 9               |
| Preserve & promote residential-scale architecture        | 14%              | 10                  | 55%            | 3                 | 0.0608                         | 10              |



# 2024 Importance-Satisfaction Rating

## City of Manassas

### Health and Human Services

| Category of Service   | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|---|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b><u>Very High Priority (IS &gt;.20)</u></b>               |                  |                     |                |                   |                                |                 |
| Preserve & increase affordable housing                      | 34%              | 1                   | 18%            | 8                 | 0.2763                         | 1               |
| <b><u>High Priority (IS .10-.20)</u></b>                    |                  |                     |                |                   |                                |                 |
| Availability of services to seniors                         | 29%              | 2                   | 34%            | 1                 | 0.1914                         | 2               |
| Supporting persons w/ disabilities/substance abuse          | 18%              | 3                   | 23%            | 6                 | 0.1363                         | 3               |
| Availability of services to people on low/fixed income      | 16%              | 4                   | 23%            | 5                 | 0.1232                         | 4               |
| Availability of info on Social Service programs             | 15%              | 5                   | 32%            | 2                 | 0.1006                         | 5               |
| <b><u>Medium Priority (IS &lt;.10)</u></b>                  |                  |                     |                |                   |                                |                 |
| Availability of transportation for people with disabilities | 10%              | 6                   | 31%            | 4                 | 0.0697                         | 6               |
| Availability of services to families & children             | 8%               | 7                   | 31%            | 3                 | 0.0580                         | 7               |
| Availability of services to the unemployed                  | 7%               | 8                   | 19%            | 7                 | 0.0559                         | 8               |

# 2024 Importance-Satisfaction Rating

## City of Manassas

### Community Appearance

| Category of Service                               | Most Important % | Most Important Rank | Satisfaction % | Satisfaction Rank | Importance-Satisfaction Rating | I-S Rating Rank |
|---|------------------|---------------------|----------------|-------------------|--------------------------------|-----------------|
| <b>High Priority (IS .10-.20)</b>                 |                  |                     |                |                   |                                |                 |
| Enforcing the cleanup of litter & debris          | 35%              | 1                   | 48%            | 12                | 0.1815                         | 1               |
| Enforcing removal of blighted/abandoned buildings | 21%              | 6                   | 36%            | 14                | 0.1350                         | 2               |
| Enforcing mowing & cutting of weeds & grass       | 26%              | 2                   | 49%            | 11                | 0.1341                         | 3               |
| Enforcing the maintenance of residential property | 25%              | 3                   | 47%            | 13                | 0.1325                         | 4               |
| <b>Medium Priority (IS &lt;.10)</b>               |                  |                     |                |                   |                                |                 |
| Enforcing maintenance of business property        | 19%              | 7                   | 56%            | 9                 | 0.0818                         | 5               |
| Condition of sidewalks                            | 22%              | 5                   | 65%            | 8                 | 0.0763                         | 6               |
| Overall cleanliness of streets                    | 22%              | 4                   | 75%            | 5                 | 0.0558                         | 7               |
| Appearance/maintenance of City parks              | 18%              | 8                   | 71%            | 6                 | 0.0510                         | 8               |
| Enforcing sign regulations                        | 10%              | 11                  | 54%            | 10                | 0.0460                         | 9               |
| Appearance of City right-of-way & medians         | 12%              | 9                   | 66%            | 7                 | 0.0408                         | 10              |
| Residential garbage & bulk trash collection       | 12%              | 10                  | 82%            | 2                 | 0.0212                         | 11              |
| Residential curbside recycling                    | 9%               | 12                  | 79%            | 3                 | 0.0191                         | 12              |
| Appearance of City buildings                      | 4%               | 13                  | 75%            | 4                 | 0.0093                         | 13              |
| Residential yard waste collection                 | 4%               | 14                  | 83%            | 1                 | 0.0060                         | 14              |

# Summary

- **Residents Have a Positive Perception of Manassas**
  - 79% Rated Manassas as an Excellent or Good Place to Live
- **Satisfaction with City Services Is Much Higher in Manassas Than Other Cities**
  - Manassas Rated Above the U.S. Average in 52 of 61 Areas
  - Satisfaction with Customer Service Rated 30% Above the U.S. Average
- **Satisfaction Ratings Are Similar to 2022**
- **Top Overall Priorities:**
  - Traffic Flow and Ease of Getting Around the City
  - Public Education
  - Public Safety
  - Affordable Housing



# Questions?

# Thank You!!



## City Council Agenda Item Report

Agenda Item No. 1.2

Submitted by: Eric Smith

Submitting Department: Voting - General Registrar

Meeting Date: January 13, 2025

### Item Title

Department Annual Report: Electoral Board  
(Pamela Kincheloe, Secretary of the Electoral Board)

### Suggested Action and/or Recommendation

Accept the Report as submitted.

### Suggested Motion

**Item Type** Reports / Presentations  
**Submitting Department** Voting - General Registrar  
**Meeting Body** City Council

**Item ID** 2025-435  
**Drafter** Eric Smith  
**Meeting Date** January 13, 2025

### ATTACHMENTS

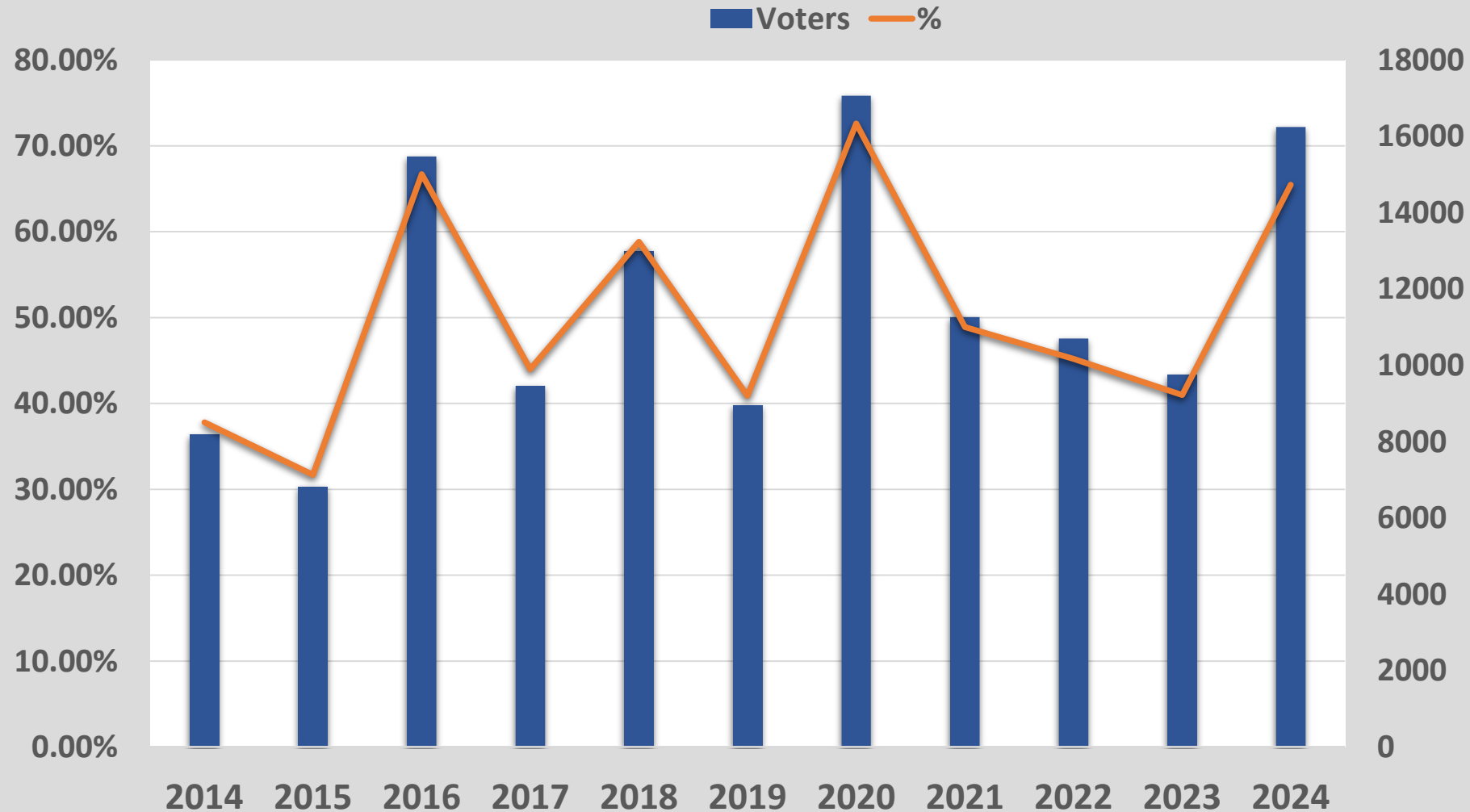
- [Department Annual Report: Electoral Board](#)

# 2024 General Election Wrap Up

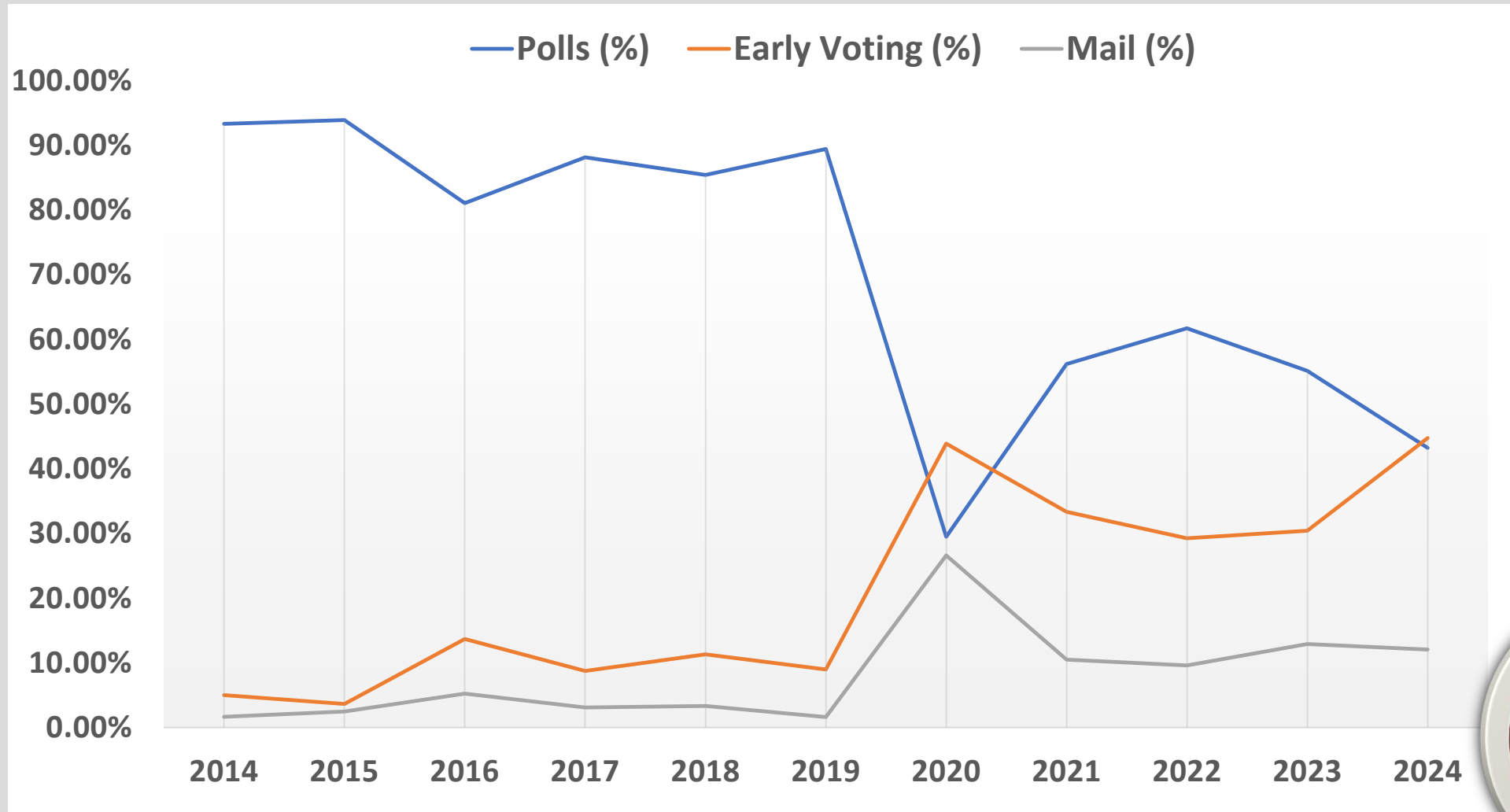
September 20 - November 20, 2024



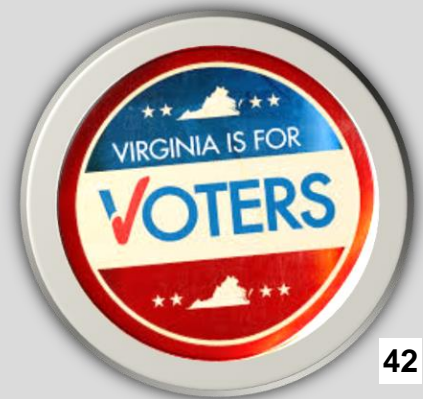
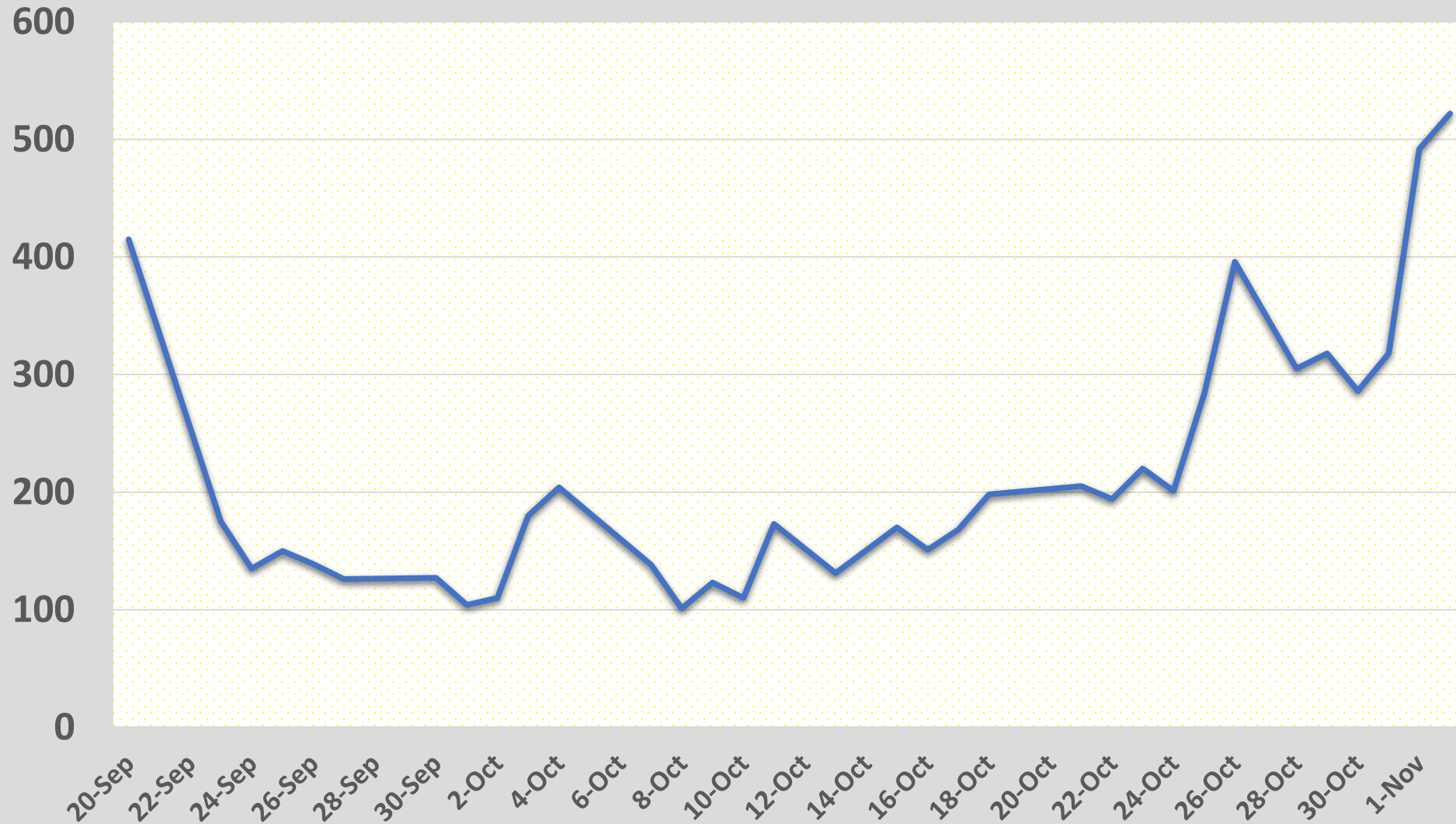
# Voter Participation



# Methods of Voting



# Early Voting – Daily Totals



# Election Recap

- **Voter experience**
  - Steady lines throughout the day
  - Steadier Same Day Registration (SDR) lines
  - Longer wait times than 2020 election day
- **Electoral process**
  - Remarkably unremarkable
  - Unofficial results posted on November 5, 2024
  - Election certified on November 15, 2024
  - Risk-Limiting Audit for US Senate conducted successfully at the Prince William County Court House on November 20, 2024





# Sunday Voting

|      | Voters Served |
|------|---------------|
| 2021 | 46            |
| 2022 | 52            |
| 2023 | 70            |
| 2024 | 131           |



# Same Day Registrations

|  | 2022 | 2023 | 2024 |
|--|------|------|------|
| <b>Early Voting SDR</b>                                  | 12   | 3    | 98   |
| <b>Election Day SDR<br/>Eligible Voters</b>              | 100  | 71   | 369  |
| <b>Election Day SDR<br/>Provisional Ballots<br/>Cast</b> | 86   | 57   | 356  |

The Office of Elections added a Same Day Registration designated Assistant Chief to improve process.

# Looking Beyond 2024 Elections

- **2024 Community Survey Findings**
  - Quality of Voter Registration (80% satisfaction rate)
  - Satisfaction Rank #4 among city services
- **Limited Space**
  - Served over 10,000 residents at 9025 Center St
  - Area accessible to the public limited to less than 200 sq ft
  - Total office space less than 1,000 sq ft
- **Elections in 2025**
  - Potential June dual primaries
    - Early voting starting in May 2025
  - State and local elections in November 2025



# Thank you to the Manassas Team!

## Officers of Elections

- Dean: Maya Mitchell, Angela Thompson, Lianne Best, William T Campbell, Linda Charlton, David Curley, David Frederick, Missy Magerkorth, Hess Moore, James Moore Jr., Candis Pope, Janet Sokalski, and Kayleigh Sullivan
- Weems: Kathy Joubert, Jacquelyn Krehbiel, Mary Faulk, Debbie Bruce, Rebecca Bolt, Robert Childers, Renee Daniels, Brenda Diaz Bibiano, Sue Fleming, Kathy Hernandez, Johnny Hunter, Kathy Keller, Donald Scott, Cameron Towner, and Michael Laverty
- Metz: Donna Lane, Daryl Claggett, Patrick Linehan, David Cary, Barbara Edwards, Camille Grigg, Ronald Grogan, Amy Hickey, Greg Hickey, John Lassiter, Debra Null, Tamara Pok, Andrew Smith, Susen Weaver, and Natalie Potell
- Haydon: Dominique D'Antignac, Mary Foeckler, Beryl Hancock, Amindavaa Dorj, Allison Earley, Geanine Garcia-Poindexter, Randall Gaylor, Eugenia Gurlea, Michael Hertz, Charlotte Lehmann, Kenneth Lowery, Sally MacDonald, Floyd Williams, Curtis Wilson, and Penelope Potell
- Baldwin: Carlos Rodriguez, Marzum Sinclair, Lisa Doll, Donald Kenworthy, Billie Jo McGhee, Karen Marshall, David Milet, Claudia Moore, Tom Mueller, Susan Reese, Sandra Sales, Charlie Sweet, and Sandi Morris
- Round: Bre Jacoby, Andrea Morisi, Brittany Naylor, Richard Carlson, Susan Carlson, Jennifer Jones-Calhoun, Peter Kleskovic, Donna Lauderdale, Jon Ohleger, Jody Ritner, Carolyn Snyder, and Charles Snyder
- Central Absentee: Cyndi Higginbottom, Teresa Marcellino, SL Higginbottom, Patricia Fields, Ethel Fletcher, and James Fletcher

**Election Office:** Susan Reed, Dheeraj Jagadev, Rodrigo Quintanilla Alba, Karen Gorsuch, Cyndi Higginbottom, Donna Waller, Teresa Marcellino, Cumi Silva Mueller, Marc Lower, Sharon Scott-Smith, Emily Butcher, Chris Anspach, Melissa Snider, Michelle Frazier, and Donna Thomas-Overcamp

**Electoral Board:** Rick Bookwalter, Russ Harrison, and Pamela Kincheloe

**Special Thanks to:** Manassas City Public Schools, Public Works, IT Staff, and Manassas Police Department





## City Council Agenda Item Report

Agenda Item No. 1.3

Submitted by: Eric Smith

Submitting Department: Commissioner of the Revenue

Meeting Date: January 13, 2025

### Item Title

Department Annual Report: Commissioner of the Revenue  
(Staff: Tim Demeria, Commissioner of the Revenue)

### Suggested Action and/or Recommendation

Accept the Report as submitted.

### Suggested Motion

**Item Type** Reports / Presentations  
**Submitting Department** Commissioner of the Revenue  
**Meeting Body** City Council

**Item ID** 2025-463  
**Drafter** Eric Smith

**Meeting Date** January 13, 2025

### ATTACHMENTS

- [Department Annual Report: Commissioner of the Revenue](#)

Madam Mayor, Council Members and Chief Keen,

In the agreement we signed in June 2024, it says that I will present an overview of the work being done in the city's Commissioner of the Revenue's office. It is my distinct honor to be here today to present a detailed overview of the continued success of my staff and I in serving the people of Manassas in 2024 and since I took office in 2022.

Before I go into more detail about the good work we are carrying out in helping Manassas residents navigate their various tax obligations, I want to first highlight what our main duties are and identify the different divisions in our office.

The Commissioner's office has two essential responsibilities. First, we work to discover property and services that are lawfully taxable in the City. And, second, we assess what is found for tax revenue purposes. Our office is involved in over 109 million dollars of general fund revenues. We have 11 full time employees and the state Compensation Board reimburses the city \$236,950 for salaries while the City contributes \$786,082.

Our Tax Services Division handles individual, mostly car tax, and business personal property, machinery & tools, business licensing, meals and lodging tax, cigarette tax, bank franchise tax, and public corporation taxes. Our office processes over 40,000 individual and business personal property returns each year.

Our office issued 2,640 business licenses last year. Of those, over 300 remit food and beverage taxes. Last year the City billed over 6.2 million dollars in meals tax.

For business equipment assessments, we use the original cost and then apply depreciation schedules for the various types of equipment. This is also the way we will assess the new data center's equipment and computers as well.

Turning now to vehicles, for vehicle assessments, we use JD Power, which is a recognized pricing guide and used by most localities in the Commonwealth. We have a few vehicles that are not in JD Power and for those we use the depreciation method. Used cars and trucks prices have come back to normal and are decreasing in value yearly from the increased values we saw during and after the pandemic. Still, the revenue from vehicle taxes continues to increase because people continue to trade in old cars to buy new or updated vehicles.

When I first came into office in January of 2022 it had been this office's practice to value cars in July after all the information on vehicle changes was finally completed. In 2023, I implemented a new timeline where we value the cars that are in the system in March and continue to change the information as it becomes available until we are complete in July. This causes more work for our staff, but it also gives Council and the City Manager a more accurate number while they are doing budgetary work in the spring.

Our Real Estate Division maintains property records, reassesses existing properties, assesses new construction, facilitates notices and appeals and administers Council's real estate tax relief program for the elderly and disabled as well as the Disabled Veterans Real Estate Exemption which is a state mandated program. I have spoken with Chief Keen and I hope to discuss your tax relief program with you at your retreat.

Our team of highly qualified real estate assessors do an annual reassessment of real property. I will now go into more detail about how they do this important work and what it means for the City.

We use three methods to determine the fair market value of different types of property. There is the sales comparison method which uses qualified sales in the open market; the cost method which determines the cost to replace the structure; and the income method which determines value using net income potential. For residential properties we use mass appraisal and mostly use the sales method. Most commercial properties are done by the income method with sales and cost used where appropriate or mandated by code.

The total taxable value of real estate in Manassas is 7.35 billion dollars with tax exempt properties valued at 992 million dollars. Those figures cover 12,911 taxable properties and 511 exempt properties in the City. Manassas is home to 11,675 residential properties, 5,557 single family homes, 3,879 town homes and 2,239 condominiums. There are 1,236 commercial and industrial properties.

As I mentioned, it is the duty of our office to assess all these properties. Real Estate Assessment notices will be sent out around March 1<sup>st</sup> 2025 with new totals. Our office is available to conduct appeals of assessments for 30 days after the notices have been sent out. Property owners have the opportunity to appeal to the City Board of Equalization by May 1<sup>st</sup> and they have a three-year period to appeal to the Circuit Court.

My office also administers the state car tax relief program. Since the state capped the relief amount in 2005, the relief percentage has consistently dropped for our residents and it now sits at 34.88%.

I just threw a bunch of numbers at you but they tell only a fraction of the story of the important work we do. Because behind every number I just shared there is an interaction, oftentimes multiple interactions, between me and my staff, and the good people of Manassas. And so much of how we define success in my office comes down to the quality of that interaction.

Customer Service is the cornerstone of what we do. My staff and I realize we are not running a business where the goal is to make as much money as possible. Our goal is to assess property in a fair and equitable manner and to serve our customers with respect. We have many interactions with customers every day and every day we want our customers to leave feeling they were heard and treated fairly. I have had countless comments from customers about how well they were treated by our employees. Of all our accomplishments, and we have had many, our stellar customer service is what I am most proud.

The ongoing strength of our customer service has been helped by the vast improvement in staff training I've overseen since taking office. While the staff was highly efficient with their particular duties, we did not have enough cross training or involvement with the Commissioner's Association and UVA for training and certification.

When I arrived, we had 3 deputies participating in the Association's training program, and now we now have 8. At the beginning of my term we had one Master Deputy, which means the



deputy completed her certification with UVA, the Association, and the State Compensation Board, which is not an easy task. If I am granted another term by the citizens of Manassas, I expect to have at least 4 Master Deputies by the end of that term.

For my own professional development, through the Commissioner's Association and UVA, I have served as the Northern District Chairman, Chairman of the Veterans Committee, and I serve on the Legislative Committee. Serving on these committees and being part of the Executive Committee has been extremely helpful to me to understand my role as Commissioner. My own training has been going well. To become a Master Commissioner, you need to have completed 6 classes, I have completed 8, you need to accumulate 100 points through continuing education, service to the Association, or education and experience. As of now, I have 123. As of the end of 2024 I completed my 3<sup>rd</sup> year as Commissioner which is the minimum you need for certification. Last week I completed an audit by the Association which fulfilled all my requirements to be certified. As of last Friday, I am a Master Commissioner, certified by the Compensation Board, the Commissioner's Association, and UVA.

I stand ready to answer any questions.



## City Council Agenda Item Report

Agenda Item No. 1.4

Submitted by: Eric Smith

Submitting Department: Treasurer's Office

Meeting Date: January 13, 2025

### Item Title

Department Annual Report: City Treasurer  
(Staff: Patricia Richie-Folks, City Treasurer)

### Suggested Action and/or Recommendation

Accept the Report as submitted.

### Suggested Motion

**Item Type** Reports / Presentations  
**Submitting Department** Treasurer's Office  
**Meeting Body** City Council

**Item ID** 2025-464  
**Drafter** Eric Smith  
**Meeting Date** January 13, 2025

### ATTACHMENTS

- [Department Annual Report: City Treasurer](#)

# CITY OF MANASSAS TREASURER'S REPORT FY 2024

*Patricia Richie-Folks, MGT*

## **BUDGET HIGHLIGHTS**

- Earned interest from TD Bank (\$954,179.95)
- As a result of successful investments in Virginia Investment Pool (VIP) and LGIP (Local Government Investment Pool ) the City earned an average of 5.48-5.55%

## **2024 ACCOMPLISHMENTS**

- Received Treasurer's Association of Virginia (TAV) Office Accreditation
- Treasurer appointed to the TAV Board of Directors
- Treasurer received recertification for MGT ( Master Governmental Treasurer)
- Improved City Collection Tax Rate to 98.%

## **GOALS FOR FY 2025**

- Maintain office accreditation from TAV
- Continue to improve tax collection rate
- Ensure that treasurer's office deputies are certified and/or recertified
- Continue to give excellent quality customer service to our internal / external customers )

## TRANSACTIONS PROCESSED

**Real Estate Totals:** 13,478 Bills Mailed

**Personal Property:** 30,848 Bills Mailed

**TOTAL Transactions Processed:** 116,612

**Transactions Processed Credit Card:** 16,396

**Personal Property Supplementals:** 7,053

**Real Estate Supplementals:** 28

### **ZONED PARKING DISTRICT TOTALS**

**Zone 1 - 1,443 Motorcycles – 3 Visitor - 71**

**Zone 2 - 1,177 Motorcycles - 10 Visitor = 119**

**Zone 3 - 24**

**Zone G (Georgetown South) - 1,473**

**Zone G (Georgetown South Lottery) - 46**

**Zone G (Georgetown South Visitor) = 861**

**HISTORIC Heart MODERN Beat**

| Month of Paid Date | Paid Date    |              |                |
|--------------------|--------------|--------------|----------------|
|                    | FY 2022      | FY 2023      | FY 2024        |
| July               | \$88,980.49  | \$65,572.79  | \$96,110.16    |
| August             | \$164,366.00 | \$73,094.60  | \$82,242.92    |
| September          | \$47,602.80  | \$100,315.60 | \$105,386.83   |
| October            | \$53,164.55  | \$82,705.78  | \$43,660.79    |
| November           | \$19,546.10  | \$72,287.48  | \$135,185.94   |
| December           | \$26,919.59  | \$71,534.86  | \$75,815.02    |
| January            | \$35,434.19  | \$54,964.39  | \$52,847.64    |
| February           | \$30,575.65  | \$46,091.45  | \$89,719.46    |
| March              | \$70,695.73  | \$83,572.98  | \$45,823.77    |
| April              | \$148,541.25 | \$52,926.54  | \$93,394.98    |
| May                | \$72,266.22  | \$82,185.24  | \$125,392.65   |
| June               | \$58,494.86  | \$97,125.42  | \$83,135.36    |
| Grand Total        | \$816,587.43 | \$882,377.13 | \$1,028,715.52 |

**Thank you!**

**QUESTIONS?**





## City Council Agenda Item Report

Agenda Item No. 1.5  
Submitted by: Eric Smith  
Submitting Department: Finance  
Meeting Date: January 13, 2025

### Item Title

Department Annual Report: Finance  
(Staff: Diane Bergeron, Assistant City Manager and Finance Director)

### Suggested Action and/or Recommendation

Accept the Report as submitted.

### Suggested Motion

**Item Type** Reports / Presentations  
**Submitting Department** Finance  
**Meeting Body** City Council

**Item ID** 2025-475  
**Drafter** Eric Smith  
**Meeting Date** January 13, 2025

### ATTACHMENTS

- [Department Annual Report: Finance](#)

# FINANCE DEPARTMENT

Annual Report  
January 13, 2025

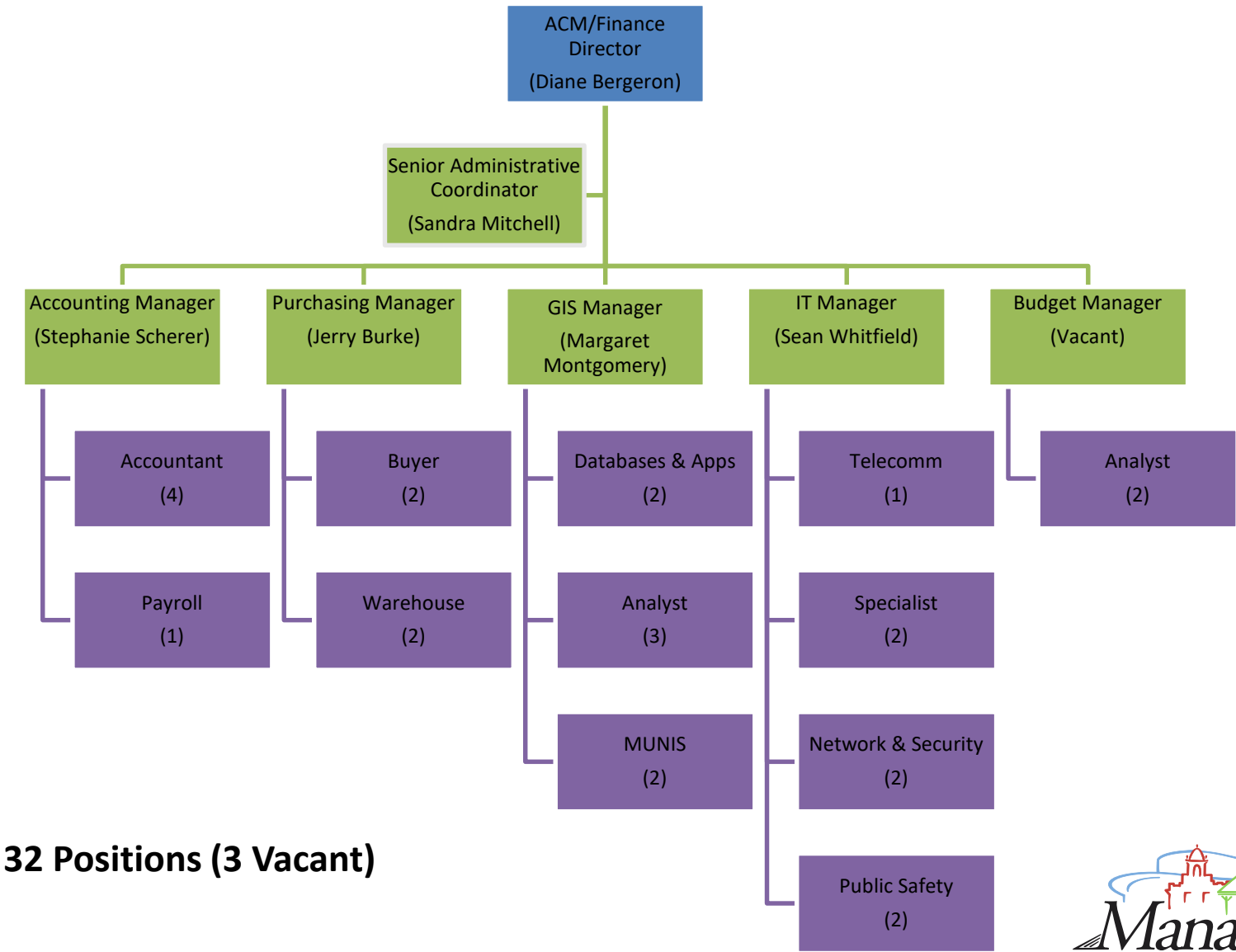
# Our Mission

**Sustaining Excellence**

**AND**

**Supporting Other Departments in  
Achieving Their Goals**

# Our Structure



# Financial Management

- Financial Policies, Laws, Best Practices (*research & comply*)
- Mandated Financial Reporting (*35 reports - 100% on time*)
- Staff Training Programs (*budget prep, payables*)
- Debt Service (*\$249 M p&i, 12 issues*)
- Capital Project Financial Planning (*debt service plans*)
- SEC Bond Disclosure Requirements (*100% on time*)
- Annual Operating Budget (*\$452 M, 21 funds*)
- Five Year Capital Improvement Plan (*\$214 M / 59 projects*)
- Rev/Exp Monitoring (*forecasts, quarterly reports*)

# Financial Management

- Accounts Payable (**427 invoices weekly - 95% on time**)
- Payroll (**542 employees biweekly - 99% w/o error**)
- Capital Assets (**1,596 assets/\$414 M...not including UT**)
- Goods/Services Procurement (**792 POs/38 Bids**)
- Contract Management (**negotiation & enforcement**)
- Inventory Warehouse (**1,355 unique items/\$3.7 M**)



# Accomplishments

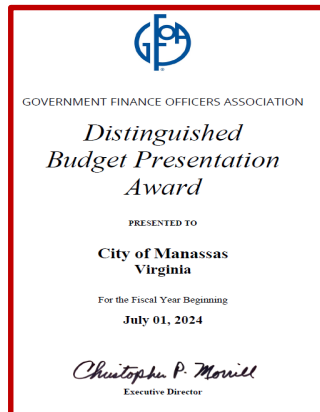
- Upgraded by Moodys Credit Rating to Aaa
- Affirmed by S&P Credit Rating at AAA
- \$50 M Bond Sale for Dean School
- Clean Audit Opinion
- Met Fund Balance Policy
- No Formal Procurement Protests
- Encumbered \$41 M of ARPA Funded Projects by 12/31/2024 Deadline

## MOODY'S RATINGS

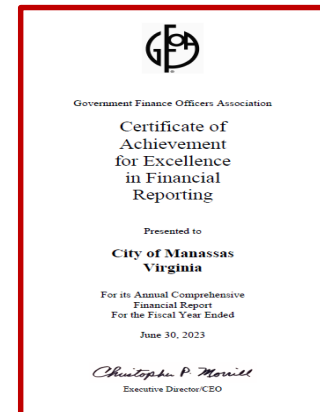
Rating Action: Moody's Ratings upgrades City of Manassas, VA's issuer and GO ratings to Aaa; assigns Aaa to Ser. 2024 GO Bonds

18 Oct 2024

## GFOA Budget Document Award



## GFOA Financial Report Award



# On the Horizon

- Continued ARPA Management and Reporting
- Implementation of New Federal Reporting Requirements
- Revamp City Purchasing Card Program
- Update City Travel Expense Procedures
- Conduct Staff Training Regarding Purchasing Cards
- Conduct Staff Training Regarding Travel Expenses

# IT Overview

Information technology is building communications networks, safeguarding data and information, administering critical systems and applications, helping troubleshoot problems, and doing a range of other work to ensure the efficiency and security of business information.

- 100+ server and network devices with a **99% uptime**
  - Maintained 615 desktops, laptops, and tablets
  - Maintained 400 mobile and desktop phones
- Prevented **10,000 unsuccessful attacks** every week
  - Protected 540 cloud email accounts
  - Protected 150 remote user accounts
- Processed **3232 Helpdesk** tickets
- Supported PEG channel broadcasts and events

# IT Projects

## Facility Setups and Upgrades

- Completed cabling, network, phone, public WiFi, security for PSF, City Hall, and Museum
- Began cabling, network, phone, public WiFi, security for Marsteller and Piedmont

## Infrastructure Projects

- Upgraded Munis Hardware
- Upgraded Server Backups
- Annual Disaster Recovery Testing



# IT Projects

## PD Projects

- CAD/RMS/Mobile Public Safety Software Replacement
- Implemented Case Cracker Interview Software
- Upgraded In-car Camera Systems and Computers



## Security Projects

- Upgraded Intrusion Detection Systems
- Implemented Managed Detection/Response Software
- Completed Elections and Internal Security Audits
- Continued Annual Cyber Security Awareness Training Program
- Upgraded VPN Software

# Upcoming IT Projects

- Complete Setup of Marsteller and Piedmont
- Go Live with CAD/RMS/Mobile Public Safety Software
- Upgrade Microsoft Office and Windows 11
- Replace Citywide Phone System
- Continue to conduct annual security audits
- Continue to upgrade security and camera visibility



IT will continue replacing 500 computers & 50 server/network devices over the next 5 years

# Geospatial & Enterprise Systems Overview

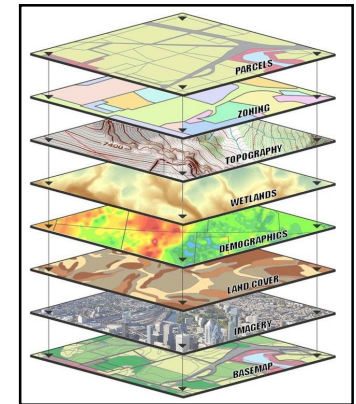
- Manage and maintain GIS, Munis (ERP), and EnerGov (EP&L) systems.
- Support all Tyler Munis modules and supporting software including Cashiering, Content Manager, 311, Bluebeam, etc.
- Provide support for additional databases and data services such as Police, Fire, etc.





# Geospatial & Enterprise Systems Overview

- For GIS, we:
  - Maintain and manage over 300 GIS data layers.
  - Develop mobile and desktop data solutions.
  - Support critical business processes such as Next Gen 911, Permitting, Emergency Management, Real Estate, Utilities/Public Works, etc.
  - Support 125+ city staff users of GIS desktop and mobile software.



# Geospatial & Enterprise Systems Overview

- For Munis & EnerGov, we:
  - Provide daily support to all city employees for all Munis/EnerGov and associated modules.
  - Manage 4 environments and multiple servers to ensure best performance.
  - Since July 1, 2024 we have successfully:
    - Performed step upgrade and migrated to new servers
    - Upgraded both Munis & EnerGov to 2024 versions (most recent).
    - Deployed 268 patch updates to Production environment.
    - Deployed monthly Windows updates to servers.

# GIS Resources

- Develop & support 25+ public Web Applications available at:  
<https://www.manassasva.gov/maps>
- Develop and support 30+ department specific mobile data collection applications.
  - Streamline business processes.
  - Provide real-time visibility of inspection/maintenance results.
  - Eliminate redundant paper process.

# Looking Forward

- Continue to provide excellent support for all systems.
- Maintain upgrade plans to stay on current versions to leverage new functionality.
- Continue to support GIS data collection and delivery of content for public and internal business processes.
- Continue to provide critical data validation and integration for nearly every department in the City.

# Questions





## City Council Agenda Item Report

Agenda Item No. 2.1

Submitted by: Craig Brown

Submitting Department: Manassas Regional Airport

Meeting Date: January 13, 2025

### Item Title

Resolution #R-2025-462: Consenting to a Leasehold Deed of Trust on Property Leased to Flying Crown LLC, and Approving a Ground Lease Recognition and Estoppel Agreement and Memorandum Between the City of Manassas, Flying Crown LLC and Pasadena Private Lending Inc.

(Staff: Juan Rivera, Airport Director)

### Suggested Action and/or Recommendation

Approve Resolution #R-2025-462.

### Suggested Motion

I move that Resolution #R-2025-462 be approved, or if part of the Consent Agenda, I move that the Consent Agenda be approved and the readings of the ordinances, if any, be dispensed.

**Item Type** Resolutions

**Submitting Department** Manassas Regional Airport

**Meeting Body** City Council

**Item ID** 2025-462

**Drafter** Craig Brown

**Meeting Date** January 13, 2025

### Fiscal Impact

There is no fiscal impact to the City; the terms of Flying Crown's Franchise and its obligation to pay monthly rent to the City are not affected by this Resolution.

### Executive Summary and Background Information

The City of Manassas, as lessor, and Flying Crown LLC, as lessee, are parties to a 40-year Franchise Agreement dated January 1, 2004 and originally approved by Ordinance No. O-2004-23. Under the terms of the Franchise the City leased approximately 1.50826 acres of land, known as Lot N-2 and commonly identified as 10781 James Payne Court, to Flying Crown for certain aviation-related activities. The Franchise also provides that Flying Crown has the right to encumber its leasehold interest to finance improvements and other capital investments at the leased property. Flying Crown has obtained a commitment for a \$7,000,000 loan for capital improvements to the leased property, and it has requested, along with its lender, that the City formally approve the loan documents. The loan documents provide in part that Flying Crown's leasehold interest will be collateral for repayment of the loan, as originally contemplated by the Franchise.

### ATTACHMENTS

- [2025-462 RES Flying Crown](#)
- [ATTH01 Flying Crown Ground Lease Recognition Agreement and Estoppel](#)

- ATTH02 Flying Crown Memorandum of Ground Lease Recognition Agreement and Estoppel
- ATTH03 Flying Crown Leasehold Deed of Trust



MOTION:

January 13, 2025

Regular Meeting

SECOND:

Res. No. R-2025-462

RE: A RESOLUTION CONSENTING TO A LEASEHOLD DEED OF TRUST ON PROPERTY LEASED TO FLYING CROWN LLC, AND APPROVING A GROUND LEASE RECOGNITION AND ESTOPPEL AGREEMENT AND MEMORANDUM BETWEEN THE CITY OF MANASSAS, FLYING CROWN LLC AND PASADENA PRIVATE LENDING INC.

WHEREAS, the City of Manassas (City) is the owner of the Manassas Regional Airport (Airport) located within the limits of the City of Manassas, Virginia, presently comprising approximately 789 acres of land together with various roadways, runways, taxiways, ramps, facilities, and improvements thereon; and

WHEREAS, the City, as lessor, and Flying Crown LLC, as lessee, are parties to a 40-year Franchise Agreement (the "Franchise") dated January 1, 2004 and originally approved by Ordinance No. O-2004-23; and

WHEREAS, under the terms of the Franchise the City granted Flying Crown the privilege to engage in certain aviation-related activities on approximately 1.50826 acres known as Lot N-2, commonly identified as 10781 James Payne Court, Manassas, Virginia; and

WHEREAS, section 1.3 of the Franchise provides in part that Flying Crown has the right to encumber its leasehold interest to finance improvements and other capital investments at the leased property; and

WHEREAS, Pasadena Private Lending Inc. has agreed to provide a \$7,000,000.00 loan to Flying Crown for capital improvements to the property leased to Flying Crown pursuant to the Franchise, subject to a Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Loan Documents"); and

WHEREAS, Flying Crown and Pasadena Private Lending have requested the City to execute a Ground Lease Recognition Agreement and Estoppel Agreement to confirm the terms, conditions and rights of the parties under the Franchise and the Loan Documents; and

WHEREAS, City staff and legal counsel have reviewed the Loan Documents and the Ground Lease Recognition and Estoppel, and recommend their approval.

NOW, THEREFORE, BE IT RESOLVED by the Council for the City of Manassas, Virginia, that the attached (i) Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing; (ii) Ground Lease Recognition Agreement and Estoppel Agreement; and (iii) Memorandum of Ground Lease Recognition and Estoppel are hereby approved, and the Interim City Manager is authorized to execute the Ground Lease Recognition Agreement and Estoppel Agreement and the Memorandum of Ground Lease Recognition and Estoppel on behalf of the City.

---

Michelle Davis-Younger                      Mayor  
On behalf of the City Council  
of Manassas, Virginia

ATTEST:

---

Eric Smith                      City Clerk

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

## GROUND LEASE RECOGNITION AGREEMENT AND ESTOPPEL AGREEMENT

This Ground Lease Recognition Agreement and Estoppel Agreement (this “**Agreement**”) is made effective as of November \_\_, 2024 by and among **THE CITY OF MANASSAS, a Virginia municipal corporation** (the “**Ground Lessor**”), **PASADENA PRIVATE LENDING INC.**, a Delaware corporation (the “**Lender**”), and **FLYING CROWN LLC**, a Virginia limited liability company (the “**Borrower**”).

### RECITALS:

A. The Ground Lessor, as lessor, and the Borrower, as lessee, are parties to a Franchise Agreement dated January 1, 2004 (the “**Ground Lease**”), a true and correct copy of which is attached hereto as **Exhibit A** and incorporated herein by reference. The Ground Lease pertains to that certain real property located at 10781 James Payne Court, Manassas, Virginia and more particularly described in **Exhibit B** (the “**Property**”).

B. The Lender is making a loan in the amount of Seven Million and 00/100 Dollars (\$7,000,000.00) (the “**Loan**”) to the Borrower, which will be secured by (i) a first position Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated of even date herewith (the “**Security Instrument**”) and encumbering the Borrower’s leasehold interest in the Property under and in accordance with the Ground Lease or any replacement ground lease (the “**Leasehold**”), and (ii) other collateral security documents given by the Borrower to the Lender, all dated of even date herewith (the instruments described in the foregoing clauses (i) through (iii), collectively, the “**Loan Documents**”).

C. The Loan Documents grant the Lender, upon certain Events of Default (as defined in the Security Instrument), a right to foreclose its lien upon the Ground Leasehold and other rights and remedies set forth in the Loan Documents.

D. As one of the conditions to making the Loan, the Lender requires that the Ground Lessor and the Borrower enter into this Agreement and to confirm their respective agreements, rights and understandings of the Ground Lease, the Property, the Leasehold, and the Loan Documents, and such other agreements, representations, and warranties set forth in this Agreement.

### AGREEMENT:

In consideration of the foregoing and the mutual promises and agreements contained below, and other good and valuable consideration, receipt of which is hereby acknowledged, the Ground Lessor, the Lender, and the Borrower agree as follows:

#### 1. Ground Lessor’s Covenants

- 1.1 Consent and Recognition. The Ground Lessor hereby consents to the granting of the Security Instrument by the Borrower in favor of the Lender. Subject to the terms and conditions of this Agreement, the Ground Lessor hereby agrees that neither the grant of such Security Instrument nor the enforcement thereof will create a default under the Ground Lease’s terms. The Ground Lessor confirms that the Ground Lessor is not permitted, in the absence of an uncured default of the Borrower under the Ground Lease, to disturb the possession, interest or quiet enjoyment of the Borrower in a manner that would adversely affect the security provided in the Security Instrument. Ground Lessor hereby covenants and agrees that after the commencement of a foreclosure action by the Lender or any subsidiary or any assignee or transferee thereof at a foreclosure sale or otherwise, may become the ground lessee under the Ground Lease or any Amended Lease (defined below). Ground Lessor consents to the perfection of the Lender’s rights with respect to the Ground

Lease and the Leasehold by filing the Security Instrument and a memorandum of this Agreement of record with the applicable local office(s) for real estate records.

- 1.2 No Fee Mortgages Without Non-Disturbance and Recognition Agreement. The Ground Lessor agrees that it will not encumber the Ground Lessor's fee interest in the Property with any such mortgage, deed of trust, lien, security interest, encumbrance and/or other restriction while the Loan and Security Instrument are outstanding, except on terms which expressly recognize the Ground Lease and the Security Instrument, the priority of such instruments, and require recordation of a non-disturbance agreement among the fee mortgagee, the Lender, the Ground Lessor, and the Borrower, and a recognition agreement between the fee mortgagee and the Lender, in each case in form and substance reasonably approved by the Lender. The parties expressly acknowledge and agree that notwithstanding the absence of such executed and recorded non-disturbance and recognition agreements, any future fee mortgage or deed of trust shall be subject and subordinate to the Ground Lease and the Security Instrument without the execution of any additional documents or instruments.
- 1.3 Notice to the Lender. The Ground Lessor shall give the Lender a duplicate copy of all notices of default and all such duplicate copies of notices of default shall be distributed simultaneously to both the Borrower and the Lender. Additionally, the Ground Lessor shall give the Lender written notice of any rejection of the Ground Lease in bankruptcy proceedings. The Ground Lessor further agrees that it shall notify the Lender in writing of the failure of the Borrower to cure a default within any applicable grace period under the Ground Lease and of the curing of any default by the Borrower under the Ground Lease. The performance by the Lender of any condition or agreement on the part of the Borrower to be performed hereunder will be deemed to have been performed with the same force and effect as though performed by the Borrower.
- (a) Right of the Lender to Cure. The Lender shall have the right, but not the obligation, at any time prior to termination or cancellation of the Ground Lease to pay any or all of the rent due pursuant to the terms of the Ground Lease, and do any other act or thing required of the Borrower by the terms of the Ground Lease, to prevent termination of the Ground Lease. All payments so made and all things so done shall be as effective to cure the applicable default and prevent a termination of the Ground Lease as the same would have been if made and performed by the Borrower instead of by the Lender.
- (b) If the Lender is prohibited, stayed or enjoined by any bankruptcy, insolvency or other judicial proceedings involving the Borrower from commencing or prosecuting foreclosure or other appropriate proceedings, the times specified for commencing or prosecuting such foreclosure or other proceedings shall be extended for the period of such prohibition; provided that the Lender shall have fully cured any default in the payment of any monetary obligations of the Borrower under the Ground Lease and shall continue to pay currently such monetary obligations when the same fall due; provided, further, that the Lender shall not interfere with the Ground Lessor's efforts to seek compliance by the Borrower with any non-monetary obligation under the Ground Lease .
- (c) Prior to the expiration of the cure rights of the Lender hereunder, the Ground Lessor shall not affect or cause any purported termination of the Ground Lease nor take any action to deny the Borrower or any sub-tenant possession, occupancy, or quiet enjoyment of the Leasehold or any part thereof.
- (d) The Lender and its agents and contractors shall have full access to the Leasehold for purposes of accomplishing any of the foregoing. Any of the foregoing done by the Lender

shall be as effective to prevent a termination of the Ground Lease as the same would have been if done by the Borrower.

#### 1.4 New Lease.

- (a) In the event of the termination or cancellation of the Ground Lease prior to the natural expiration of the term of the Ground Lease due to a default of the Borrower or operation of law or otherwise (including, without limitation, the bankruptcy filing of the Borrower or the commencement of an insolvency proceeding or similar proceeding, an act of condemnation or eminent domain against a portion of the Leasehold by a government agency or body, the destruction or damage of any portion of the Leasehold, or a change in the control or management of the Borrower), the Ground Lessor shall also be obligated to give notice to the Lender simultaneously with such notice given to the Borrower, which notice shall include a statement of all sums which would be due under the Ground Lease at the time of termination and all other defaults of the Borrower existing at such time.
- (b) After cancellation and termination of the Ground Lease and upon compliance with the provisions of this Section 1.5 by the Lender, or its designee, within such time, the Ground Lessor shall thereupon execute and deliver such New Lease to the Lender or its designee, having the same relative priority in time and right as the Ground Lease and having the benefit of all the right, title, interest, powers and privileges of the Borrower hereunder in and to the Leasehold (other than with respect to Excluded Defaults) and the Ground Lessor and the new ground lessee shall execute and deliver any deed or other instrument and take such other action as may be reasonably necessary to confirm or assure such right, title, interest or obligations. Upon the execution and delivery of the New Lease, the Leasehold shall automatically vest in the Lender or the designee until the expiration or earlier termination of the term of the New Lease.
- (c) Nothing herein contained shall require the Lender to accept a New or Amended Lease.
- (d) The Lender shall not be liable to the Ground Lessor for Borrower's obligations under the Ground Lease unless and until it expressly assumes such liability in writing. In the event the Lender or other transferee becomes the ground lessee under the Ground Lease, the Lender or other transferee shall not be liable for the obligations of the Borrower under the Ground Lease that do not accrue during the period of time that the Lender or such other transferee, as the case may be, remains the actual ground lessee under the Ground Lease or Amended Lease, holding record title to the Leasehold, other than the requirement that the Lender cure any monetary defaults by the Borrower upon entering into an Amended Lease. No Assignments or Amendments. Ground Lessor shall not consent to an assignment of the Ground Lease by the Borrower, without the Lender's prior written consent. Ground Lessor shall not enter into a modification or amendment of the Ground Lease without the prior written consent of Lender, and the Lender shall not be bound by any modification or amendment of the Lease made without Lender's prior written consent, unless otherwise the Lender elects to be so bound in writing and in the Lender's sole discretion. Lender's consent under this paragraph shall not be unreasonably withheld, conditioned or delayed.

In the event Lender acquires Borrower's interest in the Ground Lease, the Lender may assign said interest and be released from all liability for performing or observing the covenants and conditions contained in the Ground Lease *provided that* (1) all rent under the Ground Lease has been paid in full for the period through the day prior to the effective date of such assignment; (2) such assignee or transferee shall have expressly assumed the

Ground Lease in writing, and written evidence thereof shall have been submitted to Ground Lessor within ten (10) business day after the effective date of such assignment; and (3) Ground Lessor has given its written consent to the assignment or transfer of the Ground Lease by the Lender, which consent shall not be unreasonably withheld, conditioned or delayed.

- 1.5 The Borrower's Personal Property. In the event of any default by the Borrower under the Ground Lease or any Loan Documents, the Ground Lessor will allow the Lender to enforce its lien and security interest in the Borrower's personal property located at the Leasehold and the Ground Lessor will allow the Lender to assemble and remove all of the Borrower's personal property located on the Leasehold.

## **2. Ground Lessor's and Borrower's Representations and Warranties**

The Ground Lessor and the Borrower hereby makes the following representations and warranties to the Lender:

- 2.1 The attached **Exhibit A** is a true and correct copy of the Ground Lease. There have been no defaults under the Ground Lease and it is in full force and effect, as amended or otherwise modified to date. All obligations under the Ground Lease have been timely performed. The Ground Lease has not been modified in any way and it is the only agreement between the Borrower and the Ground Lessor.
- 2.2 The Ground Lease is in full force and effect and has not been modified, amended, supplemented or terminated.
- 2.3 All rents and other sums and charges which are due and payable by the Borrower under the Ground Lease through the date hereof have been paid in full.
- 2.4 The Ground Lessor holds no money of the Borrower other than as provided in the terms of the Ground Lease, and Borrower is not entitled to any refunds.
- 2.5 There is no default on the part of the Borrower under the Ground Lease and no event has occurred or condition exists that with the passage of time or the giving of notice or both would constitute a default on the part of the Borrower under the Ground Lease.
- 2.6 There is no default on the part of the Ground Lessor under the Ground Lease, and no event has occurred or condition exists that with the passage of time or giving of notice or both would constitute a default on the part of the Ground Lessor under the Ground Lease.
- 2.7 The Security Instrument is permitted under the Ground Lease, and the execution, delivery and recording of the Security Instrument will not constitute a default under the Ground Lease.
- 2.8 The Ground Lessor has not transferred, mortgaged, assigned, sublet or pledged its interest in the Ground Lease or the Property, or any portion thereof, to any person or entity.

## **3. Miscellaneous**

- 3.1 Notice. Any notice to be given to the parties hereunder shall be deemed to have been given to and received by them and shall be effective when personally delivered, by Federal Express or similar nationally recognized overnight delivery service, or when deposited in the U.S. mail, certified or

registered mail, return receipt requested, postage prepaid, and addressed as follows, or at such other address as one of the parties may hereafter designate in writing to the other party.

|                      |  |
|----------------------|--|
| If to Lender:        | Pasadena Private Lending Inc.<br>2 North Lake Avenue, Suite 510<br>Pasadena, California 91101<br>Attn: Craig R. Colbath, Chief Financial Officer |
| If to Ground Lessor: | City of Manassas<br>Airport Director<br>Manassas Regional Airport<br>P.O. Box 560<br>Manassas, Virginia 20108                                    |
| If to Borrower:      | c/o Precision Flight Technologies, LLC<br>10781 James Payne Court<br>Manassas, Virginia 20110<br>Attn: Philip Rogers                             |

Covenant of Further Assurances. The parties will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to this Agreement and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Agreement.

- 3.2 Entire Agreement. This Agreement, together with the Ground Lease, represents the entire agreement between the three parties hereto and this Agreement may only be modified by a written instrument signed by all parties.
- 3.3 Reliance; Successors and Assigns. This Agreement and the representations and agreements made herein are given with the understanding that this Agreement constitutes a material inducement for the Lender to make the Loan to the Borrower and that the Lender shall rely hereon in making the Loan to the Borrower. This Agreement and the representations and agreements made herein shall inure to the benefit of the Lender, their successors and assigns and shall be binding on the Ground Lessor, its heirs, legal representatives, successors and assigns.
- 3.4 Severability. The invalidity or unenforceability of any provision of this Agreement will not affect the validity of any other provision, and all other provisions will remain in full force and effect.
- 3.5 No Waiver. No consent or waiver by either party to or of any breach of any representation, covenant or warranty shall be construed as a consent to or waiver of any other breach of the same or any other representation, covenant, or warranty.
- 3.6 Third Party Beneficiaries. No creditor of any party to this Agreement, nor any other person, is intended to be a third party beneficiary of this Agreement.
- 3.7 Governing Law. This Agreement is entered into and shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.
- 3.8 Jurisdiction and Venue. With respect to any suit, action or proceedings relating to this Agreement (the "Proceedings") each party irrevocably (a) submits to the exclusive jurisdiction of the state and

federal courts located in the Commonwealth of Virginia, and (b) waives any objection which it may have at any time to the laying of venue of any proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have jurisdiction over such party.

- 3.9 Waiver of Jury Trial. **THE PARTIES HERETO HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, OR ANY ACTS OR OMISSIONS OF THE LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH; AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.**
- 3.10 Captions, Cross-References and Exhibits. The captions assigned to provisions of this Agreement are for convenience only and will be disregarded in construing this Agreement. Any reference in this Agreement to a "Section," a "Subsection," or an "Exhibit" will, unless otherwise explicitly provided, be construed as referring to a section of this Agreement, to a subsection of the section of this Agreement in which the reference appears or to an Exhibit attached to this Agreement. All Exhibits referred to in this Agreement are incorporated by reference.
- 3.11 Counterparts. This Agreement may be executed in any number of original counterparts, all of which evidence only one agreement, binding on all parties, even though all parties are not signatory to the same counterpart.
- 3.12 Authority. Any individual executing this Agreement on behalf of the parties represents and warrants that he or she has been authorized to do so and has the power to bind the party for which he or she purports to act.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]



**IN WITNESS WHEREOF**, this Agreement is executed as of the date first written above.

**GROUND LESSOR:**

THE CITY OF MANASSAS,  
A Virginia municipal corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of November, 2024, by [\_\_\_\_], the [\_\_\_\_], on behalf of the [\_\_\_\_].

Notary Public

[Affix Notary Seal]

FLYING CROWN LLC,  
a Virginia limited liability company

Title:

COMMONWEALTH OF VIRGINIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of November, 2024, by [\_\_\_\_], the [\_\_\_\_], on behalf of the [\_\_\_\_].

[Affix Notary Seal]

**LENDER:**

PASADENA PRIVATE LENDING INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: Craig R. Colbath  
Title: Chief Financial Officer

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of \_\_\_\_\_ )  
County of \_\_\_\_\_ ) SS:

Subscribed and sworn to (or affirmed) before me on this \_\_\_\_\_ day of \_\_\_\_\_  
by \_\_\_\_\_

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_ (Seal)

**Exhibit A**

**Ground Lease**

**Exhibit B**

**Legal Description**

PREPARED OUTSIDE OF THE  
COMMONWEALTH BY AND  
WHEN RECORDED MAIL TO:

Dorsey & Whitney LLP  
200 Crescent Court, Suite 1600  
Dallas, TX 75201  
Attention: Larry Makel

Tax Map No.: \_\_\_\_\_

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

**MEMORANDUM OF  
GROUND LEASE RECOGNITION AND  
ESTOPPEL**

**THIS MEMORANDUM OF GROUND LEASE RECOGNITION AND ESTOPPEL** (“**Agreement**”) is made and entered into as of November [ ], 2024 by **THE CITY OF MANASSAS** (“**Ground Lessor**”), and **FLYING CROWN LLC**, a Virginia limited liability company (“**Borrower**”), and is in favor of **PASADENA PRIVATE LENDING INC.**, a Delaware corporation, and its successors and assigns (“**Lender**”).

**WITNESSETH:**

**WHEREAS** the Ground Lessor, as lessor, and the Borrower, as lessee, are parties to a Franchise Agreement dated January 1, 2004 (the “**Ground Lease**”). The Ground Lease pertains to that certain real property located at 10781 James Payne Court, Manassas, Virginia and more particularly described in **Exhibit A** (the “**Property**”), Capitalized terms used and not defined herein shall have the respective meanings given to such terms in the Ground Lease; and

**WHEREAS**, Lender is making a loan in the amount of Seven Million and 00/100 Dollars (\$7,000,000.00) (the “**Loan**”) to the Borrower, which will be secured by (i) a first position Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing, dated of even date herewith (the “**Security Instrument**”) and encumbering the Borrower’s leasehold interest in the Property under and in accordance with the Ground Lease or any replacement ground lease (the “**Leasehold**”), and (ii) other collateral security documents given by the Borrower to the Lender, all dated of even date herewith (the instruments described in the foregoing clauses (i) through (iii), collectively, the “**Loan Documents**”); and

**WHEREAS**, as a condition for making such Loan, Lender, has required Ground Lessor and Borrower to execute and deliver in favor of Lender, a certain Ground Lease Recognition and Estoppel Agreement, dated as of the date hereof (the “**Ground Lease Estoppel Agreement**”); and

**WHEREAS**, Ground Lessor, Borrower and Lender desire to enter into this Agreement to be recorded in order to provide third parties with notice of the existence of the Ground Lease Estoppel Agreement, in lieu of recording the Ground Lease Estoppel Agreement.

**NOW THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Ground Lessor and Borrower agree for the benefit of Lender, as follows:

1. Recitals Incorporated. The foregoing recitals are incorporated by reference into this Section as if set forth in this Section in full.

2. Incorporation of the Ground Lease Estoppel Agreement. This Agreement has been executed for purposes of public recording and to give notice of the Ground Lease Estoppel Agreement and all of its terms, covenants, agreements, conditions and provisions to the same extent as if the Ground Lease Estoppel Agreement were fully set forth herein. This Agreement hereby expressly incorporates by reference all terms, agreements, conditions, covenants and provisions of the Ground Lease Estoppel Agreement, and those terms, agreements, conditions, covenants and provisions are hereby made a part hereof. It is not intended that this Agreement constitute an amendment to the Ground Lease Estoppel Agreement, and the Ground Lease Estoppel Agreement shall control in the event of any inconsistency between the Ground Lease Estoppel Agreement and this Agreement. All rights and obligations of Ground Lessor and Borrower and any persons claiming by, through or under either of them shall be subject to all provisions and conditions of the Ground Lease Estoppel Agreement.

3. Binding Effect. This Agreement shall be binding upon Ground Lessor, Borrower, and their respective successors and assigns, and shall inure to the benefit of Lender and its successors and assigns, and shall be deemed to contain covenants running with the land.

4. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and part of one and the same document.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK –  
SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the undersigned have caused this Agreement to be duly executed as of the day and year first above written.

**GROUND LESSOR:**

THE CITY OF MANASSAS

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of November, 2024, by [\_\_\_\_\_] , the [\_\_\_\_\_] , on behalf of the [\_\_\_\_\_].

Notary Public

[Affix Notary Seal]



**BORROWER:**

FLYING CROWN LLC,  
a Virginia limited liability company

By: \_\_\_\_\_

Name:

Title:

COMMONWEALTH OF VIRGINIA

)

) ss.

COUNTY OF \_\_\_\_\_

)

The foregoing instrument was acknowledged before me this \_\_\_\_ day of November, 2024, by  
[\_\_\_\_], the [\_\_\_\_], on behalf of the  
[\_\_\_\_\_].

\_\_\_\_\_  
Notary Public

[Affix Notary Seal]

**EXHIBIT A**

**Legal Description**

PREPARED OUTSIDE THE COMMONWEALTH OF VIRGINIA BY,  
AND UPON RECORDATION RETURN TO:  
Dorsey & Whitney LLP  
200 Crescent Court, Suite 1600  
Dallas, TX 75201  
Attention: Larry Makel

**FLYING CROWN LLC,**  
as grantor for indexing purposes (“Trustor”)

to

[\_\_\_\_\_],

as trustee (Trustee), a “grantee” for indexing purposes

for the benefit of

**PASADENA PRIVATE LENDING INC.**  
as beneficiary (Beneficiary), a “grantee” for indexing purposes

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**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

---

**THIS IS A CREDIT LINE DEED OF TRUST.**

Dated: As of November [\_\_\_], 2024  
Location: 10781 James Payne Court, Manassas, Virginia  
Tax Parcel #: [\_\_\_\_\_]   
City: Manassas

**THIS IS A CREDIT LINE DEED OF TRUST WITHIN THE MEANING OF SECTION 55.1-318 OF THE CODE OF VIRGINIA (1950), AS AMENDED. FOR PURPOSES OF SUCH SECTION, (I) THE NAME OF THE BENEFICIARY SECURED BY THIS DEED OF TRUST IS PASADENA PRIVATE LENDING INC, (II) THE ADDRESS AT WHICH COMMUNICATIONS MAY BE MAILED OR DELIVERED TO THE BENEFICIARY IS 2 NORTH LAKE AVENUE, SUITE 510, PASADENA, CALIFORNIA 91101, AND (III) THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT TO BE SECURED HEREBY IS SEVEN MILLION AND NO/100 DOLLARS (\$7,000,000.00).**

**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY  
AGREEMENT AND FIXTURE FILING**

THIS LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this “**Deed of Trust**”) is made as of November \_\_\_\_ 2024, by **FLYING CROWN LLC**, a Virginia limited liability company, having an address at [\_\_\_\_\_] , as trustor (“**Trustor**”), to [\_\_\_\_\_] , having an address at [\_\_\_\_\_] , as trustee (“**Trustee**”), for the benefit of **PASADENA PRIVATE LENDING INC.**, a Delaware corporation, having an address at 2 North Lake Avenue, Suite 510, Pasadena, California 91101, as beneficiary (together with its successors and assigns in such capacity, “**Beneficiary**”).

**W I T N E S S E T H:**

**WHEREAS**, this Deed of Trust is given to secure a loan (the “**Loan**”) in the maximum principal sum of up to \$7,000,000.00 or so much thereof as may be advanced pursuant to that certain Loan Agreement, dated as of September 19, 2024, as amended by that certain First Amendment and Joinder to Loan Agreement dated as of the date hereof (collectively, the “**Loan Agreement**”) and evidenced by the following notes (i) that certain Amended and Restated Promissory Note, dated as of the date hereof, executed by Precision Flight Technologies, LLC, a Virginia limited liability company, RD2, LLC, a Virginia limited liability company, Optical Air Data Systems, LLC, a Virginia limited liability company, and Trustor (each a “**Borrower**” and collectively, the “**Borrowers**”) and payable to the order of the Beneficiary in the original principal amount of \$5,000,000.00, and (ii) that certain Revolving Credit Note, dated as of the date hereof, executed by Borrowers and payable to the order of the Beneficiary in the original principal amount of up to \$2,000,000.00 ((i) and (ii) are each a “**Note**” and collectively, the “**Notes**”).

**WHEREAS**, Trustor desires to secure the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums due to Beneficiary in respect of the Loan under the Notes, the Loan Agreement and the other Loan Documents (defined herein) (the “**Debt**”) and the performance of all of Trustor’s obligations under the Notes, the Loan Agreement and the other Loan Documents (as herein defined);

**WHEREAS**, the City of Manassas, as Landlord, and Trustor, as Tenant, are the parties to that certain Franchise Agreement dated January 1, 2004, relating to the real property located in Manassas, Commonwealth of Virginia, which is more particularly described on Exhibit A attached hereto, together with all improvements located thereon, and all easements, rights, benefits and privileges appurtenant thereto; and

**WHEREAS**, this Deed of Trust is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Trustor of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement and the Notes, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Deed of Trust (the Loan Agreement, the Notes, this Deed of Trust, and all other documents evidencing or securing the Debt (including all additional mortgages, deeds of trust, deeds to secure debt and assignments of leases and rents) or executed or delivered in connection therewith, are hereinafter referred to collectively as the “**Loan Documents**”). Terms not otherwise defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

**NOW THEREFORE**, in consideration of the making of the Loan by Beneficiary and the covenants, agreements, representations and warranties set forth in this Deed of Trust and the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by Trustor:

## **ARTICLE I - GRANTS OF SECURITY**

Section 1.1 **Property Conveyed**. Trustor does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey unto Trustee, subject to applicable Virginia law, in trust for the benefit of Beneficiary and its successors and assigns, WITH POWER OF SALE, all right, title, interest and estate of Trustor now owned, or hereafter acquired by Trustor, in and to the following (collectively, the **“Property”**):

(a) **Leasehold Estate**. The Ground Lease, and all rights, title, estate and interest of Trustor in, to and under the Ground Lease, including, without limitation, the leasehold estate created by the Ground Lease, together with all rights and privileges of Trustor under Section 365 of the Bankruptcy Code (including, without limitation, any rights to amend, reject, terminate, cancel or surrender the Ground Lease pursuant to the Bankruptcy Code) (a **“365 Election”**), and all of Trustor’s claims and rights to the payment of damages that may arise from Landlord’s failure to perform under the Ground Lease, or rejection of the Ground Lease under the Bankruptcy Code or any other law;

(b) **Land**. Trustor’s leasehold estate created under the Ground Lease in the real property described in Exhibit A attached hereto and made a part hereof together with any greater estate therein as hereafter may be acquired by Borrower (the **“Land”**);

(c) **Additional Land**. All additional lands, estates and development rights hereafter acquired by Trustor for use in connection with the Land and for the business conducted on the Land and all additional lands and estates therein which may, from time to time, by addendum, modification, supplemental mortgage or deed of trust or otherwise be expressly made subject to the lien of this Deed of Trust (collectively, the **“Additional Land”**);

(d) **Improvements**. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the **“Improvements”**);

(e) **Easements**. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Trustor of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(f) **Equipment**. All “goods” and “equipment,” as such terms are defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Trustor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment

DEED OF TRUST– Page 3

Error! Unknown document property name.

now owned or hereafter acquired by Trustor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the “**Equipment**”). Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under leases except to the extent that Trustor shall have any right or interest therein including without limitation any revisionary or remainder interest in such Equipment;

(g) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Trustor which is so related to the Land and Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, cleaning, call and sprinkler systems, fire extinguishing apparatuses and equipment, lighting, heating, ventilating, plumbing, laundry, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Trustor’s interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the “**Fixtures**”). Notwithstanding the foregoing, “Fixtures” shall not include any property which tenants are entitled to remove pursuant to leases except to the extent that Trustor shall have any right or interest therein including without limitation any revisionary or remainder interest in such Fixtures;

(h) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, equipment, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Trustor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the “**Personal Property**”), and the right, title and interest of Trustor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the “**Uniform Commercial Code**”), superior in lien to the lien of this Deed of Trust and all proceeds and products of the above;

(i) Leases and Rents. (i) All leases, ground leases, subleases or subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment, extension, renewal, replacement or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into (collectively, the “**Leases**”), whether before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code; (ii) all right, title and interest of Trustor, its successors and

DEED OF TRUST– Page 4

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assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the tenants of their obligations thereunder and all rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses to the extent owned by Trustor) from the Land and the Improvements whether paid or accruing before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code (collectively, the “**Rents**”); and (iii) all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment and performance of the Obligations, including the payment of the Debt;

(j) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(k) Insurance Proceeds. All proceeds in respect of the Property under any insurance policies covering the Property (the “**Policies**”), including, without limitation, the right to receive and apply the proceeds of any Policies, judgments, or settlements made in lieu thereof, for damage to the Property;

(l) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(m) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

(n) Rights. The right, in the name and on behalf of Trustor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Beneficiary in the Property;

(o) Agreements. All agreements, contracts, certificates, instruments, franchises, management agreements, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting or pertaining to any business or activity conducted on the Land and any part thereof and all right, title and interest of Trustor therein and thereunder, including, without limitation, the right, upon the happening of any default hereunder, to receive and collect any sums payable to Trustor thereunder;

(p) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(q) Accounts. All reserves, escrows and deposit accounts maintained by Trustor with respect to the Property, including, without limitation, all accounts established or maintained pursuant to the Loan Agreement or any other Loan Document, together with all deposits or wire transfers made to such accounts, and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time, and all proceeds, products, distributions, dividends and/or substitutions thereon and thereof (collectively, the “**Accounts**”);

(r) Letters of Credit. All letter-of-credit rights (whether or not the letter of credit is evidenced by a writing) Trustor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.1;

(s) Tort Claims. All commercial tort claims Trustor now has or hereafter acquires relating to the properties, rights, titles and interests referred to in this Section 1.1;

(t) Proceeds. All proceeds of, and proceeds of any sale of, any of the foregoing, including, without limitation, proceeds of insurance and condemnation awards, whether in cash or in liquidation or other claims, or otherwise; and

(u) Other Rights. Any and all other rights of Trustor in and to the items set forth in Subsections (a) through (s) above.

AND without limiting any of the other provisions of this Deed of Trust, to the extent permitted by applicable law, Trustor expressly grants to Trustee, as secured party, a security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and Fixtures are part and parcel of the Land (the Land, the Additional Land, the Improvements and the Fixtures collectively referred to as the “**Real Property**”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Deed of Trust be deemed conclusively to be real estate and conveyed hereby.

#### Section 1.2 Assignment of Rents.

(a) Trustor hereby absolutely and unconditionally assigns to Beneficiary and Trustee all of Trustor’s right, title and interest in and to all current and future Leases and Rents; it being intended by Trustor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of Section 7.1(h) of this Deed of Trust, Beneficiary grants to Trustor a revocable license to (and Trustor shall have the right to) collect, receive, use and enjoy the Rents and Trustor shall hold the Rents in trust for the benefit of Beneficiary for use in the payment of such sums. This assignment is effective without any further or supplemental assignment documents.

Section 1.3 Security Agreement. This Deed of Trust is both a real property deed of trust and a “security agreement” within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Trustor in the Property. By executing and delivering this Deed of Trust, Trustor hereby grants to Beneficiary, as security for the Obligations (hereinafter defined), a security interest in the Fixtures, the Equipment and the Personal Property and other property constituting the Property, whether now owned or hereafter acquired, to the full extent that the Fixtures, the Equipment, the Personal Property and such other property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the “**Collateral**”). If an Event of Default shall occur and be continuing, Beneficiary, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Beneficiary after the occurrence and during the continuance of an Event of Default, Trustor shall, at its expense, assemble the Collateral and make it available to Beneficiary at a convenient place (at



the Land if tangible property) reasonably acceptable to Beneficiary. Trustor shall pay to Beneficiary on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by Beneficiary in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Collateral sent to Trustor in accordance with the provisions hereof at least ten (10) days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Trustor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Beneficiary to the payment of the Debt in such priority and proportions as Beneficiary in its discretion shall deem proper. Trustor's (debtor's) principal place of business is as set forth on page two hereof and the address of Beneficiary (secured party) is as set forth on page two hereof.

**Section 1.4 Fixture Filing.** Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, described or referred to in this Deed of Trust, and this Deed of Trust, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement naming Trustor as Debtor and Beneficiary as the Secured Party filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures. This Deed of Trust constitutes a fixture filing in accordance with Virginia law. For this purpose, the respective addresses of Trustor, ad debtor, and Beneficiary, as secured party, are set forth in the preamble of this Deed of Trust. Trustor is the record owner of the Property, and Trustor's organizational identification number is [REDACTED].

**Section 1.5 Pledges of Monies Held.** Trustor hereby pledges to Beneficiary any and all monies now or hereafter held by Beneficiary or on behalf of Beneficiary as additional security for the Obligations until expended or applied as provided in this Deed of Trust or the Loan Agreement.

## **CONDITIONS TO GRANT**

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Trustee and its successors and assigns, forever;

**IN TRUST, WITH POWER OF SALE**, to secure payment to Beneficiary of the Obligations at the time and in the manner provided for its payment in the Notes and in this Deed of Trust;

PROVIDED, HOWEVER, these presents are upon the express condition that, if the Debt is paid at the time and in the manner provided in the Notes, the Loan Agreement and this Deed of Trust, Trustor shall well and truly perform the Other Obligations (defined herein) as set forth in this Deed of Trust and shall well and truly abide by and comply with each and every covenant and condition set forth herein and in the Notes, the Loan Agreement and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void and Beneficiary or Trustee shall execute and deliver to Trustor, at its request, such documents as may be reasonably necessary to evidence the release of record of the lien of this Deed of Trust; provided, however, that Trustor's obligation to indemnify and hold harmless Beneficiary pursuant to the provisions hereof shall survive any such payment or release.

## **ARTICLE II – REPRESENTATIONS AND WARRANTIES**

Trustor represents, warrants and covenants to the Beneficiary, its successors and assigns, that, as of the date hereof:

Section 2.1 **Title to Property; Encumbrances.** Trustor represents to the Beneficiary, its successors and assigns, that the Trustor holds good and clear record and marketable leasehold interest in the Property and has good right to grant a security interest in the same. Trustor is aware of no encumbrances to the Property except as may be set forth in Schedule B of that certain [Leasehold Policy of Title Insurance] issued to the Beneficiary by [\_\_\_\_\_] and insuring the first lien position of this Security Instrument (the “**Permitted Encumbrances**”).

Section 2.2 **Organization.** Trustor is duly organized, validly existing and in good standing under the laws of the state or commonwealth of its organization, is duly qualified to do business in all states and any commonwealth in which it is required to be so qualified, and has complied with all certifications, filings, and requirements necessary to qualify and do business in such state or commonwealth.

Section 2.3 **Authorization.** Trustor has all requisite power and authority to enter into this Security Instrument and to perform its obligations hereunder, to own the Property (including to own the leasehold interests in the portion of the Premises constituting real property), to enter into the Notes, this Security Instrument and the other Loan Documents and to borrow the monies and otherwise assume and perform the obligations on its part to be assumed and performed as contemplated thereunder, and is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it. Neither the borrowing of the monies nor the execution and delivery of the Loan Documents nor the performance of the provisions of the agreements therein contained on the part of Trustor will contravene, violate or constitute a default under the organizational and other governing instruments of Trustor or result in the breach of any term or provision of, or conflict with or constitute a default under or result in the acceleration of any obligation under any agreement, indenture, loan or credit agreement or other instrument which Trustor or the Property is subject or result in the violation of any law, ordinance, rule, regulation, judgment or decree to which Trustor is a party or by which Trustor or the Property are subject. No consent or approval of any regulatory authority having jurisdiction over Trustor is necessary or required by law as a prerequisite to the execution, delivery and performance of the terms of the Loan Documents.

Section 2.4 **Mechanics’ Liens.** The Property is free from any mechanics’ or materialmen’s liens or claims. There has been no labor or materials furnished to the Property by or on behalf of the Trustor and, to the Trustor’s knowledge, by or on behalf of others, that has not been paid for in full.

Section 2.5 **Premises Use Compliance.** The Trustor has no notice, information or knowledge of any change contemplated in any applicable law, ordinance, regulation or restriction, or any judicial, administrative, governmental or quasi-governmental action, or any action by adjacent landowners, or natural or artificial condition existing upon the Property which would limit, restrict or prevent the contemplated or intended use and purpose of the Property. To the best of the Trustor’s knowledge, the Property complies with all zoning ordinances, energy and environmental codes, building, parking and use restrictions and codes, and any requirements with respect to licenses, permits and agreements necessary for the lawful use and operation of the Property.

Section 2.6 **General Compliance.** To the knowledge of the Trustor, the Trustor and the Property are in compliance with all other state and federal laws, including but not limited to the Federal Controlled Substances Act (21 U.S.C. § 801 et seq.) and all other applicable federal, state and local laws, ordinances, codes, rules, regulations and orders.

Section 2.7 **No Condemnation.** There is no pending condemnation or similar proceeding affecting the Property, or any portion thereof nor, to the best knowledge of the Trustor, is any such action being presently contemplated.

Section 2.8 **No Agricultural Use.** No part of the Property is being used or will be used principally, or at all, for agricultural or farming purposes.

Section 2.9 **No Casualty; Condition of Premises.** The Property is undamaged by fire, windstorm or other casualty. The Property is free of material structural defects and all building systems contained therein are in good working order in all material respects subject to ordinary wear and tear.

Section 2.10 **Solvency; Fraudulent Conveyance.** Except as disclosed to the Beneficiary in writing, neither the Trustor nor any affiliate of the Trustor has been the subject of foreclosure or insolvency proceedings. The Trustor is not presently insolvent, and the execution and delivery of the Loan Documents will not render the Trustor insolvent. As used herein, the word “insolvent” means that the sum total of all of an entity’s liabilities (whether secured or unsecured, contingent or fixed, or liquidated or unliquidated) is in excess of the value of all of such entity’s non-exempt assets, i.e., all of the assets of the entity that are available to satisfy claims of creditors. After the execution and delivery of the Loan Documents, the Trustor shall have sufficient working capital, including cash flow from the Property or other sources, not only to adequately maintain the Property, but also to pay all of the Trustor’s outstanding debts as they become due. The Trustor has not entered into this Loan transaction or any of the Loan Documents with the intent to hinder, delay or defraud any creditor, and has received reasonably equivalent value in exchange for the transfers made and its obligations incurred under the Loan Documents.

Section 2.11 **ERISA.** Neither the Trustor nor any affiliate of the Trustor is (a) an “employee benefit plan” as defined under ERISA or (b) a “plan” as defined in Section 4975(e)(1) of the Internal Revenue Code, and the Premises do not constitute “plan assets” within the meaning of the Department of Labor Regulation Section 2510.3-101.

Section 2.12 **ADA.** To the best of the Trustor’s knowledge, the Trustor has complied with all requirements of the Americans with Disabilities Act, 42 U.S.C. Sections 12101-12213, as the same may be amended from time to time (the “**Americans with Disabilities Act**”).

Section 2.13 **Anti-Terrorism.** The Trustor and its affiliates are not and will not become a Person described by Section 1 of The Anti-Terrorism Executive Order 13,224 of September 23, 2001 blocking property and prohibiting transactions with Persons who commit, threaten to commit, or support terrorism, 66 Fed. Reg. 49,049 (2001), or described in any rule or regulation implementing the same and, to the best knowledge and belief of the Trustor after due and adequate diligence, neither the Trustor nor any affiliate of the Trustor engages or will engage in any dealings or transactions, or be otherwise associated with, any such Persons.

Section 2.14 **USA Patriot Act.** The Trustor and all affiliates of the Trustor are in compliance, and will remain in compliance, with the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the “**USA Patriot Act**”). No Trustor, affiliate of the Trustor, or person owning an interest in the Trustor or in any affiliate of the Trustor are on the United States Treasury’s Office of Foreign Asset Control (“**OFAC**”) list of Specially Designated Nationals and Blocked Persons or on any state list of persons that engage in prohibited activities in Iran or any other country that is subject to OFAC or other state law sanctions (each such list, an “**OFAC List**”).

Section 2.15 **Separate Tax Parcel.** The Property is comprised of one or more parcels, each of which constitutes a tax parcel which pertains to the Premises only and not to any property which is not subject to this Security Instrument.

Section 2.16 **Utilities and Access.** The Property has adequate access to public ways and is served by all utilities required for the current use thereof. The heating, electrical, sanitary sewer plumbing, storm sewer plumbing, potable water plumbing and other building equipment, fixtures and fittings at the Premises are in good condition and working order, subject to ordinary wear and tear, are adequate in quantity and quality for normal and usual use.

Section 2.17 **Continuing Obligation.** The Trustor further warrants and represents that all statements made hereunder are true and correct and that all financial statements, data and other information provided to the Beneficiary by the Trustor relating to or provided in connection with this transaction have not and does not contain any statement which, at the time and in the light of the circumstances under which it was made, would be false or misleading with respect to any material fact, or would omit any material fact necessary in order to make any such statement contained therein not false or misleading in any material respect, and since such statement, data or information was provided there has been no material change thereto or to the condition of the Trustor. Should the Trustor subsequently obtain knowledge that such representation was or is untrue, the Trustor shall immediately notify the Beneficiary as to the untrue nature of said representation and agrees to take action as may be necessary to cause such representation to become true.

Section 2.18 **Ground Lease.**

- (i) The Ground Lease is unmodified and in full force and effect;
- (ii) All rents and other charges to be paid by the Trustor as tenant under the Ground Lease are current;
- (iii) The Trustor is not in default under the Ground Lease, nor has there occurred any event that otherwise would permit the Landlord to cancel, terminate or otherwise limit the Ground Lease in any manner;
- (iv) The Trustor is not aware of any default by the Landlord under the Ground Lease or the existence of circumstances which would constitute a default by the Landlord under the Ground Lease;
- (v) The Trustor owns and holds the Ground Lease and the entire leasehold estate created thereby, has not assigned its rights under the Ground Lease (except as security for the mortgage loan made to Trustor pursuant to that certain Tax Increment Financing Agreement dated January 31, 2007 (the “**TIF Loan**”)), and has the right under the Ground Lease or has received all appropriate consents required in order for the Trustor to execute this Security Instrument and mortgage the Trustor’s interest thereunder;
- (vi) The Trustor has delivered to the Beneficiary a true, accurate and complete copy of the Ground Lease;
- (vii) The Trustor enjoys the quiet and peaceful possession of the premises demised under the Ground Lease and the Trustor agrees to defend the leasehold estate created under the Ground Lease for the entire remainder of the term set forth therein; and

- (viii) Neither the Landlord nor the Trustor has any offsets, claims or defenses with respect to the performance of either party's obligations under the Ground Lease, as of the date hereof, and the Trustor shall promptly give Beneficiary written notice should any such offset, claim or defense arise.

The term "affiliate," as used herein, shall mean as to any person or entity, any other person or entity that, directly or indirectly, is in control of, is controlled by or is under common control with such person or entity or is a director, partner, member or officer of such person or entity or of an affiliate of such person or entity. As used herein, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of management, policies or activities of a person or entity, whether through ownership of voting interests, by contract or otherwise.

### ARTICLE III -DEBT AND OBLIGATIONS SECURED

Section 3.1 **Debt.** This Deed of Trust and the grants, assignments and transfers made in Article I are given for the purpose of securing the Obligations, including, but not limited to, the Debt; provided however, the total amount of the Obligations to which the Property may be subjected for payment may not exceed the principal amount of **SEVEN MILLION DOLLARS (\$7,000,000.00)**, plus without limitation as to amount, (i) interest and charges at the rates provided in the Loan Documents, (ii) all costs, expenses and attorney's fees incurred by the Trustee and/or Beneficiary in connection with the collection of any amounts due or in the protection of the Property or enforcement of its rights or remedies under the Loan Documents, (iii) all sums advanced by the Trustee and/or Beneficiary to or for the benefit of the Trustor pursuant to the provisions of this Deed of Trust or the other Loan Documents, and (iv) the payment and performance by the Trustor of each and all of the terms and covenants of this Deed of Trust.

Section 3.2 **Other Obligations.** This Deed of Trust and the grants, assignments and transfers made in Article I are also given for the purpose of securing the following (the "**Other Obligations**"):

- (a) the performance of all other obligations of Borrowers and Trustor contained herein;
- (b) the performance of each obligation of Borrowers and Trustor contained in the Loan Agreement and any other Loan Document; and
- (c) the performance of each obligation of Borrowers and Trustors contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Notes, the Loan Agreement or any other Loan Document.

Section 3.3 **Debt and Other Obligations.** Borrowers' and Trustor's obligations for the payment of the Debt and Borrowers' and Trustor's obligations for the performance of the Other Obligations shall be referred to collectively herein as the "**Obligations.**"

### ARTICLE IV - TRUSTOR COVENANTS

Trustor covenants and agrees that throughout the term of the Loan:

Section 4.1 **Payment of Debt.** Trustor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Notes and this Deed of Trust.

Section 4.2 **Incorporation by Reference.** All the covenants, conditions and agreements contained in (a) the Loan Agreement and (b) any and all documents other than the Notes, this Deed of Trust or the Loan Agreement now or hereafter executed by Trustor, affiliates of Trustor, and/or others and by or in favor of Beneficiary, which wholly or partially secure or guaranty payment of the Notes, are hereby made a part of this Deed of Trust to the same extent and with the same force as if fully set forth herein.

Section 4.3 **Insurance.** Trustor shall insure the Property against loss or damage by fire and such other risks as Beneficiary shall from time to time require. Beneficiary, by reason of accepting, rejecting, approving or obtaining insurance, shall not incur any liability for: (a) the existence, nonexistence, form or legal sufficiency thereof; (b) the solvency of any insurer; or (c) the payment of losses. All policies and certificates of insurance (other than policies of worker's compensation insurance) shall name Beneficiary as additional insured and lender loss payee, as applicable, and shall provide that the insurance cannot be terminated as to Beneficiary. Promptly upon any request by Beneficiary, Trustor shall deliver to Beneficiary the original of all such policies or certificates, with receipts evidencing annual prepayment of the premiums.

Section 4.4 **Maintenance of Property.** Trustor shall cause the Property to be maintained in a good and safe condition and repair. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered without the prior written consent of Beneficiary. Trustor shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any Casualty or become damaged, worn or dilapidated or which may be affected by any Condemnation, subject to the terms of the Loan Documents, and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

Section 4.5 **Waste.** Trustor shall not commit or suffer any physical waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any insurance policy required under the Loan Agreement, or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Deed of Trust. Trustor will not, without the prior written consent of Beneficiary, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 4.6 **Payment for Labor and Materials.** (a) Trustor will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("**Labor and Material Costs**") incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof and other than Permitted Encumbrances (defined herein). Trustor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber the Property, whether senior or subordinate hereto, including without limitation, any mechanics' liens.

(b) After prior written notice to Beneficiary, Trustor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Labor and Material Costs, provided that (i) no Event of Default has occurred and is continuing under the Loan Agreement, the Notes, this Deed of Trust or any of the other Loan Documents, (ii) Trustor is permitted to do so under the provisions of any other mortgage,

deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Labor and Material Costs from Trustor and from the Property or Trustor shall have paid all of the Labor and Material Costs under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Trustor is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost, and (vi) Trustor shall have furnished the security as may be required in the proceeding, or as may be reasonably requested by Beneficiary to insure the payment of any contested Labor and Material Costs, together with all interest and penalties thereon.

**Section 4.7 Performance of Other Agreements.** Trustor shall observe and perform each and every term, covenant and provision to be observed or performed by Trustor pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

**Section 4.8 Change of Name, Identity or Structure.** Trustor shall not change Trustor's name, identity (including its trade name or names) or, if not an individual, Trustor's corporate, partnership or other structure without notifying Beneficiary of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Trustor's structure not otherwise permitted under the Loan Agreement or in Section 7.2 below, without first obtaining the prior written consent of Beneficiary. Trustor shall execute and deliver to Beneficiary, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Beneficiary to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Beneficiary, Trustor shall execute a certificate in form satisfactory to Beneficiary listing the trade names under which Trustor intends to operate the Property, and representing and warranting that Trustor does business under no other trade name with respect to the Property.

**Section 4.9 Letter of Credit Rights.** Except for security deposits received from any tenants at the Property, if Trustor is at any time a beneficiary under a letter of credit relating to the properties, rights, titles and interests referenced in Section 1.1 of this Deed of Trust now or hereafter issued in favor of Trustor, Trustor shall promptly notify Beneficiary thereof and, at the request and option of Beneficiary, Trustor shall, pursuant to an agreement in form and substance satisfactory to Beneficiary, either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to Beneficiary of the proceeds of any drawing under the letter of credit or (ii) arrange for Beneficiary to become the transferee beneficiary of the letter of credit, with Beneficiary agreeing, in each case that the proceeds of any drawing under the letter of credit are to be applied as provided in Section 8.2 of this Deed of Trust.

**Section 4.10 Damages; Insurance and Condemnation Proceeds.** The disposition of (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation (or transfer in lieu thereof) for public or private use affecting the Property; (ii) all other claims and awards for damages to or decrease in value of the Property; (iii) all proceeds of any insurance policies payable by reason of loss or casualty to the Property; and (iv) all interest which may accrue on any of the foregoing, in each case shall be payable directly to Beneficiary, which proceeds Beneficiary may use to reduce the Obligations. If Trustor receives any proceeds from any of the foregoing, Trustor shall hold such proceeds in trust for Beneficiary and promptly pay over such proceeds to Beneficiary. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary, provided however, that in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

**Section 4.11 Payment of Taxes.** The Trustor will pay when due and before any penalty or interest attaches because of delinquency in payment, all taxes, installments of assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever assessed or charged against or constituting a lien on the Premises or any interest therein or the Debt (the "Taxes"); and will upon demand furnish to the Beneficiary proof of the payment of any such Taxes.

**Section 4.12 Tax and Insurance Impounds.** Following the occurrence and continuance of an Event of Default, Trustor shall, until all Obligations have been paid in full, pay to Beneficiary monthly, annually or as otherwise directed by Beneficiary an amount estimated by Beneficiary to be equal to: (a) all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon the Property and will become due for the tax year during which such payment is so directed; and (b) premiums for fire, other hazard and mortgage insurance next due. If Beneficiary determines that amounts paid by Trustor are insufficient for the payment in full of such taxes, assessments, levies and/or insurance premiums, Beneficiary shall notify Trustor of the increased amount required for the payment thereof when due, and Trustor shall pay to Beneficiary such additional amount within thirty (30) days after notice from Beneficiary. All amounts so paid shall not bear interest, except to the extent and in the amount required by law. So long as there is no Event of Default, Beneficiary shall release said funds to Trustor for application to and payment of such taxes, assessments, levies, charges and insurance premiums. If an Event of Default has occurred and is continuing, Beneficiary at its sole option may apply all or any part of said amounts to any Obligation and/or to cure such Event of Default, in which event Trustor shall be required to restore all amounts so applied, as well as to cure any Event of Default not cured by such application. Grantor hereby grants and transfers to Beneficiary a security interest in all amounts so paid and held in Beneficiary's possession, and all proceeds thereof, to secure the payment and performance of each Obligation. Upon assignment of this Deed of Trust, Beneficiary shall have the right to assign all amounts collected and in its possession to its assignee, whereupon Beneficiary and Trustee shall be released from all liability with respect thereto. The existence of said impounds shall not limit Beneficiary's rights under any other provision of this Deed of Trust or any other agreement, statute or rule of law. Within thirty (30) days following full repayment of all Obligations (other than as a consequence of a foreclosure or conveyance in lieu of foreclosure of the liens and security interests securing any Obligation), or at such earlier time as Beneficiary in its discretion may elect, the balance of all amounts collected and in Beneficiary's possession shall be paid to Trustor, and no other party shall have any right of claim thereto.

**Section 4.13 Covenants Regarding Ground Lease.**

(a) Trustor shall at all times fully perform and comply with all the agreements, covenants, terms and conditions imposed upon the Tenant under the Ground Lease, and if Trustor shall fail so to do, Beneficiary may (but shall not be obligated to) take any action Beneficiary deems necessary or desirable to prevent or cure any default thereunder including, without limitation, performance of any of the Tenant's covenants or obligations under the Ground Lease. Upon Beneficiary's request, Trustor will submit satisfactory evidence of payment of all of its monetary obligations under the Ground Lease (including but not limited to rents, taxes, assessments, insurance premiums and operating expenses).

(b) Upon receipt by Beneficiary from the Landlord under the Ground Lease of any written notice of default by Trustor or any other party as Tenant thereunder, Beneficiary may rely thereon and take such action as aforesaid to cure such default even though the existence of such default or the nature thereof be questioned or denied by Trustor or by any party on behalf of Trustor. Beneficiary may pay and expend such sums of money as Beneficiary in its sole discretion deems necessary for any such purpose, and Trustor



hereby agrees to pay to Beneficiary, immediately and without demand, all such sums so paid and expended by Beneficiary, together with interest thereon from the date of each such payment at the Default Rate. All sums so paid and expended by Beneficiary, and the interest thereon, shall be added to and be secured by the lien of this Deed of Trust.

(c) Trustor shall not surrender its leasehold estate and its interest created under the Ground Lease, nor terminate or cancel the Ground Lease. Any attempted surrender, termination or cancellation by Trustor shall be null and void and of no force or effect.

(d) Trustor acknowledges and agrees that no release or forbearance of any of the Trustor's obligations under the Ground Lease or otherwise shall release the Trustor from any of its obligations under the Loan Documents, including, without limitation, the performance of all of the terms, provisions, covenants, conditions and agreements contained in the Ground Lease, to be kept, performed and complied with by Trustor therein.

(e) So long as any of the Obligations remain unpaid or unperformed, the fee title to and the leasehold estate in the Land subject to the Ground Lease shall not merge but shall always be kept separate and distinct notwithstanding the union of such estates in Landlord or Trustor, or in a third party, by purchase or otherwise. If Trustor acquires the fee title or any other estate, title or interest in the Land, or any part thereof by the exercise of any purchase option or right under the Ground Lease or otherwise, the lien of this Deed of Trust shall attach to, cover and be a lien upon such acquired estate, title or interest and the same shall thereupon be and become a part of the Property with the same force and effect as if specifically encumbered herein. Trustor agrees to execute all instruments and documents that Beneficiary may reasonably require to ratify, confirm and further evidence the lien of this Deed of Trust on the acquired estate, title or interest. Furthermore, Trustor hereby appoints Beneficiary as its true and lawful attorney-in-fact to execute and deliver, after the occurrence and during the continuation of an Event of Default, all such instruments and documents in the name and on behalf of Trustor. This power, being coupled with an interest, shall be irrevocable as long as any portion of the Obligations remain unpaid or unsatisfied.

(f) Beneficiary will have the right to proceed in its own name or in the name of Trustor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease or any Lease, including the right to file and prosecute, to the exclusion of Trustor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the Tenant under the Ground Lease or the landlord under any Lease under the Bankruptcy Code. If there is filed by or against Trustor a petition under the Bankruptcy Code and Trustor, as landlord under any Lease, determines to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Trustor will give Beneficiary not less than 10 days' prior notice of the date on which Trustor will apply to the bankruptcy court for authority to reject the Lease. Beneficiary will have the right, but not the obligation, to serve upon Trustor within such 10-day period a notice stating that (i) Beneficiary demands that Trustor assume and assign the Lease to Beneficiary pursuant to Section 365 of the Bankruptcy Code and (ii) Beneficiary covenants to cure or provide adequate assurance of future performance under the Lease. If Beneficiary serves upon Trustor the notice described in the preceding sentence, Trustor will not seek to reject the Lease and will comply with the demand provided for in clause (i) of the preceding sentence within 30 days after the notice is given, subject to the performance by Beneficiary of the covenant provided for in clause (ii) of the preceding sentence.

#### **Section 4.14 Treatment of Ground Lease in Bankruptcy.**

(g) If Landlord rejects or disaffirms, or seeks or purports to reject or disaffirm, the Ground Lease pursuant to the Bankruptcy Code or any other law, then Trustor shall use its commercially reasonable efforts

to not suffer or permit the termination, cancellation or surrender of the Ground Lease pursuant to a 365 Election or otherwise without Beneficiary's prior written consent. Trustor acknowledges that because the Ground Lease is a primary element of Beneficiary's security for the Obligations, it is not anticipated that Beneficiary would consent to termination of the Ground Lease. Any election by Trustor to terminate, cancel or surrender the Ground Lease in the event of Landlord's bankruptcy shall be void and of no force or effect.

(h) Trustor hereby assigns to Beneficiary any right to terminate, cancel or surrender the Ground Lease pursuant to a 365 Election or otherwise with respect to the Ground Lease until the earlier of (i) satisfaction in full of the Obligations and (ii) release of Beneficiary's lien on and security interest in the Ground Lease. Trustor acknowledges and agrees that the foregoing assignment of rights is one of the rights that Beneficiary may use at any time to protect and preserve Beneficiary's other rights and interests under this Deed of Trust and is not a property interest that Trustor can separate from the Ground Lease as to which it arises. Therefore, Trustor agrees and acknowledges that the exercise of a 365 Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute Beneficiary's taking or sale of the Land (or any element thereof) and shall not entitle Trustor to any credit against the Obligations secured hereunder or otherwise impair Beneficiary's remedies.

(i) Trustor acknowledges that if a 365 Election is exercised in favor of Trustor remaining in possession under the Ground Lease, then Trustor's resulting occupancy rights, as adjusted by the effect of Section 365 of the Bankruptcy Code, shall then be part of the Property and shall be subject to the lien of this Deed of Trust.

(j) If Landlord rejects or disaffirms the Ground Lease or purports or seeks to disaffirm the Ground Lease pursuant to the Bankruptcy Code or any other law, and a 365 Election is exercised in favor of Trustor's remaining in possession under the Ground Lease, then:

(1) Trustor shall remain in possession of the premises demised under the Ground Lease and shall perform all acts necessary for Trustor to remain in such possession for the unexpired term of the Ground Lease (including all renewals), whether the then existing terms and provisions of the Ground Lease require such acts or otherwise; and

(2) All the terms and provisions of this Deed of Trust and the lien created by this Deed of Trust shall remain in full force and effect and shall extend automatically to all of Trustor's rights and remedies arising at any time under, or pursuant to, Section 365(h) of the Bankruptcy Code, including all of Trustor's rights to remain in possession of the Land.

#### Section 4.15 Assignment of Claims to Beneficiary.

(k) Trustor, promptly upon learning that Landlord has failed to perform any material term or provision under the Ground Lease (including by reason of a rejection or disaffirmance or purported rejection or disaffirmance of the Ground Lease pursuant to the Bankruptcy Code or any other law), shall notify Beneficiary of any such material failure. Trustor unconditionally assigns, transfers, and sets over to Beneficiary any and all damages or claims thereunder (the "**Ground Lease Damage Claims**"). This assignment constitutes a present, irrevocable, and unconditional assignment of the Ground Lease Damage Claims, and shall continue in effect until the earlier of (i) satisfaction in full of the Obligations and (ii) release of Beneficiary's lien on and security interest in the Ground Lease. So long as no Event of Default exists, Beneficiary grants Trustor a revocable license to exercise, collect and receive any sums arising in connection with any Ground Lease Damage Claims (the "**Ground Lease Damages**"). While any Event of

Default exists, Beneficiary may (x) revoke such license, with or without notice (“**Revocation of License**”), or (y) collect all Ground Lease Damages directly under the foregoing absolute assignment of all Ground Lease Damage Claims to Beneficiary. Upon any Revocation of License, Trustor promptly shall pay to Beneficiary all Ground Lease Damages paid to Trustor to the extent that the same are allocable to any period from and after such Revocation of License, and Trustor shall hold in trust all Ground Lease Damages (to be applied as required pursuant to the terms and provisions of the Loan Documents).

(l) If pursuant to Section 365(h)(2) of the Bankruptcy Code or any other similar law, Trustor seeks to offset against any rent or other sums payable under the Ground Lease the amount of any Ground Lease Damage Claim, then Trustor shall notify Beneficiary of its intent to do so at least twenty (20) days before effecting such offset. Such notice shall set forth the amounts proposed to be so offset and the basis for such offset. If Beneficiary reasonably objects to all or any part of such offset, then Trustor shall not effect any offset of the amounts to which Beneficiary reasonably objects. If Beneficiary approves or unreasonably objects to such offset, then Trustor may effect such offset as set forth in Trustor’s notice. Neither Beneficiary’s failure to object, nor any objection or other communication between Beneficiary and Trustor that relates to such offset, shall constitute Beneficiary’s approval of any such offset. Trustor shall indemnify Beneficiary against any offset by Trustor against the rent or any other sums payable under the Ground Lease.

**Section 4.16 Acquisition of Fee Interest.** Upon acquisition by Trustor of the fee title or any other estate, title or interest in the Property currently held in leasehold, this Deed of Trust shall automatically and without the necessity of execution of any other documents attach to and cover and be a lien upon such other estate so acquired, and such other estate shall be considered as mortgaged, assigned and conveyed to Beneficiary and the lien hereof spread to cover such estate with the same force and effect as though specifically herein Beneficiary, assigned and conveyed. Trustor hereby agrees to execute any further documents as Beneficiary shall request in order to effectuate the intent of this Section 4.16. The provisions of this Article Section 4.16 shall not apply if Beneficiary acquires title to the Property unless Deed of Trust shall so elect.

## **ARTICLE V - OBLIGATIONS AND RELIANCES**

**Section 5.1 Relationship of Trustor and Beneficiary.** The relationship between Trustor, Borrowers and Beneficiary is solely that of debtor and creditor, Beneficiary has no fiduciary or other special relationship, or partnership or joint venture, with Trustor or Borrowers, and no term or condition of any of the Loan Agreement, the Notes, this Deed of Trust and the other Loan Documents shall be construed so as to deem the relationship between Trustor, Borrowers and Beneficiary to be other than that of debtor and creditor.

**Section 5.2 No Reliance on Beneficiary.** The general partners, members, principals and if Trustor is a trust beneficial owners of Trustor, as applicable, are experienced in the ownership and operation of properties similar to the Property, and Trustor and Beneficiary are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Trustor is not relying on Beneficiary’s expertise, business acumen or advice in connection with the Property.

**Section 5.3 No Beneficiary Obligations.** (a) Notwithstanding the provisions of Subsections 1.1(h) and (n) or Section 1.2, Beneficiary is not undertaking, the performance of (i) any obligations under the

Leases; or (ii) any obligations with respect to any agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Beneficiary pursuant to this Deed of Trust, the Loan Agreement, the Notes or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Beneficiary shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Beneficiary.

Section 5.4 **Reliance.** Trustor recognizes and acknowledges that in accepting the Loan Agreement, the Notes, this Deed of Trust and the other Loan Documents, Beneficiary is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Section 4 of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Beneficiary that such reliance existed on the part of Beneficiary prior to the date hereof, that the warranties and representations are a material inducement to Beneficiary in making the Loan; and that Beneficiary would not be willing to make the Loan and accept this Deed of Trust in the absence of the warranties and representations as set forth in Section 4 of the Loan Agreement.

## ARTICLE VI - FURTHER ASSURANCES

Section 6.1 **Recording of Deed of Trust, Etc.** Trustor forthwith upon the execution and delivery of this Deed of Trust and thereafter, from time to time, will cause this Deed of Trust and any of the other Loan Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Beneficiary in, the Property. Trustor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Notes, this Deed of Trust, the other Loan Documents, any notes, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Deed of Trust, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 6.2 **Further Acts, Etc.** Trustor will, at the cost of Trustor, and without expense to Beneficiary, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Beneficiary shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Beneficiary the Property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust, or for complying with all Laws. Trustor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Beneficiary to execute in the name

of Trustor or without the signature of Trustor to the extent Beneficiary may lawfully do so, one or more financing statements to evidence more effectively the security interest of Beneficiary in the Property and the Collateral. Financing statements to be filed with the Secretary of State of the State in which the Trustor is organized may describe as the collateral covered thereby “all assets of the debtor, whether now owned or hereafter acquired” or words to that effect, notwithstanding that such collateral description may be broader in scope than the collateral described herein. Beneficiary shall provide Trustor with copies of any notices and/or instruments of filings executed by Beneficiary in accordance with the immediately preceding sentence. Trustor grants to Beneficiary an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Beneficiary at law and in equity, including without limitation, such rights and remedies available to Beneficiary pursuant to this Section 6.2.

**Section 6.3 Changes in Tax, Debt, Credit and Documentary Stamp Laws.** (a) If any law is enacted or adopted or amended after the date of this Deed of Trust which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Beneficiary’s interest in the Property, Trustor will pay the tax, with interest and penalties thereon, if any.

(b) Trustor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or other charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Deed of Trust or the Debt. If such claim, credit or deduction shall be required by law, Beneficiary shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Notes, this Deed of Trust, or any of the other Loan Documents or impose any other tax or charge on the same, Trustor will pay for the same, with interest and penalties thereon, if any.

**Section 6.4 Replacement Documents.** Upon receipt of an affidavit of an officer of Beneficiary as to the loss, theft, destruction or mutilation of the Notes or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender and cancellation of such Notes or other Loan Document, Trustor will issue, in lieu thereof, a replacement Notes or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Notes or other Loan Document in the same principal amount thereof and otherwise of like tenor.

## **ARTICLE VII - DUE ON SALE/ENCUMBRANCE**

**Section 7.1 Reliance.** Trustor acknowledges that Beneficiary has examined and relied on the experience of Trustor in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Trustor’s ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations.

**Section 7.2 No Sale/Encumbrance.** Neither Trustor nor any Loan Party (each a “**Restricted Party**”) shall do any of the following, other than as expressly permitted pursuant to the terms of the Loan Agreement: (i) sell, convey, mortgage, grant, bargain, encumber, pledge, assign, grant options with respect to, or otherwise transfer or dispose of (directly or indirectly, voluntarily or involuntarily, by operation of

law or otherwise, and whether or not for consideration or of record) the Property or any part thereof or any legal or beneficial interest therein, or (ii) permit a sale or pledge of an interest in any Restricted Party.

**NOTICE - THE DEBT SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.**

## **ARTICLE VIII - RIGHTS AND REMEDIES UPON DEFAULT**

Section 8.1 **Remedies.** Upon the occurrence and during the continuance of any Event of Default, Trustor agrees that Beneficiary or Trustee, or both, may take such action, without notice or demand except as set forth herein, as they deem advisable to protect and enforce their rights against Trustor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary or Trustee may determine, in their sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary or Trustee:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Deed of Trust under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Deed of Trust for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Deed of Trust for the balance of the Debt not then due, unimpaired and without loss of priority;
- (d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Trustor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Notes, the Loan Agreement or in the other Loan Documents;
- (f) recover judgment on the Notes either before, during or after any proceedings for the enforcement of this Deed of Trust or the other Loan Documents;
- (g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Trustor, any guarantor or any indemnitor with respect to the Loan or of any Person liable for the payment of the Debt;
- (h) the license granted to Trustor under Section 1.2 hereof shall automatically be revoked and Beneficiary may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Trustor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Trustor and its agents or servants wholly therefrom, and take possession of all books and records relating thereto and Trustor agrees to surrender possession of the Property and of such books

and records to Beneficiary upon demand, and thereupon Beneficiary may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Beneficiary deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Trustor with respect to the Property, whether in the name of Trustor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict Tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Trustor to pay monthly in advance to Beneficiary, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Trustor; (vi) require Trustor to vacate and surrender possession of the Property to Beneficiary or to such receiver and, in default thereof, Trustor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Beneficiary shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Beneficiary, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and/or Personal Property or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Trustor at its expense to assemble the Fixtures, the Equipment and/or the Personal Property and make it available to Beneficiary at a convenient place acceptable to Beneficiary. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Fixtures, the Equipment or the Personal Property sent to Trustor in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to Trustor;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Beneficiary in accordance with the terms of the Loan Agreement, this Deed of Trust or any other Loan Document to the payment of the following items in any order in its sole discretion: (i) Taxes and Other Charges; (ii) insurance premiums; (iii) interest on the unpaid principal balance of the Notes; (iv) amortization of the unpaid principal balance of the Notes; and (v) all other sums payable pursuant to the Notes, the Loan Agreement, this Deed of Trust and the other Loan Documents, including without limitation advances made by Beneficiary pursuant to the terms of this Deed of Trust; and/or

(k) pursue such other remedies as Beneficiary may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Deed of Trust shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

**Section 8.2 Application of Proceeds.** The purchase money, proceeds and avails of any disposition of the Property, and or any part thereof, or any other sums collected by Beneficiary pursuant to the Notes, this Deed of Trust or the other Loan Documents, may be applied by Beneficiary to the payment of the Obligations in such priority and proportions as Beneficiary in its sole discretion shall deem proper.

**Section 8.3 Right to Cure Defaults.** Upon the occurrence and during the continuance of any Event of Default, or if Trustor fails to make any payment or to do any act as herein required or as required in the Loan Documents within the time period so required (including any cure period), Beneficiary may, but without any obligation to do so and without notice to or demand on Trustor and without releasing Trustor from any obligation hereunder, make any payment or do any act required of Trustor hereunder in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. Beneficiary is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Deed of Trust or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 8.3, shall constitute a portion of the Debt and shall be due and payable to Beneficiary upon demand. All such costs and expenses incurred by Beneficiary in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period after notice from Beneficiary that such cost or expense was incurred to the date of payment to Beneficiary. All such costs and expenses incurred by Beneficiary together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Deed of Trust and the other Loan Documents and shall be immediately due and payable upon demand by Beneficiary therefor.

**Section 8.4 Actions and Proceedings.** Beneficiary or Trustee has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Trustor, which Beneficiary, in its reasonable discretion, decides should be brought to protect its interest in the Property.

**Section 8.5 Recovery of Sums Required To Be Paid.** Beneficiary shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Beneficiary or Trustee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Trustor existing at the time such earlier action was commenced.

**Section 8.6 Examination of Books and Records.** At reasonable times and upon reasonable notice, Beneficiary, its agents, accountants and attorneys shall have the right to examine the records, books, management and other papers of Trustor which reflect upon their financial condition, at the Property or at any office regularly maintained by Trustor where the books and records are located. Beneficiary and its agents shall have the right to make copies and extracts from the foregoing records and other papers. In addition, at reasonable times and upon reasonable notice, Beneficiary and its agents, accountants and attorneys shall have the right to examine and audit the books and records of Trustor pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Trustor where the books and records are located. This Section 8.6 shall apply throughout the term of the Notes and without regard to whether an Event of Default has occurred or is continuing.

**Section 8.7 Other Rights, Etc.** (a) The failure of Beneficiary or Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Deed of Trust. Trustor shall not be relieved of Trustor's obligations hereunder by reason of (i) the failure of Beneficiary or Trustee to comply with any request of Trustor or any guarantor or any indemnitor with respect to the Loan to take any action to foreclose this Deed of Trust or otherwise enforce any of the provisions hereof or of the Notes or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Obligations or any portion thereof, or (iii) any agreement



or stipulation by Beneficiary extending the time of payment or otherwise modifying or supplementing the terms of the Notes, this Deed of Trust or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Trustor, and Beneficiary shall have no liability whatsoever for any decline in value of the Property, for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Beneficiary shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Beneficiary's possession.

(c) Beneficiary may resort for the payment and performance of the Obligations (including, but not limited to, the payment of the Debt) to any other security held by Beneficiary in such order and manner as Beneficiary, in its discretion, may elect. Beneficiary or Trustee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Beneficiary or Trustee thereafter to foreclose this Deed of Trust. The rights of Beneficiary or Trustee under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary or Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Neither Beneficiary nor Trustee shall be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

**Section 8.8 Right to Release Any Portion of the Property.** Beneficiary may release any portion of the Property for such consideration as Beneficiary may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Deed of Trust, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Beneficiary for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Beneficiary may require without being accountable for so doing to any other lienholder. This Deed of Trust shall continue as a lien and security interest in the remaining portion of the Property.

**Section 8.9 Violation of Laws.** If the Property is not in material compliance with Laws, and Trustor fails to bring the Property in material compliance with Laws following not less than thirty (30) days' notice from the any relevant Government Authority, Beneficiary may impose additional requirements upon Trustor in connection herewith including, without limitation, monetary reserves or financial equivalents.

**Section 8.10 Right of Entry.** Upon reasonable notice to Trustor, Beneficiary and its agents shall have the right to enter and inspect the Property at all reasonable times, subject to the rights of any Tenant.

## **ARTICLE IX - PREPAYMENT**

**Section 9.1 Prepayment.** The Debt may not be prepaid in whole or in part except in accordance with the express terms and conditions of the Loan Agreement or the other Loan Documents.

## **ARTICLE X - INDEMNIFICATION**

**Section 10.1 General Indemnification.** Trustor shall, at its sole cost and expense, protect (with legal counsel reasonably acceptable to Beneficiary), defend, indemnify, release and hold harmless the Beneficiary and its successors, assigns, subsidiaries, affiliates, attorneys and agents and each of their respective officers, directors, employees, attorneys, agents, advisors, consultants, contractors and other

representatives (collectively, the “**Indemnified Parties**”) from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages, of whatever kind or nature (including but not limited to reasonable attorneys’ fees and other costs of defense) (collectively, the “**Losses**”) imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) ownership of the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of, the Debt, the Notes, the Loan Agreement, this Deed of Trust, or any other Loan Document; (c) any and all lawful action that may be taken by Beneficiary in connection with the enforcement of the provisions of this Deed of Trust, the Loan Agreement, the Notes or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Trustor, any guarantor or any indemnitor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of Trustor to perform or be in compliance with any of the terms of this Deed of Trust, the Notes, the Loan Agreement or any of the other Loan Documents; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Deed of Trust, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Deed of Trust is made; (i) any failure of the Property to be in compliance with any Laws; (j) the enforcement by any Indemnified Party of the provisions of this Article 10; (k) any and all claims and demands whatsoever which may be asserted against Beneficiary by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (l) the payment of any commission, charge or brokerage fee to anyone claiming through Trustor which may be payable in connection with the funding of the Loan; or (m) any misrepresentation made by Trustor in this Deed of Trust or any other Loan Document, except to the extent that such Losses result from the willful misconduct, gross negligence or illegal acts of Beneficiary, or to the extent that the incident or occurrence that gave rise to such Losses first occurred after the date that Beneficiary acquired possession of the Property as a mortgagee in possession or title to the Property by the completion of a foreclosure or deed-in-lieu thereof (each a “**Transition Event**”). Any amounts payable to Beneficiary by reason of the application of this Section 10.1 shall become immediately due and payable and shall bear interest at the Default Rate from the date the Loss is first sustained by the applicable Indemnified Party until paid. Each Indemnified Party is a third party beneficiary under this Deed of Trust, each entitled to enforce the provisions of this Deed of Trust.

**Section 10.2 Mortgage and/or Intangible Tax.** Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Party and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Deed of Trust, the Notes or any of the other Loan Documents, but excluding any income, franchise or other similar taxes. Trustor hereby agrees that, in the event that it is determined that any documentary stamp taxes or intangible personal property taxes are due hereon or on any mortgage or promissory note executed in connection herewith (including, without limitation, the Notes), Trustor shall indemnify and hold harmless the Indemnified

Parties for all such documentary stamp and/or intangible taxes, including all penalties and interest assessed or charged in connection therewith.

**Section 10.3 Duty to Defend; Attorneys' Fees and Other Fees and Expenses.** Upon written request by any Indemnified Party, Trustor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Trustor and any Indemnified Party and Trustor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Trustor, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, provided that no compromise or settlement shall be entered without Trustor's consent, which consent shall not be unreasonably withheld. Upon demand, Trustor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals actually incurred in connection therewith.

**Section 10.4 Environmental Indemnity Agreement.** Simultaneously with this Deed of Trust, Trustor has executed that certain Environmental Indemnity Agreement. The obligations of Trustor under the Environmental Indemnity Agreement are not part of the Debt and are not secured by this Deed of Trust.

## **ARTICLE XI - WAIVERS**

**Section 11.1 Waiver of Counterclaim.** To the extent permitted by applicable law, Trustor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Beneficiary arising out of or in any way connected with this Deed of Trust, the Loan Agreement, the Notes, any of the other Loan Documents, or the Obligations.

**Section 11.2 Marshalling and Other Matters.** To the extent permitted by applicable law, Trustor hereby waives the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Trustor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Deed of Trust on behalf of Trustor, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Deed of Trust and on behalf of all Persons to the extent permitted by applicable law.

**Section 11.3 Waiver of Notice.** To the extent permitted by applicable law, Trustor shall not be entitled to any notices of any nature whatsoever from Beneficiary or Trustee except with respect to matters for which this Deed of Trust specifically and expressly provides for the giving of notice by Beneficiary or Trustee to Trustor and except with respect to matters for which Beneficiary or Trustee is required by applicable law to give notice, and Trustor hereby expressly waives the right to receive any notice from Beneficiary or Trustee with respect to any matter for which this Deed of Trust does not specifically and expressly provide for the giving of notice by Beneficiary or Trustee to Trustor.

**Section 11.4 Waiver of Statute of Limitations.** To the extent permitted by applicable law, Trustor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

Section 11.5 **Survival.** The indemnifications made pursuant to Sections 10.1 and 10.2 herein shall continue in full force and effect and shall survive for a period of one (1) year after any of the following: any satisfaction or other termination of this Deed of Trust, any assignment or other transfer of all or any portion of this Deed of Trust or Beneficiary's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee), any exercise of Beneficiary's rights and remedies pursuant hereto including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, the Notes or any of the other Loan Documents, any transfer of all or any portion of the Property (whether by Trustor or by Beneficiary following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Deed of Trust, the Loan Agreement, the Notes or the other Loan Documents, and any act or omission that might otherwise be construed as a release or discharge of Trustor from the obligations pursuant hereto.

## ARTICLE XII – NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 13 of the Loan Agreement.

## ARTICLE XIII - APPLICABLE LAW

Section 13.1 **Governing Law.** This Deed of Trust is made and executed under the laws of the state or commonwealth in which the Property is located, and the rights and obligations of all parties hereunder shall be governed by the laws of said state.

Section 13.2 **Intentionally Deleted.**

Section 13.3 **Usury Laws.** Notwithstanding anything to the contrary, (a) all agreements and communications between Trustor and Beneficiary are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Beneficiary shall never exceed the maximum lawful rate or amount, (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Trustor to Beneficiary, and (c) if through any contingency or event, Beneficiary receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Trustor to Beneficiary, or if there is no such indebtedness, shall immediately be returned to Trustor.

Section 13.4 **Provisions Subject to Applicable Law.** All rights, powers and remedies provided in this Deed of Trust may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of Law and are intended to be limited to the extent necessary so that they will not render this Deed of Trust invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable Law. If any term of this Deed of Trust or any application thereof shall be invalid or unenforceable, the remainder of this Deed of Trust and any other application of the term shall not be affected thereby.

## ARTICLE XIV - DEFINITIONS

Section 14.1 **Definitions.** All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise

specifically provided herein, words used in this Deed of Trust may be used interchangeably in singular or plural form and the word "Trustor" shall mean "each Trustor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Beneficiary" shall mean "Beneficiary and any subsequent holder of the Notes," the word "Notes" shall mean "the Notes and any other evidence of indebtedness secured by this Deed of Trust," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Beneficiary in protecting its interest in the Property, the Leases, the Rents, the sums due under the Lease Guaranties, and/or in enforcing its rights hereunder.

## **ARTICLE XV - MISCELLANEOUS PROVISIONS**

Section 15.1 **No Oral Change.** This Deed of Trust, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Trustor or Beneficiary, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.2 **Successors and Assigns.** This Deed of Trust shall be binding upon and inure to the benefit of Trustor and Beneficiary and their respective successors and assigns forever.

Section 15.3 **Inapplicable Provisions.** If any term, covenant or condition of the this Deed of Trust is held to be invalid, illegal or unenforceable in any respect, this Deed of Trust shall be construed without such provision.

Section 15.4 **Headings, Etc.** The headings and captions of various Sections of this Deed of Trust are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.5 **Number and Gender.** Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 15.6 **Subrogation.** If any or all of the proceeds of the Notes have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Beneficiary shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Beneficiary and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Trustor's obligations hereunder, under the Loan Agreement, the Notes and the other Loan Documents and the performance and discharge of the Other Obligations.

Section 15.7 **Entire Agreement.** The Notes, the Loan Agreement, this Deed of Trust and the other Loan Documents constitute the entire understanding and agreement between Trustor and Beneficiary with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between Trustor and Beneficiary with respect thereto. Trustor hereby

acknowledges that, except as incorporated in writing in the Notes, the Loan Agreement, this Deed of Trust and the other Loan Documents, there are not, and were not, and no persons are or were authorized by Beneficiary to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Notes, the Loan Agreement, this Deed of Trust and the other Loan Documents.

Section 15.8 **Limitation on Beneficiary's Responsibility**. No provision of this Deed of Trust shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Beneficiary prior to Beneficiary acquiring possession of the Property or title to the Property in connection with a Transition Event, nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Property by the Tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any Tenant, licensee, employee or stranger prior to a Transition Event. Nothing herein contained shall be construed as constituting Beneficiary a "mortgagee in possession."

Section 15.9 **Joint and Several Liability**. **BENEFICIARY MAY ENFORCE THE PROVISIONS HEREOF WITH RESPECT TO ONE OR MORE OF SUCH PARTIES CONSTITUTING TRUSTOR WITHOUT SEEKING TO ENFORCE THE SAME AS TO ALL OR ANY SUCH. EACH OF THE PARTIES CONSTITUTING TRUSTOR HEREBY WAIVES ANY REQUIREMENT OF JOINDER OF ALL OR ANY OTHER OF THE PARTIES CONSTITUTING TRUSTOR IN ANY SUIT OR PROCEEDING TO ENFORCE THE PROVISIONS OF THIS DEED OF TRUST. THE OBLIGATIONS AND LIABILITY HEREUNDER OF ALL PARTIES CONSTITUTING TRUSTOR SHALL BE JOINT AND SEVERAL.**

## **ARTICLE XVI – DEED OF TRUST PROVISIONS**

Section 16.1 **Concerning the Trustee**. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created, being liable, however, only for willful negligence or misconduct, and hereby waives any statutory fee or other compensation, except as set forth in Section 16.2 hereof for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving thirty (30) days' notice to Trustor and to Beneficiary. Beneficiary may remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever Beneficiary may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Deed of Trust is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Beneficiary. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

Section 16.2 **Trustee's Fees**. Unless required pursuant to applicable Laws, no fees, costs or expenses shall be or become payable to Trustee or Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder; provided that, in connection with services rendered by Trustee in connection with any foreclosure or sale in accordance with the terms hereof or with respect to the release

and discharge of the lien and security interest of this Deed of Trust upon the full and final payment of the Debt, Trustee shall be entitled to reasonable fees and reimbursement of reasonable out-of-pocket costs and expenses incurred by Trustee. The foregoing permitted fees, costs and expenses shall be paid by Trustor to Trustee and Trustee's agents and counsel promptly upon request and such fees, costs and expenses shall be secured by this Deed of Trust.

**Section 16.3 Certain Rights.** With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Loan Agreement, the Notes, this Deed of Trust or the other Loan Documents, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his agents or attorneys, (iii) to select and employ, in and about the execution of his duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence or bad faith, and (iv) any and all other lawful action as Beneficiary may instruct Trustee to take to protect or enforce Beneficiary's rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for actual expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

**Section 16.4 Retention of Money.** All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

**Section 16.5 Perfection of Appointment.** Should any deed, conveyance, or instrument of any nature be required from Trustor by any Trustee or substitute trustee to more fully and certainly vest in and confirm to the Trustee or substitute trustee such estates rights, powers, and duties, then, upon request by the Trustee or substitute trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Trustor.

**Section 16.6 Succession Instruments.** Any substitute trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the substitute trustee, the Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute trustee, upon the trusts herein expressed, all the estates, properties, rights, powers, and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute trustee so appointed in the Trustee's place.

## ARTICLE XVII STATE-SPECIFIC PROVISIONS

Section 17.1 **Principles of Construction.** In the event of any inconsistencies between the terms and conditions of this Article 17 and the other terms and conditions of this Deed of Trust, the terms and conditions of this Article 17 shall control and be binding.

Section 17.2 **Notices.** All notices and communications delivered pursuant to this Deed of Trust shall be effective in accordance with the provisions thereof, provided, that service of a notice required by Section 1-206 of the Code of Virginia (1950) (as amended, the “Virginia Code”) shall be considered complete when the requirements of that statute are met.

Section 17.3 **Financing Statement.** This Deed of Trust (a) shall also be effective as a financing statement covering minerals or the like (including oil and gas) and accounts subject to Subsection (3) of Section 8.9A-301 of the Virginia Code and similar provisions (if any) of the Uniform Commercial Code as enacted in any other state where the Property is situated which will be financed at the wellhead or minehead of the wells or mines located on the Property, and (b) is to be filed for record in the real estate records of each county where any part of the Property is situated. This Deed of Trust shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office.

Section 17.4 **Acceleration Upon Transfer.** If any sale, conveyance, alienation, encumbrance, pledge or transfer occurs in violation of the Loan Documents, then at Beneficiary’s sole option, Beneficiary may, by written notice to Trustor, declare the Debt immediately due and payable. Without limiting the generality of the foregoing, the following provision is set forth herein order to comply with the requirements of Section 6.2-417 of the Virginia Code, if such requirements are applicable to the Property: NOTICE- THE INDEBTEDNESS SECURED HEREBY IS SUBJECT TO CALL IN FULL OR THE TERMS THEREOF BEING MODIFIED IN THE EVENT OF SALE OR CONVEYANCE OF THE PROPERTY CONVEYED.

Section 17.5 **Rights and Remedies of Beneficiary.** During the continuance of an Event of Default, Trustee may take possession of and sell the Property, or any part thereof requested by Beneficiary to be sold and in connection therewith Trustor hereby authorizes and empowers Trustee to take possession of and sell (or in case of default of any purchaser to resell) the Property, or any part thereof, all in accordance with the laws of the Commonwealth of Virginia relating to deeds of trust, including any amendments thereof, or additions thereto, which do not materially change or impair the remedy. In connection with any foreclosure, Beneficiary and/or Trustee may procure such title reports, surveys, tax histories and appraisals as they deem necessary, and make such repairs and additions to the Property as they deem advisable, all of which shall constitute “Expenses” (hereinafter defined). In the case of any sale under this Deed of Trust, by virtue of judicial proceedings or otherwise, the Property may be sold as an entirety or in parcels (to the extent permitted by applicable law), by one sale or by several sales, and any fixtures or collateral encumbered by this Deed of Trust may be sold at the same sale as the Property or in one or more sales, as may be deemed by the Trustee, at the decision of Beneficiary, to be appropriate and without regard to any right of Trustor or any other person to the marshalling of assets, for cash, on credit or for other Property, for immediate or future delivery, and for such price or prices and on such terms having first given such notice prior to the sale of such time, place and terms by publication in at least one newspaper published or having general circulation in the city or county in which the Property is located and at such time or times as may be required by the laws of the Commonwealth of Virginia or rule of court of the Commonwealth of Virginia, and such other times and by such other methods, if any, as Beneficiary, in its sole discretion, shall deem advantageous and proper. “Expenses” means all costs



and expenses of any nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by Beneficiary or Trustee in exercising or enforcing any right, powers and remedies provided in this Deed of Trust or any of the Loan Documents, including, without limitation, reasonable attorney's fees, court costs, receiver's fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Property.

(a) Any sale hereunder may be made at public auction, at such time or times, at such place or places, and upon such terms and conditions and after such previous public notice as Trustee shall deem appropriate and advantageous and as required by the laws of the Commonwealth of Virginia. The parties hereto agree that the advertisement required is as follows: (1) if the advertisement is inserted on a weekly basis, publication once a week for two (2) weeks shall be sufficient; and (2) if the advertisement is inserted on a daily basis, publication once a day for five (5) days, which shall be consecutive days, shall be sufficient.

(b) The proceeds of such sale or sales under the Deed of Trust, whether under the assent to a decree, the power of sale, or by equitable foreclosure, shall be held by Trustee and applied as follows: FIRST (A) all expenses incurred in connection with such sale or in preparing the Property for such sale and of obtaining possession including, among other things, counsel fees reasonably incurred shall be allowed and paid out of the proceeds of such sale or sales as the court having jurisdiction may deem proper, (B) the Trustee's Commission (hereinafter defined) and expenses and (C) all taxes, levies, assessments or other charges relating to the Property which have or in the opinion of Trustee may have, priority over the lien of this Deed of Trust, including the pro rata portion thereof applicable to the taxable period during which any payment is made pursuant to this subsection; SECOND, to pay all of the Debt and all interest then due and accrued thereon, which shall include interest through the date of ratification of the auditor's account; THIRD, to pay the amount of any liens of record inferior to this Deed of Trust, together with lawful interest, and lawful claims of third parties against the proceeds of any sale; and LASTLY, to pay the surplus, if any, to Trustor or any person entitled thereto unless otherwise required by law or directed by a court of competent jurisdiction. In the event that the proceeds of any such sale or sales, together with all other monies at the time held by Beneficiary under this Deed of Trust, are insufficient to pay the foregoing costs and expenses, Beneficiary may, at its sole option, advance such sums as Beneficiary in its sole and absolute discretion shall determine for the purpose of paying all or any part of such costs and expenses, and all such sums so advanced shall be (A) a lien against the Property, (B) added to the amount due under the Notes and secured by this Deed of Trust, and (C) payable on demand with interest at the Default Rate. In any event, Trustor shall be liable to Beneficiary for any deficiency if the proceeds of any such sale or sales are insufficient to pay, in full, all amounts to be distributed pursuant to the Clauses First through Second above. Trustor shall pay or reimburse Trustee for all of Trustee's expenses and disbursements and a reasonable commission hereunder regardless of whether the Property is sold (the "Trustee's Commission").

Section 17.6 This Deed of Trust is made under and pursuant to the provisions of the Virginia Code, Sections 55.1-317, 55.1-318, 55.1-318.1, 55.1-320, 55.1-321 through 55.1-324 and 55.1-325, and shall be construed to impose and confer upon the parties hereto and Trustee all the rights, duties, and obligations prescribed by said Sections 55.1-317, 55.1-318, 55.1-318.1, 55.1-320, 55.1-321 through 55.1-324 and 55.1-325 of the Virginia Code, except as herein otherwise restricted, expanded or changed, including without limitation the following rights, duties and obligations described in short form:

- (a) All exemptions are hereby waived.
- (b) Subject to call on default.
- (c) Renewal, extension, or reinstatement permitted.

DEED OF TRUST– Page 31

Error! Unknown document property name.

(d) Substitution of Trustee collectively or of any of them individually by the Beneficiary is permitted for any reason whatsoever, and any number of times without exhaustion of the right to do so.

(e) Advertisement required, once a week for two successive weeks in any newspaper of general circulation in the County or City in which the Property is situated.

(f) Any Trustee may act.

(g) To the extent permitted by applicable law, Trustee may require a deposit in the amount of two percent (2%) of the unpaid principal indebtedness then secured hereby or Fifty Thousand Dollars (\$50,000.00), whichever is greater, to accompany each bid at foreclosure sale or sale in lieu thereof.

**Section 17.7 Perfection of Assignment of Leases.** It is the intention of the parties that the assignment of the Leases hereinabove is perfected upon the recordation of this Deed of Trust as provided in Section 55-1403 of the Virginia Code.

**Section 17.8 Future Amendments.** It is the intent of the parties hereto that this Deed of Trust constitutes a "loan document," as such term is defined in Section 55.1-318.1 of the Virginia Code (the "Deed of Trust Modification Statute"), and that the Deed of Trust also shall secure indebtedness or other obligations under such loan document as it may be amended, modified, supplemented or restated from time to time, as contemplated by the Deed of Trust Modification Statute. Accordingly, except as otherwise provided by the Deed of Trust Modification Statute, it shall not be necessary to record an amended to the Deed of Trust on account of any and all future amendments, modifications, supplements or restatements of this Deed of Trust (without regard to whether any such amendment, modification, supplement or restatement may otherwise constitute a novation of the indebtedness or other obligations thereunder), and this Deed of Trust shall have the same priority with regard to each such amendment, modification, supplement or restatement as the priority of this Deed of Trust when originally recorded.

**Section 17.9 Business and Investment Loan.** This Deed of Trust secures a business and investment loan within the meaning of Section 6.2-317 of the Virginia Code, as amended. Trustor hereby represents and warrants that the indebtedness evidenced by the Notes and this Deed of Trust is being obtained for the sole purpose of acquiring and carrying on a loan for business or investment purposes within the meaning of Section 6.2-317 of the Virginia Code, as amended, and all proceeds of such indebtedness will be used solely in connection with such business or investment.

**Section 17.10 Secured Indebtedness.** This Deed of Trust secures payment of not only the Debt evidenced by the Notes and the Loan Agreement but also any and all substitutions, replacements, renewals and extensions of the Notes, any and all Debt and other obligations arising pursuant to the terms hereof and any and all Debt and other obligations arising pursuant to the terms of any of the other Loan Documents, all of which Indebtedness is equally secured with and has the same priority as any amounts advanced to Trustor as of the date hereof. This Deed of Trust secures all present advances made by Beneficiary to Trustor under the Loan Documents, and all future advances and readvances to be made pursuant to the Loan Documents, if any, all of which are obligatory advances. The maximum principal amount to be advanced and secured by this Deed of Trust is SEVEN MILLION AND NO/100 DOLLARS (\$7,000,000.00). All such future advances and readvances shall be made between the date hereof and the date that is five (5) years after the date hereof.

Section 17.11 **Release of Deed of Trust.** Upon the payment in full of the Obligations, Beneficiary shall request Trustee to reconvey the lien of this Deed of Trust and upon payment of its fees and all other sums owing to it under this Deed of Trust, Trustee will reconvey the Property without warranty to the person or persons legally entitled to it under applicable law. Such person or persons must pay all costs of recordation. The recitals in the reconveyance of any facts will be conclusive on all persons.

**[NO FURTHER TEXT ON THIS PAGE]**



**EXHIBIT A**

**LEGAL DESCRIPTION**

[TO BE INSERTED]

**EXHIBIT B**

**PERMITTED EXCEPTIONS**

[TO BE INSERTED]





## City Council Agenda Item Report

Agenda Item No. 2.2

Submitted by: Chloe Delhomme

Submitting Department: Community Development

Meeting Date: January 13, 2025

### Item Title

Resolution #R-2025-441 Application for FY 2031 Congestion Mitigation and Air Quality Improvement/Regional Surface Transportation Program  
(Staff: Chloe Delhomme, AICP, Senior Planner)

### Suggested Action and/or Recommendation

Approve Resolution #R-2025-441

### Suggested Motion

If approved as part of the Consent Agenda:

I move that the Consent Agenda be approved and the readings of the ordinances dispensed.

If removed from the Consent Agenda:

I move that Resolution #R-2025-441 be approved.

**Item Type** Resolutions

**Submitting Department** Community Development

**Meeting Body** City Council

**Item ID** 2025-441

**Drafter** Chloe Delhomme

**Meeting Date** January 13, 2025

### Advisory Board/Committee Review

City Council Committee of the Whole/Work Session – July 15, 2024

### Fiscal Impact

If the applications are approved, use of federal funding for these projects will be included for City Council approval as part of the FY31 capital improvement program.

### Executive Summary and Background Information



Applications for federal CMAQ/RSTP transportation funding are required to be submitted 6 years in advance of the project. The City is submitting two applications for:

1. Citywide Bus Stop Enhancements (Maintenance project). This project will upgrade 10 city bus stops by adding shelter, lighting, and seating.
2. Sudley Road Bike Facilities from Godwin Drive to Grant Avenue. This project will add a 1.2 mile bike connection serving the Sudley Road commercial corridor. This project is currently in the planning phase:  
<http://www.manassasva.gov/sudleybike>

Use of federal funds will offset the need to use NVTa local funds. City Council approval is required for application submission.

## **ATTACHMENTS**

- [2025-441 RES Application for FY31 CMAQ-RSTP](#)

**MOTION:** \_\_\_\_\_

**January 13, 2025  
Regular Meeting  
Resolution #2025-441**

**SECOND:** \_\_\_\_\_

**RE:           Application for FY 2031 Congestion Mitigation and Air Quality  
Improvement/Regional Surface Transportation Program (CMAQ/RSTP)**

**WHEREAS**, the Infrastructure Investment and Jobs Act (IIJA) directs the Federal Highway Administration (FHWA) to allocate funding as a lump sum for each state; and

**WHEREAS**, the Northern Virginia Transportation Authority (NVTa) recommends the CMAQ/RSTP allocations among member jurisdictions in Northern Virginia; and

**WHEREAS**, the City of Manassas desires to submit two applications for an allocation of funds of up to \$1,938,000 through the FY 2031 CMAQ/RSTP; and

**WHEREAS**, \$200,000 in CMAQ funds are requested to fund the Bus Stop Enhancements project (T-095) which will consist of upgrading ten bus stops with new bus shelters, benches, and solar lighting; and

**WHEREAS**, \$1,738,000 in RSTP funds are requested to fully fund the Sudley Road Bike Facilities project, which will add a new 1.2 mile bicycle connection along Sudley Road between Godwin Drive and Grant Avenue, including intersection pedestrian improvements.

**NOW, THEREFORE, BE IT RESOLVED** that the Manassas City Council hereby supports these applications for a total of up to \$1,938,000 through the FY 2031 CMAQ/RSTP allocation.

\_\_\_\_\_  
Michelle Davis-Younger                      Mayor  
On behalf of the City Council  
of Manassas, Virginia

ATTEST:

\_\_\_\_\_  
Eric W. Smith                                      City Clerk

**January 13, 2025**  
**Regular Meeting**  
**Res. No. R-2025-441**  
**Page Two**

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**



## City Council Agenda Item Report

Agenda Item No. 3.1

Submitted by: Craig Brown

Submitting Department: City Attorney

Meeting Date: January 13, 2025

### Item Title

Resolution #R-2025-466: Approving a Real Estate Purchase / Sale Agreement Between the City of Manassas & Manassas Ice and Fuel Company ("MIFCO")

(Staff: Douglas W. Keen, Interim City Manager and Craig Brown, City Attorney)

### Suggested Action and/or Recommendation

Approve Resolution #R-2025-466

### Suggested Motion

I move that Resolution #R-2025-466 be approved.

**Item Type** Resolutions

**Submitting Department** City Attorney

**Meeting Body** City Council

**Item ID** 2025-466

**Drafter** Craig Brown

**Meeting Date** January 13, 2025

### Advisory Board/Committee Review

Not applicable. Discussions regarding the purchase of the property have involved the City Manager's Office, the Department of Economic Development and the City Attorney's Office.

### Fiscal Impact

The purchase price for the MIFCO property is \$3.1 million.

### Executive Summary and Background Information

Since 2022 City staff has been engaged in discussions for the purchase of property owned by the Manassas Ice and Fuel Company, located due east of the City Hall parking lot. These six parcels, referred to collectively as "the MIFCO property", are designated by addresses 9003, 9005, 9007, 9007A, 9009 and 9011A Center Street. In December 2024 a tentative agreement, subject to City Council's approval, was reached between the parties, and is reflected in the attached "Real Estate Purchase / Sale Agreement", which has been signed by the Seller's representative. This Agreement provides in part for a \$3.1 million purchase price, a standard 120-day "due diligence" period for the City to decide whether to proceed with the purchase, and a closing date of September 10, 2025. MIFCO's tenants that currently occupy the property will be allowed to remain on the site until August 31, 2025.

City staff recommends adoption of the Resolution that approves the Purchase / Sale Agreement. The

acquisition of this property will provide the City with greater flexibility and options should the City decide to proceed with the construction of another downtown parking garage and / or a City Hall Annex, two projects that are currently shown in the City's Five Year Capital Improvement Plan.

## **ATTACHMENTS**

- [2025-466 RES - MIFCO Purchase/Sale Agreement](#)
- [Purchase Agreement-MIFCO.Final. MIFCO Executed.12-30-2024](#)

MOTION:

January 13, 2025

Regular Meeting

SECOND:

Res. No. R-2025-466

RE: RESOLUTION APPROVING A REAL ESTATE PURCHASE / SALE AGREEMENT BETWEEN THE CITY OF MANASSSS AND MANASSAS ICE AND FUEL COMPANY ("MIFCO")

WHEREAS, the City of Manassas has negotiated a Purchase and Sale Agreement with the owner of the properties located at 9003, 9005, 9007, 9007A, 9009 and 9011A Center Street, known collectively as the "MIFCO Property," for \$3,100,000; and

WHEREAS, the City will have adequate funding in the fiscal year 2026 budget to acquire the property; and

NOW, THEREFORE, BE IT RESOLVED that the attached Purchase and Sale Agreement is hereby approved; and

BE IT FURTHER RESOLVED that the Interim City Manager, or designee, is hereby authorized to execute the attached Purchase and Sale Agreement on behalf of the City in form approved by the City Attorney, and after February 3, 2025 the City Manager is hereby authorized to execute any other documents necessary to complete the purchase as contemplated in the Agreement.

\_\_\_\_\_  
Michelle Davis-Younger Mayor  
On behalf of the City Council  
of Manassas, Virginia

ATTEST:

\_\_\_\_\_  
Eric W. Smith, II City Clerk

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:

## REAL ESTATE PURCHASE / SALE AGREEMENT

**THIS REAL ESTATE PURCHASE / SALE AGREEMENT** (this “*Agreement*”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025 (the “*Effective Date*”) by and between:

- A. **MANASSAS ICE AND FUEL COMPANY, INC.**, a Virginia corporation, (the “*Seller*”); and
- B. **CITY OF MANASSAS, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia, its successors and/or assigns (“*Purchaser*”).

### RECITALS:

**R-1.** Seller is the owner of the hereafter-defined “Property”, located in the City of Manassas, Virginia; and

**R-2.** Purchaser desires to enter into this Real Estate Purchase / Sale Agreement for the purchase of the Property, under the terms and conditions stated herein; and

**R-3.** Seller and Purchaser, intending to be bound by this Agreement, desire to set forth herein the terms, conditions and agreements under and by which Seller shall sell and Purchaser shall purchase the Property described below.

### AGREEMENT:

**NOW, THEREFORE**, in consideration of the foregoing recitals, which are incorporated herein by reference, the provisions contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged by each Party, and intending to be legally bound, the Parties agree as follows:

**1. Subject Property.** Subject to the terms and conditions of this Agreement, and for the consideration set forth herein, Seller hereby agrees to sell, assign and convey, and Purchaser hereby agrees to purchase and acquire, all of Seller’s right, title and interest, if any, in and to the following (collectively, the “*Property*”):

9003 Center Street, Manassas Virginia 20110 (Tax ID No: 100-01-00-71A)

9005 Center Street, Manassas, Virginia 20110 (Tax ID No: 100-01-00-70)

9007 Center Street, Manassas, Virginia 20110 (Tax ID No: 101-01-00-185)

9007A Center Street, Manassas, Virginia 20110 (Tax ID No. 100-01-00-71B)

9009 Center Street, Manassas, Virginia 20110, location of Seller’s office (Tax ID No. 101-01-00-186)

9011A Center Street, Manassas, Virginia 20110 (Tax ID 101-01-00-187A),

all as more specifically described on Schedule 1, attached hereto (the "**Land**") along with all buildings thereon (the "**Buildings**"), together with all other improvements, parking facilities and fixtures located thereon (the Building and any and all other improvements located on the Land are hereinafter referred to collectively as the "**Improvements**"), and all easements, hereditaments, appurtenances, development rights, rights of way, privileges and other benefits, if any, pertaining to or affecting the Land, and all right, title and interest, if any, of Seller in and to any land lying in the bed of any street, road, highway or avenue, open or proposed, in front of or adjoining all or any part of such Land and in all strips, gores or rights-of-way, riparian rights and easements benefiting such Land (collectively, the "**Easements**"). The Land, Building, Improvements and Easements are hereinafter collectively referred to as the "**Real Property**"; and to the extent not removed by Seller prior to the Closing Date, as defined in **Section 8.2**, all of Seller's furniture, furnishings, fixtures, equipment and other tangible personal property affixed to and/or located at the Real Property and used in connection with the Real Property, or replacements of those items permitted pursuant to this Agreement (the "**Personal Property**").

## **2. Purchase Price and Agreement to Convey.**

2.1 The purchase price for the Property (the "**Purchase Price**") is **THREE MILLION ONE HUNDRED THOUSAND AND 00/100 DOLLARS (\$3,100,000.00)**. Purchaser shall deliver to the Settlement Agent the Purchase Price, subject to further adjustments for prorations and credits required to be made in accordance with the terms of this Agreement, on the day before the Closing Date.

2.2 In exchange for the Purchase Price and other good and valuable consideration, Seller agrees to sell and convey, and Purchaser agrees to purchase and accept, on the Closing Date (defined in **Section 8.2**, below): (a) fee title to the Land and the Improvements by way of a Special Warranty Deed (the "**Deed**"), to be executed and delivered by Seller with respect to the Property; and (b) the remainder of the Property, by way of a quitclaim bill of sale and other instruments of conveyance described in this Agreement.

## **3. Inspections and Approvals.**

3.1 Inspections. Purchaser shall have a period of time (the "**Due Diligence Period**"), commencing on the Effective Date, and expiring at 5:00 p.m. local time, on that day which is the One Hundred and Twentieth (120<sup>th</sup>) day following the Effective Date, in which to conduct such inspections, studies and due diligence as Purchaser shall determine, in its sole discretion.

### **3.2 Access to the Property.**

3.2.1 Access. During the Due Diligence Period, Seller shall permit Purchaser and Purchaser's agents and representatives access to the Land and Improvements for the purpose of conducting such due diligence, physical, financial, environmental and other inspections of the Land and Improvements (collectively, the "**Inspections**") as Purchaser shall determine, in its sole discretion. Before Purchaser enters the Land and Improvements to perform Inspections, Purchaser shall give Seller reasonable advance written notice and, at Seller's option, a representative of Seller may accompany Purchaser and/or Purchaser's representative. Purchaser agrees to be solely responsible for the conduct of Purchaser's representatives on and adjacent to the Land and Improvements and shall assume and pay for all expenses incurred in connection with the Inspections. In conducting its Inspections, Purchaser shall use commercially reasonable efforts to minimize interference with Seller's and any tenants' use and occupancy of the Property or the



## Buildings.

3.2.2 Invasive Testing and Inspection. At all times during the presence of Purchaser or Purchaser's representatives on the Land and Improvements, Purchaser agrees that Purchaser will not allow, and Purchaser's representatives will not conduct, any physically invasive testing of, on, or under the Land or Improvements without first obtaining Seller's written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

3.2.3 Purchaser's Repair Obligation. Purchaser agrees to return the Land and Improvements to the same condition and cleanliness existing before entry and/or occupation by Purchaser's representatives, including, but not limited to, sealing wells installed by Purchaser or other similar subsurface investigations; provided, that (i) Purchaser shall have no obligation to repair or pay the costs of repairing any damage caused by the acts or omissions of Seller, its agents, employees, contractors or invitees, (ii) Purchaser's obligation to repair or pay the costs of repairing the Land and Improvements shall specifically exclude any pre-existing conditions or the discovery thereof or the results or findings of any tests or investigations on the Property, and (iii) Purchaser's obligation to Seller to repair or pay the costs of repairing the Land and Improvements shall survive any termination of this Agreement for a period of sixty (60) days following any such termination.

3.2.4 Confidential Information. Except as required by law, Purchaser shall keep confidential the information resulting from the Inspections. Purchaser may disclose confidential information to Purchaser's representatives, successors and or assigns to the extent each needs to know confidential information for the purpose of evaluating the Land and Improvements, provided Purchaser takes all commercially reasonable measures to assure that Purchaser's representatives, successor and or assigns keep such information confidential.

3.2.5 Purchaser Obligation to Hold Harmless. Purchaser shall hold Seller harmless from any loss, injury, liability, damage or expense, including reasonable attorneys' fees and costs, directly caused by Purchaser, which Seller incurs as a result of: (i) any act or omission of Purchaser or its agents or representatives arising in connection with any tests or Inspections conducted by Purchaser or its agents or representatives to the Land and Improvements; or (ii) the failure of Purchaser to restore the Property in accordance with this Section 3.2; provided, however, that Purchaser shall not be required to defend and hold Seller harmless if and to the extent that any such loss, injury, liability, damage or expense was caused by the negligence or misconduct of Seller, its agents, employees, contractors or invitees; provided, further that the foregoing obligation of Purchaser hold Seller harmless shall specifically exclude any claims, actions, damages, liabilities, costs, expenses arising from any pre-existing conditions or the discovery thereof or the results or findings of any Inspections, tests or investigations on the Property. The foregoing obligation shall survive termination of this Agreement for a period of twelve (12) months.

3.3 Inspection of Documents. Within five (5) business days after the Effective Date, Seller shall make available to Purchaser or its representative, for inspection and copying, at the office of the Seller

or some other location mutually convenient to the parties, the Property information materials relating to the Land and Improvements set forth on Schedule 3.3 attached hereto (the "**Property Documents**"), to the extent such Property Documents are within Seller's actual possession or control.

#### 3.4 Survey.

3.4.1 As part of the Property Documents, Seller shall deliver the most recent survey, if any, in its actual possession and control to the Purchaser (the "**Existing Survey**"). To the extent deemed necessary, as determined by Purchaser, in its sole discretion, the Purchaser may, at its sole cost and expense, order an update to the Existing Survey (or if there is no Existing Survey, a new survey) for delivery to Purchaser no later than on the expiration of the Due Diligence Period (the Existing Survey, as updated, or a new survey, the "**Survey**"). On or before the expiration of the Due Diligence Period Purchaser shall deliver to Seller in writing any objections to any matters shown on the Survey (together with a copy of the Survey) ("**Survey Objection Letter**"). Purchaser's failure to timely provide the Survey Objection Letter shall be deemed to constitute Purchaser's approval thereof and waiver of all objection matters of Survey. If Purchaser timely objects to any matters shown on the Survey, then Seller shall have the right, but not the obligation except as expressly set forth in this Agreement, to agree in writing to cure before Closing such objections, or to decline to cure such objections.

3.4.2 Seller shall have until 5:00 p.m. on the date which is five (5) days after receipt of the Survey Objection Letter (the "**Survey Cure Notice Date**") to agree in writing to cure before Closing, or decline to cure, Purchaser's objections to the Survey matters in a manner acceptable to Purchaser. If Seller elects not to cure, or fails to timely respond to Purchaser's objections, Seller shall be deemed to have elected not to cure, in which event Purchaser may, at any time before five (5) days after the Survey Cure Notice Date or the expiration of the Due Diligence Period, whichever is later, to either: (i) terminate this Agreement by delivery of written notice to Seller; or (ii) waive in writing its objection to the Survey. Purchaser's failure to timely deliver to Seller a written notice of termination or waive its objection to the Survey shall be deemed to constitute Purchaser's waiver of such objections.

#### 3.5 Title Commitment.

3.5.1 Within five (5) days after the Effective Date Purchaser, at its sole cost and expense, shall order from a title insurance company designated by Purchaser (the "**Title Company**"), a commitment for Title Insurance (the "**Title Commitment**"), setting forth the status of title to the Land and all exceptions which would appear in an Owner's Policy of Title Insurance, specifying the Purchaser as the named insured and showing the Purchase Price as the policy amount. Purchaser shall, on or before the expiration of the Due Diligence Period deliver to Seller in writing any objections to matters shown in the Title Commitment (the "**Title Objection Letter**"). Purchaser's failure to timely object to any such title matters shall be deemed to constitute Purchaser's approval of same, and such shall then become Permitted Exceptions, as the term is hereinafter defined. If Purchaser timely objects to any item set forth in the Title Commitment, then Seller shall have the right, but not the obligation except as expressly set forth in this Agreement, to attempt to cure or cause to be cured before Closing such disapproved item.

3.5.2 Seller shall have until 5:00 p.m. on the date which is five (5) days after receipt of the Title Objection Letter (the "***Title Cure Notice Date***") to agree in writing to cure before Closing, or decline to cure, Purchaser's objections to the title matters in a manner acceptable to Purchaser. If Seller elects not to cure, or fails to timely respond to Purchaser's objections, Seller shall be deemed to have elected not to cure, in which event Purchaser may, at any time before five (5) days after the Title Cure Notice Date or the expiration of the Due Diligence Period, whichever is later, either: (i) terminate this Agreement by delivering to Seller a written notice of termination; or (ii) waive in writing its objection to the disapproved items, which shall then become Permitted Exceptions. Purchaser's failure to timely deliver to Seller and Title Company a written notice of termination or waiver of its objection to the disapproved items shall be deemed to constitute Purchaser's waiver of its objection to said items and such items shall become Permitted Exceptions.

3.5.3 Notwithstanding anything to the contrary contained in this Agreement, Seller shall remove (or cause to be removed) at Seller's sole cost and expense on or prior to the Closing Date, the following (collectively, the "***Required Removal Items***"), (i) any liens for monetary obligations incurred by Seller (other than general or special assessments not yet due and payable as of the Closing), including, but not limited to any deed of trust, tax liens and documents related thereto encumbering the Real Property, (ii) any mechanics or statutory liens for labor or materials arising out of any work or improvement performed by or on behalf of Seller at the Real Property prior to the Closing, and (iii) any encumbrances recorded or otherwise placed or permitted to be placed by Seller against the Property after the Effective Date of this Agreement, not reflected on the Title Commitment and not approved by Purchaser, in its sole discretion, in writing in advance thereof.

3.6 Purchaser's Acceptance or Rejection Prior to the Expiration of the Due Diligence Period.

3.6.1 On or before the expiration of the Due Diligence Period, Purchaser shall have the right to determine whether to purchase the Property or terminate this Agreement, for any or no reason, as Purchaser shall determine in its sole discretion. In the event that Purchaser elects to proceed with the transactions contemplated by this Agreement and purchase the Property pursuant and subject to this Agreement, prior to the expiration of the Due Diligence Period Purchaser shall give Seller written notice of its election to proceed with the purchase of the Property pursuant and subject to the terms of this Agreement (the "***Election Notice***"). If the Due Diligence Period expires without an Election Notice being received by Seller, then Purchaser shall be deemed to have elected to terminate this Agreement. If Purchaser gives Seller a notice of termination or this Agreement is deemed to have terminated, on or before the expiration of the Due Diligence Period, then this Agreement will automatically terminate, Purchaser shall promptly return all copies of all Property Documents to Seller or destroy the same, and thereupon neither party will have any further obligation or liability to the other party hereunder, except as otherwise expressly provided herein.

3.6.2 If Purchaser is responsible for terminating the Agreement under the terms set forth in 3.6.1 above and before expiration of the Due Diligence Period, and Seller is not in default under the terms of the Agreement, Purchaser shall pay to Seller, as consideration for entering into this Purchase / Sale Agreement, a fee (the "***Termination Fee***"), of \$5,000 before five (5) days after the date of termination.

3.7 Permitted Exceptions. Purchaser shall accept title to the Property, subject to the following exceptions (together, the “*Permitted Exceptions*”):

3.7.1 Those matters affecting or relating to the title to, or the survey of, the Property: (a) which are of record on the date of the Title Commitment or as shown on the Survey, and which were not included in either the Survey Objection Letter or the Title Objection letter (in either case, an “*Objection Letter*”) timely delivered by Purchaser, other than the Required Removal Items; (b) which were included in an Objection Letter, but for which (i) Seller has completed the cure thereof, or (ii) Purchaser has waived or been deemed to have waived the cure thereof, or (iii) Seller has elected to cure and will be cured by the payment of money at Closing; or (c) which Purchaser has otherwise approved in writing. Notwithstanding anything to the contrary contained herein, the Permitted Exceptions shall not include any Required Removal Items.

3.8 Pre-Closing Occupancy and Estoppels.

3.8.1 Seller warrants that current tenant leases of the properties described in 1, or of any portion thereof, will terminate on or before August 31, 2025 , and will not be renewed or extended beyond that date. Seller covenants that it will not lease any portion of the Property to any third party beyond August 31, 2025 . Neither the Seller itself nor any tenant shall be entitled to remain on any portion of the Property identified in 1.1 of this Agreement, beyond August 31, 2025 .

3.8.2 Not earlier than thirty (30) days prior to the Closing Date, Seller shall request from each of the Tenants under a Lease an Acceptable Tenant Estoppel (as hereinafter defined) executed by each of the Tenants no later than five (5) Business Days prior to the Closing Date. As used herein, an “*Acceptable Tenant Estoppel*” means an estoppel executed by a Tenant with respect to its Lease dated not earlier than thirty (30) days prior to the Closing Date that includes the following representations:

(i) that Tenant’s existing lease does not extend, either by its terms or through an option exercisable by Tenant, beyond August 31, 2025;

(ii) that Tenant will vacate the Property at the expiration of its Lease, but in no event later than August 31, 2025;

(iii) that Tenant will remove all of its personal property from the Property at such time as it vacates the property, and that any personal property not so removed will be considered abandoned; and,

(iv) that the Tenant will indemnify, hold harmless and defend the City and its officer, agents and employees from and against all demands, costs, claims and expenses (including attorneys’ fees and investigation fees), arising directly or indirectly from Tenant’s occupancy on the Property;

(v) that the City of Manassas will have no responsibility for any payments, credits, or refunds, including but not limited to a refund of any security deposit held by Seller, that may be due to Tenant under its Lease or arising pursuant to its occupancy.

3.8.3 Promptly upon Seller's receipt of an executed tenant estoppel from any Tenant (each, a "***Tenant Estoppel***"), and without regard to whether such Tenant Estoppel constitutes an Acceptable Tenant Estoppel, Seller shall forward a copy of such Tenant Estoppel to Purchaser

**4. Seller's Obligations Prior to Closing.** From and after the Effective Date until the Closing Date, Seller and/or Seller's agents or representatives shall:

4.1 **Insurance.** Keep the Property insured and maintain its current insurance policies in full force and effect through the Closing Date.

4.2 **Operation.** Operate and maintain the Property in the ordinary course of business and make repairs and/or replacements in the ordinary course of business in connection with any damage to the Property. Prior to Closing Seller shall properly and lawfully dispose of any toxic or hazardous materials left on the Property by any prior tenant of Seller.

4.3 **Notices.** Provide to Purchaser, immediately upon the receipt thereof, any and all written notices relating to the Property received by Seller or its agents or representatives from any governmental or quasi-governmental instrumentality, insurance company, vendor or other party under any of the Contracts, tenants or parties under the Leases, or from any other entity or party, which notices are of a type not normally received in the ordinary course of Seller's business, or which may have an effect upon the Property or result in a change in a representation or warranty made by Seller hereunder.

4.4 **Compliance with Agreements.** Take all actions necessary to comply with all agreements, covenants, encumbrances and obligations affecting or relating to the Property and the ownership, operation and maintenance thereof, including, without limitation, the Leases and any service contracts. Seller shall pay all utility bills and other invoices and expenses relating to the Property, as and when the same become due.

4.5 **New Contracts or Leases.** After the Effective Date of this Agreement, Seller may not, without the prior consent of Purchaser, enter into any new service contracts or Leases with respect to the Property that may be binding on Seller after Closing.

4.6 **No Solicitation.** Seller shall not, directly or indirectly, solicit, initiate or encourage, or take any other action, including, but not limited to, entering into any agreement designed to, or which could reasonably be expected to, facilitate, any proposal or offer from any entity or person to acquire the Property or any interest therein.

4.7 **Books and Records.** During normal business hours of the Due Diligence Period, Seller shall with advance reasonable notice permit Purchaser's representatives to inspect the Property, and to examine Seller's books and records relating to the ownership, construction, use, occupancy, operation and maintenance of the Property.

4.8 **Liens.** Not create any lien or encumbrance upon or affecting title to the Property except Permitted Title Exceptions after Effective Date of this Agreement, without Purchaser's prior written consent.

4.9 **Representation and Warranties.** Not take any action which will or would cause any of the representations or warranties in this Agreement to become untrue or be violated.

**5. Representations and Warranties.**

5.1 **By Seller.** Seller represents and warrants to Purchaser, as of the Effective Date, which representations and warranties shall be deemed to have been made again as of the Closing Date, that:

5.1.1 Seller, if an entity, is validly existing and in good standing under the laws of the Commonwealth of Virginia. Seller otherwise has all required power, right and authority to enter into and perform all of the obligations required of Seller under this Agreement and the instruments and documents referenced herein, and to consummate the transaction contemplated hereby. To the extent Seller is an entity, the person signing this Agreement and the other Seller Closing Documents on behalf of Seller is duly authorized to do so and to bind Seller thereto.

5.1.2 Seller has taken all requisite action and obtained, or will obtain prior to the expiration of the Due Diligence Period, all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Seller of its obligations hereunder.

5.1.3 This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be duly authorized, executed and delivered by Seller. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Seller pursuant to this Agreement shall be valid and legally binding upon Seller and enforceable in accordance with their respective terms.

5.1.4 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby does now constitute or shall result in a breach of, or a default under, any agreement, document, instrument or other obligation to which Seller is a party or by which Seller may be bound.

5.1.5 To Seller's knowledge and other than the existing Leases and service contracts, there are no agreements, instruments, documents or understandings, oral or written, affecting the Property or which could give rise to claims affecting the Property after the Closing Date.

5.1.6 There are no: (i) brokerage, management or leasing agreements affecting the Property other than as stated herein, (ii) commissions payable with respect to any of the Leases that have not been paid, and (iii) commissions that may become due and payable after the Closing Date with respect to any renewal, substitution, extension or expansion of any Lease on or after the Closing Date.

5.1.7 Seller has not received written notice of any condemnation proceedings relating to the Property, nor to Seller's knowledge is any such proceeding contemplated or threatened.

5.1.8 Seller has not received written notice of any action, suit, proceeding, judgment, order,

decree or government investigation (and to Seller's knowledge none of the foregoing are threatened) against Seller or the Property or relating specifically to Seller, the Property or the enforceability of this Agreement or the Closing Documents.

5.1.9 To Seller's knowledge, Seller has not received written notice of any violation or alleged violation of any legal requirement affecting the Property, including, without limitation, any violation or alleged violation of any local, state or federal environmental, zoning, handicap or fire law, ordinance, code, regulation, rule or order, and specifically including, without limitation, variances or special permits affecting the Property and the Americans with Disabilities Act.

5.1.10 The Leases that are in effect as of the Effective Date are set forth in **Schedule 5.1.10**. Those Leases comprise all of the leases, licenses, occupancy agreements or other documents evidencing the rights and obligations of all third parties to use or occupy space in the Property, and there are no other agreements binding upon the Property or Purchaser granting any person the right to use or occupy space at the Property.

5.1.11 Except as may be disclosed in the **Property Documents** produced pursuant to **Section 3.3**, to Seller's actual knowledge: (i) the Property is not in violation of any Environmental Law (including but not limited to those listed in this section); (ii) Seller has received no notice from any governmental agency of any investigation or proceeding by such governmental agency concerning the presence or alleged presence of Hazardous Materials (as hereinafter defined) on the Property; (iii) there are no underground storage tanks located on the Property, other than underground storage tanks that have been emptied of all contents; (iv) there are no present, pending or threatened actions or proceedings by any governmental agency regarding public health risks or the environmental condition of the Property, or the disposal or presence of Hazardous Material, or regarding any Environmental Law; and (v) there is no pending proceeding or inquiry by any governmental agency with respect to the presence of Hazardous Materials on the Property or the migration thereof from or to other property; and (vi) Seller has not received any notice of any such proceeding. As used in this Agreement, the term "**Hazardous Materials**" means any hazardous or toxic chemical, agent, substance, material or waste, including any petroleum-based substance, which is regulated by any local governmental authority, the Commonwealth of Virginia, the United States or any agency thereof, including, but not limited to substances defined by the Comprehensive Environmental Response, Compensation and Liability Act or the Resource Conservation and Recovery Act. Nothing in this section 5.1.11 shall relieve Seller of its pre-Closing obligation to remove and lawfully dispose of any Hazardous Materials left on the Property by Seller's tenants.

5.1.12 Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code.

5.1.13 Seller carries fire and extended coverage insurance with respect to the Property in an amount reasonably determined by Seller to be adequate. All insurance is in full force and effect.

5.1.14 No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or state bankruptcy law is pending against or, to the best of Seller's knowledge, contemplated by Seller or any person comprising Seller.

5.1.15 To Seller's knowledge, there are no actions, suits, claims or other proceedings pending, contemplated or threatened against Seller that could affect the Seller's ability to perform its obligations when and as required under the terms of this Agreement.

5.1.16 There is no management agreement currently in effect that will survive the sale of the Property contemplated by this Agreement.

5.1.17 The representations and warranties set forth in this **Section 5.1** shall survive Closing of this transaction for a period of twelve (12) months following Closing.

5.2 **By Purchaser.** Purchaser represents and warrants to Seller as of the Effective Date which representations and warranties shall be deemed to have been made again as of the Closing Date, that:

5.2.1 Purchaser is a governmental entity that is duly organized, validly existing and in good standing under the laws of the Commonwealth of Virginia.

5.2.2 Purchaser has taken all requisite action and obtained all requisite consents, releases and permissions in connection with entering into this Agreement and the instruments and documents referenced herein or required under any covenant, agreement, encumbrance, law or regulation with respect to the obligations required hereunder, and no consent of any other party is required for the performance by Purchaser of its obligations hereunder.

5.2.3 This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, duly authorized, executed and delivered by Purchaser. This Agreement is, and all agreements, instruments and documents to be executed and delivered by Purchaser pursuant to this Agreement shall be, valid and legally binding upon Purchaser and enforceable in accordance with their respective terms.

5.2.4 Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby does now constitute or shall result in a breach of, or a default under, any agreement, document, instrument or other obligation to which Purchaser is a party or by which Purchaser may be bound, or any law, statute, ordinance, rule, governmental regulation or any writ, injunction, order or decree of any court or governmental body, applicable to Purchaser or to the Property.

5.2.5 No petition in bankruptcy (voluntary or otherwise), assignment for the benefit of creditors, or petition seeking reorganization or arrangement or other action under Federal or state bankruptcy law is pending against or, to the best of Purchaser's knowledge, contemplated by Purchaser.

5.2.6 There are no actions, suits, claims or other proceedings pending or, to the best of the Purchaser's knowledge, contemplated or threatened against Purchaser that could affect the Purchaser's ability to perform its obligations when and as required under the terms of this Agreement.

5.2.7 Purchaser has sufficient funds or financial capability to pay the Purchase Price at Closing.



5.3 Broker. Seller and Purchaser each represents to the other that it has had no dealings, negotiations, or consultations with any broker, representative, employee, agent or other intermediary in connection with the sale of the Property. No fees or commissions owed or alleged to be owed to any broker, representative, agent or other intermediary with which Seller has contracted with in connection with the sale of the Property shall in any way be the responsibility of Purchaser. Seller and Purchaser agree that each will hold the other free and harmless (including reasonable attorneys' fees) from the claims of any other broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Seller or Purchaser, as the case may be, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the sale of the Property. This mutual obligation shall survive any termination of this Agreement and Closing.

5.4 Property Condition Disclaimer. Purchaser and Seller specifically acknowledge and agree that unless expressly stated to the contrary in this Agreement:

5.4.1 Seller shall sell and Purchaser shall purchase the Property "as is, where is and with all faults and all latent and patent defects" and with all violations of laws and ordinances; and

5.4.2 Purchaser is not relying on any representations or warranties of any kind whatsoever unless otherwise stated herein, whether oral or written, express or implied, statutory or otherwise, from Seller concerning the Property, or set forth, contained or addressed in the due diligence materials, including without limitation any warranties as to: (i) the quality, nature, habitability, merchantability, use, operation, value, marketability, adequacy or physical condition of the Property or any aspect or portion thereof, including, without limitation, structural elements, foundation, roof, appurtenances, access, landscaping, parking facilities, electrical, mechanical, HVAC, plumbing, sewage, and utility systems, facilities and appliances, soils, geology and groundwater; (ii) the dimensions or lot size of the Property or the square footage of the improvements thereon or of any tenant space therein; (iii) the development or income potential, or rights of or relating to, the Property, or the Property's use, habitability, merchantability, or fitness, or the suitability, value or adequacy of the Property for any particular purpose, the zoning or other legal status of the Property or any other public or private restrictions on the use of the Property, the compliance of the Property or its operation with any applicable codes, laws, regulations, statutes, ordinances, covenants, conditions and restrictions of any governmental authority or of any other person or entity (including, without limitation, The Americans with Disabilities Act), the ability of Purchaser to obtain any necessary governmental approvals, licenses or permits for Purchaser's intended use or development of the Property, the presence or absence of hazardous materials on, in, under, above or about the Property or any adjoining or neighboring Property, the presence or absence of mold, fungus, bacteria and/or other biological growth or biological growth factors, or any other types of indoor contaminants on, in, under, above or about the Property, the quality of any labor and materials used in the construction of any improvements, the condition of title to the Property, the Leases, Contracts or any other agreements affecting the Property or the intentions of any party with respect to the negotiation and/or execution of any lease or contract with respect to the Property, the economics of the Property, or the income and expenses, revenue or expense projections or other financial matters, relating to, the operation of the Property. Without limiting the generality of the foregoing Purchaser expressly acknowledges and agrees that unless expressly provided in this Agreement, Purchaser is not relying on any other representation or warranty of Seller, nor any representative of Seller, whether implied, presumed or expressly provided at law or otherwise, arising by virtue of any statute, common law or other legally binding right or remedy in

favor of Purchaser. Purchaser further acknowledges and agrees that Seller is under no duty to make any inquiry regarding any matter that may or may not be known to any Seller party or any broker of Seller. This Section shall survive closing, or, if the closing does not occur, shall survive the termination of this agreement.

5.4.3 Both Parties acknowledge that historical uses of the Property and its location may have resulted in environmental contamination of the site that requires remediation. Purchaser has been provided with all of the information that Seller possesses, as of the Effective Date of this Agreement, concerning the current environmental condition of the Property, with the contact information of representatives of the Virginia Department of Environmental Quality ("DEQ"), and with information regarding funds that DEQ has available to it to employ on remediation of any contamination that may exist on the Property. Seller agrees that it will consult with Purchaser and DEQ both before and after Closing regarding the environmental condition of the Property and any required or necessary remediation; provided, however, that nothing in this Agreement shall be construed as making Seller responsible for such remediation or the costs thereof as may be required by DEQ or other governmental agency with jurisdiction over the Property. MIFCO agrees that all fuel currently stored in underground or above ground tanks or containers, if any, will be removed from the Property prior to Closing. Seller shall not be responsible for the removal of the emptied tanks or containers. This Section 5.4.3 will survive the Closing.

## **6. Conditions Precedent to Closing.**

6.1.1 Conditions for the Benefit of Purchaser. The obligation of Purchaser to consummate the conveyance of the Property hereunder is subject to the full and complete satisfaction or waiver of each of the following conditions precedent: The representations and warranties of Seller contained in this Agreement shall be true, complete and accurate in all material respects, on and as of the date hereof and the Closing Date as if the same were made on and as of such date.

6.1.2 Seller shall have performed each and every obligation and covenant of Seller to be performed hereunder unless performance thereof is waived by Purchaser.

6.1.3 There has been no change to the condition of the Property since the last day of the Due Diligence Period, provided that any change in condition due to casualty or condemnation shall be controlled by the provisions of Section 10.

6.1.4 Seller shall have delivered to Purchaser Acceptable Tenant Estoppels for each of the Tenants under all of the Leases.

6.1.5 The Property shall be delivered to Purchaser at the Closing free and clear of any occupants or rights to possession.

6.1.6 No order, writ, injunction or decree shall have been entered and be in effect by any court of competent jurisdiction or any authority, and no laws, ordinances, orders, requirements or regulations of any federal, state, municipal or other governmental or quasi-governmental court, agency, authority or district applicable to the Property shall have been promulgated or enacted and be in effect, that restrains, enjoins or invalidates the transactions contemplated hereby; and

6.1.7 Purchaser has not exercised its right to terminate this Agreement pursuant to Section

10.

6.2 Waiver of Conditions by Purchaser. Purchaser shall have the right to waive some or all of the foregoing conditions in Section 6.1 in its sole and absolute discretion; provided, however, that no such waiver shall be effective or binding on Purchaser unless it is in writing and executed by an authorized officer of Purchaser.

6.3 Conditions for the Benefit of Seller. The obligation of Seller to consummate the conveyance of the Property hereunder is subject to the full and complete satisfaction or waiver of each of the following conditions precedent:

6.3.1 The representations and warranties of Purchaser contained in this Agreement shall be true, complete and accurate in all material respects, on and as of the date hereof and the Closing Date as if the same were made on and as of such date.

6.3.2 Purchaser shall have performed each and every obligation and covenant of Purchaser to be performed hereunder unless performance thereof is waived by Seller.

6.4 Waiver of Conditions by Seller. Seller shall have the right to waive some or all of the foregoing conditions in Section 6.3 its sole and absolute discretion; provided, however, that no such waiver shall be effective or binding on Seller unless it is in writing and executed by Seller.

## **7. Closing Costs and Prorations.**

7.1 Purchaser's Costs. Purchaser will pay the following costs of closing this transaction:

7.1.1 Unless made exempt by law, the recording fees for the Deed and any and all state and county recordation, documentary or transfer taxes (excluding the Grantor Taxes which are customarily payable by sellers of real property in Virginia);

7.1.2 All premiums, fees and costs associated with the issuance of any Title Policy by the Title Company as well as for all premiums, fees and costs associated with the issuance of a mortgagee title insurance policy;

7.1.3 One-half of the settlement fees and other charges of the Settlement Agent due in connection with the Closing of this transaction;

7.1.4 The fees and disbursements of Purchaser's counsel;

7.1.5 The cost of the Survey;

7.1.6 Any other expense(s) incurred by Purchaser or its representative(s) in inspecting or evaluating the Property or closing this transaction.

7.2 Seller's Costs. Seller will pay the following costs of closing this transaction:

7.2.1 The Virginia statutory Grantor's Tax (VA Code 58.1-802), to include the Regional Transportation Improvement Fee (VA Code 58.1-802.3) and the Regional Congestion Relief Fee (VA Code 58.1-802.4) payable on the recordation of the Deed (together, the "*Grantor Taxes*");

7.2.2 One-half of the settlement fees and other charges of the Escrow Agent due in connection with the closing of this transaction;

7.2.3 The fees and disbursements of Seller's counsel; and

7.2.4 All release fees and other charges required to be paid in order to release from the Property the lien of any mortgage, other security interest or Required Removal Items that Seller is obligated to remove pursuant to the terms of this Agreement.

7.3 Taxes. All general real estate taxes and special assessments relating to the Property, including but not limited to stormwater utility fees, payable during the year in which Closing occurs shall be prorated with respect to the Property as of the Closing Date, with Seller being responsible for taxes attributable to Seller's period of ownership. In no event shall Seller be responsible for any taxes relating to any period in which Seller did not own the Property. If Closing shall occur before the actual taxes and special assessments payable during such year are known, the apportionment of taxes shall be upon the basis of taxes for the Property payable during the immediately preceding year. If, as the result of an appeal of the assessed valuation of the Property for any real estate tax year prior to (or including) the Closing, there is issued after Closing an administrative ruling, judicial decision or settlement by which the assessed value of the Property for such tax year is reduced, and a real estate tax refund issued, Seller shall be entitled to all such refunds relating to the period prior to the Closing Date and Purchaser shall be entitled to all such refunds relating to the period from and after the Closing Date.

7.4 In General. Any other costs or charges of closing this transaction not specifically mentioned in this Agreement shall be paid and adjusted in accordance with local custom in the jurisdiction in which the Property is located.

## 8. Closing and Escrow.

8.1 Settlement Agent. The Settlement Agent is Community Title Network, 9408 Grant Avenue, Suite 201, Manassas, VA 20110.

8.2 Closing. The consummation of the sale and purchase of the Property pursuant to this Agreement (the "**Closing**") shall occur between noon and 5:00 p.m. local time on the Closing Date, which shall be mutually agreed to by Seller and Purchaser and which shall be on or before September 10, 2025 (the "**Closing Date**"). Except as otherwise mutually agreed by the Parties, the Closing shall take place in Escrow through the Settlement Agent. All deliveries provided for below shall be delivered in trust to the Settlement Agent on or before the Closing Date if not otherwise delivered directly to the party entitled to receipt of such items at Closing.

8.3 Escrow Closing. Purchaser and Seller (or their respective counsel on behalf of Purchaser and Seller) shall execute letters of escrow closing instructions in form and substance acceptable to Purchaser and Seller (the "**Closing Instructions**") which will provide that, on the Closing Date: (a) Seller and Purchaser shall each deposit with the Escrow Agent all of the documents and instruments described in Section 8.4 and Section 8.5, below (the "**Closing Documents**"); and (b) Purchaser shall deposit with the Escrow Agent the Purchase Price required to be paid after application of all prorations, adjustments and credits required to be made under this Agreement, (the "**Adjusted Purchase Price**"), all of which shall be set forth on, and mutually agreeable pursuant to, a Settlement Statement executed by both Purchaser and

Seller at Closing. Upon receipt of the Adjusted Purchase Price, and the satisfaction of all other conditions set forth in the Closing Instructions, the Escrow Agent shall be authorized and directed to disburse the Adjusted Purchase Price to Seller or its designee(s), issue the Title Policy, record the Deed among the land records of Prince William County, Virginia, and release the remaining Closing Documents to the appropriate parties, all in strict accordance with the Closing Instructions.

8.4 Seller's Deliveries. Seller shall deliver either at the Closing or by making available at the Property, as appropriate, the following original documents, each executed and, if required, acknowledged:

8.4.1 A Deed, in the form attached hereto as Schedule 8.4.1, conveying title to Purchaser of the Real Property, subject only to the Permitted Exceptions.

8.4.2 Originals (to the extent in Seller's actual possession) of all: (i) warranties then in effect, if any, with respect to the Property or to the Improvements or any repairs or renovations to such Improvements; and (ii) an assignment of all such warranties and guarantees being conveyed hereunder, conveying to Purchaser Seller's rights, title and interests in and to the warranties attributable to the Property.

8.4.3 An affidavit pursuant to the Foreign Investment and Real Property Tax Act.

8.4.4 Appropriate evidence of authority, capacity and status of Seller as reasonably required by the Title Company.

8.4.5 An "Owner's Affidavit", in form reasonably acceptable to the Title Company and sufficient for the Title Company to delete any exceptions for: (i) mechanics' or materialmen's liens arising from work at the Property which is the responsibility of Seller hereunder, (ii) parties in possession, other than tenants as tenants only, and, (iii) matters not shown in the public records, and (iv) such other matters as Title Company shall reasonably require to issue the Title Policy.

8.4.6 A settlement statement (the "*Settlement Statement*"), prepared by the Escrow Agent and as reviewed and agreed to by Seller.

8.4.7 A bill of sale in the form attached hereto as Schedule 8.4.8 (the "*Bill of Sale*"), transferring to Purchaser all of Seller's right, title and interest in the Property.

8.4.8 A certificate duly authorized by Seller, an officer of Seller or of its managing constituent, as the case may be, to the effect that the representations and warranties of Seller set forth in this Agreement are true and complete on and as of the Closing.

8.4.9 All of the original Acceptable Tenant Estoppels.

8.4.10 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated hereby.

8.5 Purchaser's Deliveries. At the Closing, Purchaser shall: (i) pay Seller the Purchase Price as required by, and in the manner described in, Section 2 hereof; and (ii) execute and deliver the following documents:

8.5.1 The Deed executed by Purchaser pursuant to Virginia Code §15.2-1803.

8.5.2 The Bill of Sale.

8.5.3 Appropriate evidence of authority, capacity and status of Purchaser as reasonably required by the Title Company.

8.5.4 The Settlement Statement.

8.5.5 Such other documents, certificates and other instruments as may be reasonably required to consummate the transaction contemplated hereby, including but not limited to those that may be required by the Settlement Agent.

**9. Damage, Destruction and Condemnation.**

9.1 Casualty. Except as provided herein, Seller assumes all risk of loss or damage to the Property by fire or other casualty until possession of the Property is delivered to Purchaser. If at any time on or prior to the Closing Date any portion of the Property is destroyed or damaged as a result of fire or any other cause whatsoever, Seller shall promptly give written notice thereof to Purchaser. If the estimated cost to repair the damage or destruction exceeds \$50,000 as reasonably estimated by Seller or any of the Tenants under the Leases have the right to terminate the applicable Lease due to such fire or other casualty, Purchaser shall have the right to terminate this Agreement by written notice to Seller within ten (10) days following the date upon which Purchaser receives Seller's written notice of the destruction or damage. If Purchaser does not elect or is deemed to not elect to terminate this Agreement within said ten (10) day period, or if the cost of repair is equal to or less than \$50,000, this Agreement shall remain in full force and effect and the parties shall proceed to Closing without any reduction or adjustment in the Purchase Price, except that all resulting insurance proceeds will be assigned to Seller.

If Purchaser does not terminate the Agreement and the damage renders the Property uninhabitable, or if Seller permanently vacates the Property as a result of the damage, Closing shall take place thirty (30) calendar days after the date of the damage to the Property or September 10, 2025, which ever date occurs first.

9.2 Condemnation. In the event, at any time on or prior to the Closing Date, any action or proceeding is filed, under which the Property, or any portion thereof, may be taken pursuant to any law, ordinance or regulation or by condemnation or the right of eminent domain, Seller shall promptly give written notice thereof (which notice shall describe the type of action being taken against the Property, and which portions of the Property will be affected thereby) to Purchaser. Purchaser shall thereafter have the right to terminate this Agreement by written notice to Seller within ten (10) days following the date upon which Purchaser receives Seller's written notice of such action or proceeding. If Purchaser does not elect or is deemed not to elect to so terminate this Agreement within said ten (10) day period, this Agreement shall remain in full force and effect and the parties shall proceed to closing without any reduction or adjustment in the Purchase Price, except that all resulting condemnation proceeds will be assigned to Purchaser.

**10. Failure of Conditions Precedent; Default and Remedies.**

10.1 Failure of Conditions Precedent. If any of the conditions precedent stated in Section 6.1

have not occurred or been satisfied or waived by the Purchaser on or before the Closing Date, Purchaser may: (a) terminate this Agreement by written notice to the Seller on or before the Closing Date, or (b) waive such conditions precedent and proceed to Closing. If any of the conditions precedent stated in Section 6.3 have not occurred or been satisfied or waived by the Seller on or before the Closing Date, Seller may: (a) terminate this Agreement by written notice to the Purchaser on or before the Closing Date, or (b) waive such conditions precedent and proceed to Closing.

10.2 Purchaser Default. If Purchaser is in default of one or more of Purchaser's obligations under this Agreement, then Seller may give notice to Purchaser specifying the nature of the default. Purchaser shall have five (5) Business Days after receiving that notice within which to cure that default. If Purchaser fails to cure that default within that period, then Seller may terminate this Agreement by giving notice of such termination to Purchaser, and pursue any or all available legal or equitable remedies.

10.3 Seller Default. If Seller is in default of one or more of Seller's obligations under this Agreement, then Purchaser may give notice to Seller specifying the nature of default. Seller shall have five (5) Business Days after receiving that notice within which to cure that default. If Seller fails to cure the default within that period, then Purchaser may terminate this Agreement by giving notice of such termination to Seller, and pursue any or all available legal or equitable remedies.

10.4 Termination. Upon any termination of this Agreement pursuant to any right of a party to terminate set forth in this Agreement: (a) all documents deposited by Purchaser and Seller into escrow shall be returned by the Settlement Agent to the party depositing the same; and (b) all copies of all Proper Documents provided to Purchaser by Seller shall be returned to Seller, whereupon the parties will have no continuing liability to each other unless otherwise expressly stated in any provision of this Agreement.

10.5 Attorneys' Fees. Notwithstanding anything to the contrary in this Agreement, in the event that either Seller or Purchaser, as the case may be, shall bring a lawsuit against the other party for breach of such party's obligations under this Agreement, the losing party shall pay the prevailing party's costs and expenses incurred in connection with such litigation, including without limitation reasonable attorneys' fees. The "prevailing party" shall be determined by the court hearing such matter.

11. Notices. Any notice required or permitted to be given hereunder may be served by a party or its attorney and must be in writing and shall be deemed to be given when: (a) hand delivered; or (b) one (1) business day after pickup by United Parcel Service (overnight), Federal Express (overnight), or another similar overnight express service; or (c) transmitted by telecopy or facsimile, provided that confirmation of the receipt of same is noted upon transmission of same by the sender's telecopy machine, and a counterpart of such notice is also delivered pursuant to one of the two manners specified in (a) or (b) above, in any case addressed to the parties at their respective addresses set forth below:

If to Purchaser:                      The City of Manassas, Virginia  
c/o Douglas W. Keen, Interim City Manager  
9027 Center Street  
Manassas, Virginia 20110  
Email: [DKeen@manassasva.gov](mailto:DKeen@manassasva.gov)

With a copy to:                      S. Craig Brown, City Attorney  
9027 Center Street  
Manassas, Virginia 20110 Email:  
[cbrown@manassasva.gov](mailto:cbrown@manassasva.gov)

**If to Seller:** Manassas Ice and Fuel Company, Inc.  
c/o Mr. Hal Parrish  
9009 Center Street  
Manassas, VA 22192  
Email: [halparrish@verizon.net](mailto:halparrish@verizon.net)

**With a copy to:** John H. Foote  
Walsh, Colucci, Lubeley & Walsh, PC  
4310 Prince William Parkway, Suite 300  
Prince William, Virginia 22192  
Email: [jfoote@thelandlawyers.com](mailto:jfoote@thelandlawyers.com)

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this **Section 12** to the other party. Effective notice will be deemed given only as provided above, except as otherwise expressly provided in this Agreement.

## **12. Miscellaneous.**

12.1 **Entire Agreement.** This Agreement, together with the Exhibits and Schedules attached hereto, all of which are incorporated by reference, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties.

12.2 **Severability.** If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

12.3 **Applicable Law.** This Agreement shall be construed and enforced in accordance with the internal laws of the Commonwealth of Virginia.

12.4 **Assignability.** Purchaser shall have the right, upon written notice to Seller, to assign or transfer any or all of Purchaser's rights, obligations and interests under this Agreement. In the event that Purchaser assigns its rights under this Agreement and such assignee expressly assumes all of Purchaser's obligations, duties, covenants and representations and warranties under this Agreement, Purchaser shall have no further obligations under this Agreement, and Seller shall look solely to such assignee for the fulfillment of all obligations, duties, covenants, agreements and representations and warranties of Purchaser.

12.5 **Successors Bound.** This Agreement shall be binding upon and inure to the benefit of Purchaser and Seller and their respective successors and assigns.

12.6 **Public Disclosure.** Except as may be required by law (to include FOIA requirements), prior to Closing, all press releases or other dissemination of information to the media or responses to requests from the media for information relating to the transaction contemplated herein shall be subject to the prior written consent of Purchaser and Seller.



12.7 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

12.8 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

12.9 Counterparts and PDF Signature. This Agreement may be executed in any number of counterparts and delivered in electronic PDF format by the parties, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

12.10 Recordation. Purchaser and Seller agree not to record this Agreement or any memorandum hereof.

12.11 Proper Execution. This Agreement shall have no binding force and effect on either party unless and until both Purchaser and Seller shall have executed and delivered this Agreement.

12.12 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

12.13 Business Days. If any date herein set forth for the performance of any obligations by Seller or Purchaser or for the delivery of any instrument or notice as herein provided should fall on a Saturday, Sunday or Legal Holiday (hereinafter defined), the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or Legal Holiday. As used herein, the term "**Legal Holiday**" shall mean any local or federal holiday on which post offices are closed.

12.14 Limitation of Liability. No present or future partner, director, officer, member, shareholder, employee, advisor, affiliate, servicer or agent of or in Seller, Purchaser or any affiliate of any of the foregoing will have any personal liability, directly or indirectly, under or in connection with this Agreement or any agreement made or entered into under or in connection with the provisions of this Agreement, or any amendment or amendments to any of the foregoing made at any time or times, heretofore or hereafter. The limitations of liability contained in this paragraph will survive the termination of this Agreement or the Closing, as applicable, and are in addition to, and not in limitation of, any limitation on liability applicable to either party provided elsewhere in this Agreement or by law or by any other contract, agreement or instrument. In no event will Seller or Purchaser be liable for any consequential, exemplary or punitive damages under any circumstances in connection with this Agreement or the transaction contemplated hereby.

12.15 Waiver of Jury Trial. To the fullest extent permitted by applicable law, the parties each hereby knowingly, voluntarily and intentionally waive any right (whether arising under the Constitution of the United States or that of the Commonwealth of Virginia where the Real Property is located or any other state,

or under any foreign jurisdiction, under any statutes regarding or rules of civil procedure applicable in any state, federal, or foreign legal proceeding, under common law, or otherwise) to demand or have a trial by jury of any claim, demand, action or cause of action arising under this Agreement or in any way connected with or related to or incidental to the discussions, dealings, or actions of such persons or any of them (whether oral or written) with respect thereto, or to the transactions related thereto, in each case whether now existing or hereafter arising, and whether sounding in contract, tort or otherwise; and each party agrees and consents that any such claim, demand, action or cause of action shall be decided by the court without a jury, and that any other party to this Agreement may file an original counterpart or a copy of this Agreement with any court as written evidence of such waiver of right to trial by jury. The parties acknowledge and agree that they have received full and sufficient consideration for this provision (and each other provision of each other related document to which they are a party) and that this provision is a material inducement for the Seller's accepting this Agreement. By waiving a jury trial, the parties intend claims and disputes to be resolved by a judge acting without a jury in order to avoid the delays, expenses and risks of mistaken interpretations which each party acknowledges to be greater with jury trials than with non-jury trials.

**12.16 Prohibited Persons and Transactions.**

12.16.1 Purchaser represents and warrants that to Purchaser's knowledge: (i) Purchaser is not a Prohibited Person (hereinafter defined); (ii) none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person; (iii) the funds or other assets Purchaser will transfer to Seller under this Agreement are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person; and (iv) the funds or other assets Purchaser will transfer to Seller under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7).

12.16.2 Seller represents and warrants that to Seller's knowledge: (i) Seller is not a Prohibited Person (defined below); (ii) none of its investors, affiliates or brokers or other agents (if any), acting or benefiting in any capacity in connection with this Agreement is a Prohibited Person; (iii) the funds or other assets Seller will transfer to Purchaser under this Agreement are not the property of, or beneficially owned, directly or indirectly, by a Prohibited Person; and (iv) the funds or other assets Seller will transfer to Purchaser under this Agreement are not the proceeds of specified unlawful activity as defined by 18 U.S.C. § 1956(c)(7). The foregoing representations shall survive Closing and any termination of this Agreement.

12.16.3 For the purposes of this **Section 13.16**, the term "***Prohibited Person***" means any of the following: (a) a person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing (effective September 24, 2001) (the "***Executive Order***"); (b) a person or entity owned or controlled by, or acting for or on behalf of any person or entity that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity that is named as a "specially designated national" or "blocked person" on the most current list published by the U.S. Treasury Department's Office of Foreign Assets Control ("***OFAC***") at its official website, <http://www.treas.gov/offices/enforcement/ofac>; (d) a person or entity that is otherwise the target of any economic sanctions program currently administered by OFAC; or (e) a person or entity that is affiliated with any person or entity identified in clause (a), (b), (c) and/or (d) above. The foregoing representations shall survive Closing and any termination of this Agreement.

12.17 Effective Date. the term “*Effective Date*” as used in this Agreement shall mean and refer to a date on which this Agreement is last signed by either Seller or Purchaser, each marginal change, if any, has been correspondingly initialed by the parties and a copy a fully signed copy of this Agreement has been delivered to each party.

12.18 Merger. Unless expressly provided in this Agreement to the contrary, this Agreement shall be deemed merged into the deed delivered at Closing and shall not survive Closing.

### **13. Tax Deferred Exchange.**

13.1 The Seller may elect to assign its interest in this Agreement to an exchange facilitator by means of one or more escrows for the purpose of completing an exchange of such Property in a transaction which will qualify for treatment as a tax deferred exchange pursuant to the provisions of Section 1031 of the Internal Revenue Code of 1986 and applicable state revenue and taxation code sections (a “*1031 Exchange*”). Purchaser agrees to reasonably cooperate with Seller in implementing any such assignment and 1031 Exchange, provided that such cooperation shall not entail any material additional expense to Purchaser, cause Purchaser to take title to any other property or cause Purchaser to incur any liability or loss of rights or benefits contemplated by this Agreement, and Seller shall indemnify and hold Purchaser harmless from any liability, damage, loss, cost or other expense including, without limitation, reasonable attorneys’ fees and costs, resulting or arising from the implementation of any such assignment and 1031 Exchange.

13.2 No such assignment by Seller shall relieve Seller from any of its obligations hereunder, delay Closing nor Seller’s ability to consummate a tax deferred exchange be a condition to the performance of Seller’s obligations under this Agreement.

**14. City Approval.** This Agreement and Purchaser’s obligation hereunder are made expressly contingent on the City of Manassas, by and through the affirmative vote of its City Council, approving this Agreement at a public meeting called and held in accordance with applicable law concerning such proposed acquisition.

*[Signatures contained on separate pages immediately following. Remainder of this page left intentionally blank]*

IN WITNESS WHEREOF, Purchaser and Seller have executed this Agreement on the dates set forth below, effective as of the date first set forth above.

**SELLER:**

**MANASSAS ICE AND FUEL COMPANY, INC.,** a  
Virginia corporation,

By: 

Name: HARRY J. PRESBITERI (Printed)

Title: PRESIDENT

Date: 30 DEC. 2024

**PURCHASER:**

**CITY OF MANASSAS, VIRGINIA,** a municipal corporation  
of the Commonwealth of Virginia

By: \_\_\_\_\_

Name: \_\_\_\_\_ (Printed)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**APPROVED AS TO FORM:**

\_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **SCHEDULE 1**

### **Real Property Description**

9003 Center Street, Manassas Virginia 20110 (Tax ID No: 100-01-00-71A) (from Deed Book 1772, Page 1035)

9005 Center Street, Manassas, Virginia 20110 (Tax ID No: 100-01-00-70) (from Deed Book 1772, Page 1035)

9007 Center Street, Manassas, Virginia 20110 (Tax ID No: 101-01-00-185) (from Deed Book 182, Page 35)

9007A Center Street, Manassas, Virginia 20110 (Tax ID No. 100-01-00-71B) (from Deed Book 504, Page 19)

9009 Center Street, Manassas, Virginia 20110, location of the Seller's office (Tax ID 101-01-00-186) (from Deed Book 199, Page 7)

9011A Center Street, Manassas, Virginia 20110 (Tax ID 101-01-00-187A) (from Deed Book 1296, Page 1077)

### **SCHEDULE 3.3**

#### **Property Documents**

The following will be delivered to Purchaser to the extent that they are in Seller's possession, custody, or control.

1. Most recent survey of the Property.
2. Most recent title commitment/policy for the Property.
3. Copy of existing site plans.
4. Copy of existing engineering and architectural plans or specifications.
5. Property condition report.
6. Copy of any existing environmental reports or studies, and communications with any state or federal agency regarding the condition of the Property.
7. Copies of all service contracts, warranties and permits applicable to the Property.

**SCHEDULE 5.1.10**

**Sellers' Leases**

**SCHEDULE 8.4.1**

**Form of Special Warranty Deed**

**Prepared By/Return To:**

**Tax Map No.:** \_\_\_\_\_

**Consideration: \$** \_\_\_\_\_

**Assessed Value: \$** \_\_\_\_\_

**Title Insurer:** \_\_\_\_\_

**SPECIAL WARRANTY DEED**

**THIS SPECIAL WARRANTY DEED** is executed as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by and between:

- A. **MANASSAS ICE AND FUEL COMPANY, INC.**, a Virginia corporation, index as Grantor (hereinafter called "***Grantor***"); and
- B. **CITY OF MANASSAS, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia, index as Grantee (hereinafter called "***Grantee***").

**WITNESSETH:**

**THAT GRANTOR**, for and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration paid to Grantor by Grantee, the receipt and sufficiency of which are hereby acknowledged, does hereby GRANT, BARGAIN, SELL, CONVEY, ASSIGN and DELIVER to Grantee, with SPECIAL WARRANTY of title and in FEE SIMPLE, all that certain real property located in the City of Manassas, Virginia and more particularly described in described in **Exhibit "A"** attached hereto and made a part hereof (the "***Property***").

**TOGETHER WITH** all buildings, parking facilities and improvements located in and on such Property; and

**TOGETHER WITH** all fixtures and other property affecting the Property; and

**TOGETHER WITH** all easements, hereditaments, rights-of-way, appurtenances, development rights, licenses, privileges and other benefits belonging or appurtenant to such Property; and

**TOGETHER WITH** all mineral, gas, oil and water rights, sewer rights, other utility rights and development rights now or hereafter allocated or allocable to such Property; and

**TOGETHER WITH** all right, title and interest of Grantor in and to any land lying in the bed of any street, road, avenue or alley, open or closed, adjacent to such Property to the center line thereof; and

**TOGETHER WITH** any estate, right, title, interest or claim of Grantor, either at law or in equity, to such Property.



**TO HAVE AND TO HOLD** all of the aforesaid Property unto the use and benefit of Grantee, its successors and assigns, in fee simple, forever, and Grantor does hereby covenant: (i) to warrant specially the Property; (ii) that it has the right to convey said Property to Grantee; (iii) that the Grantor has done no act to encumber such Property; (iv) that the Grantee shall have quiet possession of the Property, free from all encumbrances; and (v) that the Grantor will execute such further assurances of the Property as may be requisite.

The Property is conveyed free and clear of liens and encumbrances securing an obligation for the payment of money and is subject only to the conditions, easements, covenants, conditions, restrictions and agreements set forth on **Exhibit B** attached hereto and made a part hereof, to the extent, but only to the extent, that the same are valid and subsisting and apply to the Property or any part thereof.

The Property is a part of the same property acquired by the Grantor by deed recorded among the Land Records of Prince William County, Virginia, in Deed Book\_\_, at Page\_\_.

*(Signature Page Follows)*

**Exhibits Attached:**

Exhibit "A" - Legal Description

Exhibit "B" - Permitted Exceptions

**IN WITNESS WHEREOF**, this Deed is executed by Grantor on the date set forth in the acknowledgement below to be effective as of \_\_\_\_\_, 202\_.

**GRANTOR:**

**MANASSAS ICE AND FUEL COMPANY, INC.**, a Virginia corporation,

By: \_\_\_\_\_ (Seal)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**COMMONWEALTH OF VIRGINIA**  
**CITY/COUNTY OF \_\_\_\_\_, to-wit:**

This instrument was acknowledged to before me, the undersigned Notary Public, on this \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, in his capacity as the \_\_\_\_\_ of **MANASSAS ICE AND FUEL COMPANY, INC.**, a Virginia corporation, known to me or proven to me to be the person executing this instrument for the purpose therein stated.

[SEAL]

\_\_\_\_\_  
(Notary Public)

My Commission Expires : \_\_\_\_\_

Notary Number: \_\_\_\_\_

CONVEYANCE ACCEPTED PER VIRGINIA CODE SECTION 15.2-1803

CITY OF MANASSAS, VIRGINIA

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

COMMONWEALTH OF VIRGINIA:  
CITY OF MANASSAS, to-wit:

I, the undersigned Notary Public of and for the jurisdiction aforesaid, hereby certify that  
\_\_\_\_\_ [Name], \_\_\_\_\_ [Title] for  
the City of Manassas, authorized agent for the City of Manassas, Virginia, whose name is signed to  
the foregoing Deed dated \_\_\_\_\_, 202\_, appeared and acknowledged the same before me in  
said capacity on behalf of the City of Manassas.

Given under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 202\_.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires: \_\_\_\_\_ (SEAL)

FORM APPROVED PER VIRGINIA CODE SECTION 15.2-1803:

\_\_\_\_\_  
Date

\_\_\_\_\_  
City Attorney

**SCHEDULE 8.4.8**

**Form of Quitclaim Bill of Sale**

**BILL OF SALE**

MANASSAS ICE AND FUEL COMPANY, INC., a Virginia Corporation, ("***Seller***"), in accordance with the Purchase and Sale Agreement dated \_\_\_\_\_, 20\_\_, as amended and/or assigned, and in consideration of the sum of Ten Dollars (\$10.00) (the sufficiency and receipt of which are hereby acknowledged), does hereby quitclaim unto the **CITY OF MANASSAS, VIRGINIA**, a municipal corporation ("***Purchaser***"), all of Seller's right, title and interest in and to all of the furniture, furnishings, fixtures, equipment and other tangible personal property that is now affixed to and/or located at the Real Property described in **Exhibit A** and used in connection with the management, operation, or repair of that Real Property (collectively, "***Personal Property***").

TO HAVE AND TO HOLD the Personal Property unto Purchaser and Purchaser's heirs, legal representatives, successors and assigns forever.

THE PERSONAL PROPERTY IS BEING QUITCLAIMED "AS IS", "WHERE IS", AND "WITH ALL FAULTS" AS OF THE DATE OF THIS BILL OF SALE, WITHOUT ANY REPRESENTATION OR WARRANTY WHATSOEVER AS TO ITS CONDITION, FITNESS FOR ANY PARTICULAR PURPOSE MERCHANTABILITY OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. ASSIGNOR SPECIFICALLY DISCLAIMS ANY WARRANTY, GUARANTY OR REPRESENTATION, ORAL OR WRITTEN, PAST OR PRESENT, EXPRESS OR IMPLIED, CONCERNING THE PERSONAL PROPERTY OR ASSIGNOR'S TITLE THERETO. ASSIGNEE IS HEREBY THUS ACQUIRING THE PERSONAL PROPERTY BASED SOLELY UPON ASSIGNEE'S OWN INDEPENDENT INVESTIGATIONS AND INSPECTIONS OF THAT PROPERTY AND NOT IN RELIANCE UPON ANY INFORMATION PROVIDED BY ASSIGNOR OR ASSIGNOR'S AGENTS OR CONTRACTORS. ASSIGNOR HAS MADE NO AGREEMENT TO ALTER, REPAIR OR IMPROVE ANY OF THE PERSONAL PROPERTY.

IN WITNESS WHEREOF, Assignor and Assignee have signed and delivered this Bill of Sale as of the \_\_\_\_\_ day of \_\_\_\_\_, 202\_\_.

**SELLER:**

MANASSAS ICE AND FUEL COMPANY, INC., a Virginia corporation,

By: \_\_\_\_\_ (Seal)

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## City Council Agenda Item Report

Agenda Item No. 3.2

Submitted by: Amelia May

Submitting Department: Police Department

Meeting Date: January 13, 2025

### Item Title

Ordinance #O-2025-468 - An Uncodified Ordinance Approving Towing and Related Fees for the City of Manassas (First Reading)

(Staff: Lt. Andrew Brooks, Manassas City Police Department)

### Suggested Action and/or Recommendation

Approve Ordinance #O-2025-468.

### Suggested Motion

I move that #O-2025-468: An Uncodified Ordinance Approving Towing and Related Fees for the City of Manassas on First Reading, be approved.

**Item Type** Ordinances

**Submitting Department** Police Department

**Meeting Body** City Council

**Item ID** 2025-468

**Drafter** Amelia May

**Meeting Date** January 13, 2025

### Advisory Board/Committee Review

At the January 2025 meeting of the Towing Advisory Board, (police representative, towing company member, and member from the general public), all three members reviewed the Wrecker Policy and proposed fee increases and agreed on the new rates presented for City Council's consideration.

### Fiscal Impact

No direct fiscal impact is expected upon the City. Vehicle owners whose vehicles are towed pay independent contractors directly for towing and wrecker service, so there should be no repercussions to the City. If independent contractors are not paid the equivalent rates as seen in neighboring jurisdictions, however, they may no longer wish to apply to provide emergency towing services to the City.

### Executive Summary and Background Information

The Police Department of the City of Manassas (MCPD) engages with independent contractor towing or wrecker companies to tow vehicles and clear accident scenes. The police are authorized to do this under Virginia Code §§ 46.2-1213 and 1217, which has been outlined in Manassas Code §§ 114-541 and 542.

In order to regulate this system fairly and transparently, the MCPD has promulgated a Wrecker Policy; this extensive policy details the process by which towing companies may apply to be on the list of services used by the police on a rotating basis. Companies on the list must, for example, provide proof of insurance policies and limits, maintain specific types and numbers of trucks / equipment in good condition, and post their fee schedules to vehicle owners whose vehicles have been towed and stored at wrecker lots.

Permissible fees charged to vehicle owners are regulated, in part, by [Virginia Code § 46.2-1233](#). Manassas is part of Northern Virginia, designated in the Code as District 8, which allows some deviation from fees if passed by ordinance.

The City's three-member Towing Advisory Board, established as per [Virginia Code § 46.2-1233.2](#), meets annually and when issues relevant to wrecker policy and fees arise. The MCPD's policy and fee schedule have not been updated since 2019 and 2020, respectively. The neighboring jurisdiction of Prince William County updated its fee schedule in June 2024. Some of the wrecker companies used in the county are also on the City's list of approved contractors, and certain towing company owners contacted the City's police representative on the Towing Advisory Board to meet and consider raising rates for the extensive list of towing services provided.

The Towing Advisory Board consulted with the City Attorney's office, and has met to revise both the Wrecker Policy and Appendix A, the fee schedule for towing services. Few corrections and updates were made to the policy; most fees recommended by the Towing Advisory Board have been raised, a few remain static, and some line-item descriptions have changed to reflect towing practices since 2020.

The Wrecker Policy, redlined, as well as Appendix A, Fee Schedule (both current and proposed) are attached. The Police Department's contract with independent contractor towing companies is also attached for reference.

## **ATTACHMENTS**

- [2025-468 ORD An Uncodified Ordinance Approving Towing and Related Fees for the City of Manassas](#)
- [ATTH01 MCPD Wrecker Policy with Proposed Changes](#)
- [ATTH02 MCPD Towing Fee Schedule Current](#)
- [ATTH03 MCPD Towing Fee Schedule Proposed](#)
- [ATTH04 MCPD Towing Provider Application](#)

## ORDINANCE #O-2025-468

|                |                  |
|----------------|------------------|
| First Reading  | January 13, 2025 |
| Second Reading | January 27, 2025 |
| Enacted        | _____            |
| Effective      | _____            |

### **AN UNCODIFIED ORDINANCE APPROVING TOWING AND RELATED FEES FOR THE CITY OF MANASSAS**

**WHEREAS**, the City of Manassas (the “City”), through its Police Department, contracts with approved vendors for towing services upon request, as authorized by Virginia Code §§ 46.2-1213 and 1217, and as outlined in Manassas Code §§ 114-541 and 542; and

**WHEREAS**, the City follows a Wrecker Policy (the “Policy”), promulgated by the Chief of Police and last revised in May of 2019, the purpose of which is “to insure proper storage, availability and service by persons and firms in regard to towing requests”; and

**WHEREAS**, the Policy explains, in part: how independent contractors may apply to become authorized to perform towing work at police request; duties, insurance and other requirements of authorized wreckers; contractor compensation; governance practices; the role of the Towing Advisory Board and the Police Department’s Pricing Schedule of Fees for Light- and Heavy-Duty Towing (“Appendix A”); and

**WHEREAS**, the City’s Towing Advisory Board (the “Advisory Board”), established as required by Virginia Code § 46.2-1233.2, consists of one (1) member of the City of Manassas Police Department, designated by and serving at the pleasure of the Chief of Police; one (1) representative of a licensed towing and recovery operator doing business in the City, appointed by City Council; and one (1) member of the general public, also appointed by City Council, and meets annually and when needed to address issues related to towing policy and fees and to advise the Manassas City Council of suggested changes; and

**WHEREAS**, certain authorized wreckers contacted the Police Department to ask that towing fees be raised in keeping with neighboring jurisdictions and cost increases typical of this industry over the past several years, during which fees have remained constant since January of 2020; and

**WHEREAS**, the Chair of the Advisory Board called a duly noticed meeting to revise the aforementioned Policy, including Appendix A, the City of Manassas Police Department Towing and Related Fee Schedules (included here), both in its narrative description of towing services offered and fee amounts charged in numerous categories, and after discussion proposed certain fee increases as indicated; and

**WHEREAS**, the Advisory Board reviewed the entire Policy and made only formatting updates and three changes: (1) to Part F, Section 16 discussing charges associated with additional towing clean-up services, (2) to Part K, Section 4 revising the process for how fee increases must be adopted by City Council Ordinance, and (3) to Part U, mirroring current language in Virginia Code § 46.2-1233.2 regarding composition of the Advisory Board already in practice; and

**NOW THEREFORE, BE IT ORDAINED** by the Council of the City of Manassas, Virginia, meeting in regular session this \_\_\_\_ day of January, 2025 that the following rates and charges for towing services in the City are hereby approved:

**City of Manassas Police Department**  
**Towing and Related Fee Schedule (as of January 27, 2025 second reading)**

*\*Fees reflect maximum amount to be charged\**

| <b>LIGHT DUTY TOWING FEES</b>   |  |
|---|--|
| <b>SERVICE</b>  | <b>RATE</b>  |
| <b>BASIC POLICE CALL ACCIDENT TOW &amp; CLEAN UP:</b><br>Towing and removal involved in a crash and cleaning of the crash scene. Fee includes crash cleanup as required by law to include ordinary use of broom, shovel, absorbent, and the pickup of minor crash debris (bumpers covers, headlights, small car pieces, etc.) | <del>\$290.00</del> <u>\$375.00</u>                        |
| <b>BASIC POLICE CALL NON-ACCIDENT TOW:</b><br>Defined as a police request tow requiring a vehicle to be towed to the tower's storage lot, Police Impound Lot, or Police Station   | <del>\$210.00</del> <u>\$250.00</u>                        |
| <b>POLICE REQUIRED SECOND TOW:</b><br>From police impound lot or tower's lot or police station to tower's lot or tower's lot to police impound lot  | <del>\$80.00</del> <u>\$95.00</u>                          |
| <b>DISABLED VEHICLE SERVICE:</b><br>Standard tow equipment is used. No additional special equipment or labor required   | <del>\$110.00</del> <u>\$150.00</u>                        |
| <b>ADDITIONAL CLEAN UP:</b><br>Including, but not limited to, a need for more than 5 gals of absorbent  | <b>\$25.00</b><br><b>Per extra (5) gals</b>                |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  | <b>\$50.00</b>   |
| <b>THIRD PLUS VISIT FOR VEHICLE:</b><br>1 <sup>ST</sup> and 2 <sup>nd</sup> visits during normal business hours are free  | <b>\$20.00</b><br><b>Per visit</b>                         |
| <b>SECOND TOW TRUCK REQUIRED:</b>   | <del>\$105.00</del> <u>\$150.00</u>                        |
| <b>DAILY VEHICLE STORAGE FEE:</b><br>Calculated by calendar day after the first 24 hours  | <del>\$55.00</del> <u>\$85.00</u><br><b>Per (24) hours</b> |



|   |                                     |
|---|-------------------------------------|
| <b>TARPING OF VEHICLE:</b>  | <b>\$45.00</b>                      |
| <b>ADMINISTRATION FEE:</b><br>For vehicles being stored greater than 3 business days (72 hours) | <del>\$150.00</del> <b>\$165.00</b> |
| <b>WINCHING/RECOVERY (STANDARD):</b>  | <b>\$90.00</b>                      |
| <b>WINCHING/RECOVERY (ADVANCED):</b> <i>75ft plus, overturned vehicle, cutting trees, etc.</i>  | <del>\$160.00</del> <b>\$165.00</b> |

| <b>HEAVY DUTY TOWING FEES</b>   |   |
|---|---|
| <b>SERVICE</b>  | <b>RATE</b>   |
| <b>BASIC POLICE CALL ACCIDENT TOW &amp; CLEAN UP:</b><br>Towing and removal involved in a crash and cleaning of the crash scene. Fee includes crash cleanup as required by law to include ordinary use of broom, shovel, absorbent, and the pickup of minor crash debris (bumpers covers, headlights, small car pieces, etc.) | <del>\$475.00</del> <b>\$1,000.00</b>   |
| <b>BASIC POLICE CALL NON-ACCIDENT TOW:</b><br>Defined as a police request tow requiring a vehicle to be towed to the tower's storage lot, Police Impound Lot, or Police Station. No additional special equipment or labor required.   | <del>\$160.00</del> <b>\$800.00</b>   |
| <b>SERVICE TRUCK PER HOUR:</b>  | <del>\$130.00</del> <b>\$135.00</b>   |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  | <b>\$50.00</b>  |
| <b>ADDITIONAL CLEAN UP:</b><br>Including, but not limited to, a need for more than 5 gals of absorbent  | <b>\$25.00</b><br><b>Per extra (5) gals</b>   |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  | <b>\$50.00</b>  |
| <b>DAILY VEHICLE STORAGE FEE:</b><br>Calculated by calendar day after the first 24 hours  | <b>\$80.00</b><br><b>Per (20) feet</b><br><b>Max \$255</b><br><b>Per (24) hours</b> |
| <b>ADMINISTRATION FEE:</b><br>For vehicles being stored greater than 3 business days (72 hours)   | <del>\$150.00</del> <b>\$165.00</b>   |
| <b>BRAKE CAGING FEE:</b>  | <b>\$70.00</b>  |
| <b>EXTRA LABOR FOR RECOVERY (PER HOUR/PER PERSON):</b>  | <b>\$75.00</b>  |

|   |                   |
|---|-------------------|
| <b>AIR BAGS (PER HOUR OR PRICE BY POUND):</b> | <b>\$1,270.00</b> |
| <b>LAND-ALL STYLE TRAILER FEE:</b>            | <b>\$475.00</b>   |

This ordinance shall become effective upon second reading.

\_\_\_\_\_  
Michelle Davis-Younger Mayor  
On Behalf of the City Council  
of Manassas, Virginia

ATTEST:

\_\_\_\_\_  
Eric W. Smith City Clerk

**MOTION:**

**SECOND:**

**RE: Ordinance #O-2025-486**

**ACTION:**

**Votes:**

**Ayes:**

**Nays:**

**Absent from Vote:**

**Absent from Meeting:**



# City of Manassas, Virginia

Integrity, Respect, Public Service and Professional Standing

## City of Manassas Wrecker Policy

**Captain  
Q. Lawler**  
*Interim Chief of Police  
Investigative Services  
Division Commander*

### A. PURPOSE

This Policy is promulgated by the Chief of Police to insure proper storage, availability and service by persons and firms authorized to provide towing service by police request.

**Captain  
J. Martz**  
*Assistant Chief of Police  
Administrative Services  
Division Commander*

Notwithstanding this Policy or any Agreement executed pursuant to it, the Wreckers authorized to provide service shall remain independent contractors and shall not be deemed to be employees of the City.

**Captain  
T. Petty**  
*Assistant Chief of Police  
Patrol Services  
Division Commander*

### B. DEFINITIONS

As used in this Policy:

1. "Application" means an Application for Wrecker Services for the City of Manassas
2. "Authorized Wrecker" means a Wrecker firm or service which meets the requirements of the City Wrecker Policy and has entered into a Wrecker Service Agreement to provide Wrecker service at police request.
3. "Chief of Police" means the executive head of the Manassas City Police Department or his designee.
4. "Wrecker Coordinator" means the police official assigned by the Chief of Police to administer or otherwise oversee the application and compliance of the City of Manassas Wrecker Policy.
5. "City" means the City of Manassas.
6. "Emergency" means a snow storm, hurricane or other extreme weather condition; a parade or other similar public event; or riot, disaster or similar event not ordinarily or usually occurring.
7. "Log" means a list of vehicles towed or responses made at police request which is maintained by each Wrecker and the police.
8. "Police" means the Manassas City Police Department.
9. "Policy" means the Manassas City Police Wrecker Policy.

10. "Suspension" means temporary removal from the Police Department's Wrecker list for a violation of the policy or breach of the Wrecker Service Agreement.
11. "Termination" means permanent removal from the Police Department's Wrecker list and rescission of the Wrecker Service Agreement.
12. "Wrecker" means a person or firm engaged in the business of offering of a vehicle Wrecker or towing service, whereby motor vehicles are or may be towed or otherwise removed from one place to another by the use of a motor vehicle adapted to or designed for that purpose.
13. "Police Wrecker List" means the list maintained by the police of those Wreckers authorized to respond to police requests for the towing of vehicles.
14. "Wrecker Service Agreement" or "Agreement" means the contract between the Police Department and Wrecker.
15. "DMV" means Division of Motor Vehicles.
16. "Receipt" or "Tow Ticket" means a printed, numerated, dated receipt which includes company name, address, phone number and itemized description of charges, signed by the owner/operator.
17. "Probation" means a one (1) year period of time for any Wrecker which has been terminated or suspended for sixty-one (61) days or more; or a ninety (90) day period of time for all new Wreckers. Any Wrecker on probation may be terminated for any violation of this policy while under such probation.
18. "Tow", "tows", "towing", or "towed" means the act of removing, by tow truck, a motor vehicle from public or privately owned property from where it is parked. The mere preparation of a motor vehicle for removal by a Wrecker or attachment of a motor vehicle to a tow truck, or both, does not, constitute a "tow" or "towing".

## **C. APPLICATION FOR AGREEMENT**

1. Any Wrecker desiring to perform towing work at police request shall submit an application for towing service in duplicate to the Chief of Police. Prior performance and reputation in the community, as reported through the Police Department and criminal history record information on the applicant, will be considered when a Wrecker applies to perform towing services under a Wrecker Service Agreement.
2. The application shall be submitted on forms provided by the Chief of Police and include the following information:

- a. The name of the Wrecker company to include the owner(s), agent(s), and corporate officer(s)
- b. The name and business addresses and phone numbers of Wrecker owner(s), agent(s), and corporate officer(s). All participants in the Wrecker Service Agreement with the City must have their wrecker business located within five (5) miles of the City and provide proof that ALL taxes are paid and up to date at the time of application.
- c. The name under which the person does business. (T/A = Trading As)
- d. The location, size, and security features of the storage lot on which the towed vehicles will be stored. (The storage facility will be described in detail including size, square footage, height of fence, lighting, separate entrance, etc.). A current storage lot and business office lease agreement, if different, is required for application.
- e. The location to which the public must go to claim a stored vehicle, which location shall be within the City or within five (5) miles of the City limits.
- f. A statement of availability to provide towing service on a continuous 24 hour-a-day basis each day of the year.
- g. A list of the towing equipment, its size and capacity.
- h. A complete list of insurance policies, carriers and agents which would be in effect upon execution of a Wrecker Service Agreement. Proof of the policy will be filed with the Police Wrecker Coordinator. This information will include amount of coverage limits and include worker's compensation, if applicable.
- i. A statement that the Wrecker accepts reasonable responsibility for any personal property left in towed and stored vehicles, as may be otherwise determined by law, from the time hookup starts until such time as the vehicle or property is released.
- j. One (1) telephone number at which the Wrecker can be reached on a 24 hour-a-day basis.
- k. A statement from the City of Manassas Zoning Office or the applicable City or County Zoning Office that the storage lot listed on the application meets all required zoning requirements.
- l. Confirmation by the City Treasurer of paid taxes and all other miscellaneous fees due to the City. Applicant must remain current on all debts owed to the City.

- l. Must have a City business license, and supply a copy with the application.
- m. Qualified applications accepted for participation in the Agreement must abide by all City ordinances and state laws.
- n. Submit a company check in the amount of \$300.00 made payable to the “City of Manassas”.

## **D. INSURANCE**

No Agreement shall be signed until the Wrecker has provided the Chief of Police with evidence of the following insurance coverage for the duration of the Agreement by a company or companies licensed to do business in the Commonwealth. Each policy shall contain a clause obligating the insurer to give the Chief of Police thirty (30) days written notice prior to any cancellation or modification of the policy.

1. Insurance covering fire, theft, windstorm, vandalism and explosion for each vehicle damaged in the amount required by the State. (Garage Keeper’s Policy)
2. Insurance sufficient to protect itself from any and all claims of loss, damage or bodily injury, resulting from its acts or incurred in the operation of the Wreckers business, equipment and vehicles pursuant to the Agreement in the amount required by the State. (Vehicle Liability Policy)
3. Insurance sufficient to cover claims under the workman’s compensation act, if applicable, for all of its employees. If any work is sublet, the subcontractor shall provide similar coverage.
4. The Wrecker shall indemnify and hold harmless the police, and the City, its officers, agents, employees and representatives, from any and all claims, casualties, damages or injuries arising out of its actions pursuant to the Agreement.
5. Upon execution of the original Agreement and at the annual inspections a current dated proof of certificate of insurance will be required each time. (Current dated means a certificate dated within 30 days of the inspection and service agreement which is provided to the Wrecker Coordinator).

## **E. APPLICATION APPROVAL**

1. The Chief of Police or his designee shall within 90 days of applications conduct an investigation to determine the accuracy of the information contained in the application and inspect the equipment to be utilized and storage lot to be used. The user fee is not refundable.
2. Upon completion of the investigation, the Chief of Police or his designee shall determine whether the applicant meets the requirements of this policy. If he finds

the applicant qualified, he shall approve and sign the Wrecker Service Agreement. The applicant's name shall be placed on the Police Wrecker List in a rotating order. The standard Wrecker Service Agreement shall be used. Except as otherwise provided herein, the only modification shall be as to the type of towing vehicles the Wrecker firm will supply.

3. If the Chief of Police or his designee finds the applicant unqualified, he shall indicate in writing the reasons why and return the application to the applicant Wrecker service. A denied applicant may not re-apply for a period of one year, unless waived by the Wrecker Coordinator for just cause.
4. An applicant who is found unqualified may appeal to the Chief of Police within ten (10) days of receiving notification from the Chief of Police or his designee. The appeal shall be processed pursuant to Section P, Q, and R of this policy.

## **F. DUTIES AND REQUIREMENTS OF AUTHORIZED WRECKERS**

1. Wreckers shall, at the request of and as directed by the police or another authorized agent of the City, tow vehicles in the City or other locations as directed, to areas specified by the police in a manner which minimizes the possibility of damage to the car being towed, and by the most direct route.
2. Wreckers shall comply with all applicable federal, state, and local laws, including, but not limited to, the securing of all necessary federal, state and local licenses.
3. Wreckers shall provide 24 hours-per-day towing service each day of the year.
4. Wreckers shall have available at all time<sup>2</sup>s sufficient and qualified personnel to receive calls and execute the towing. Wreckers shall maintain a detailed log of all calls for service at the request of the police. This log shall be open to inspection by the Wrecker Coordinator upon demand.
5. Wreckers shall have at least two (2) tow trucks to perform services under this Policy. The requirement for two (2) tow trucks is effective immediately for new applicants.
6. Wreckers shall have on duty at all times, sufficient personnel to maintain constant contact with the police by telephone and to dispatch for towing as requested by the police. Wreckers shall give the Chief of Police 24-hour notice prior to a change in their phone number. No answering services, beepers, voice transfer or routing device will be allowed without specific authorization from the Wrecker Coordinator.
7. Wreckers shall respond immediately upon receiving a call from the police for service. Wreckers shall have a regular Wrecker(s) at the site of the vehicle to be towed within twenty (20) minutes, unless otherwise specified, of a receipt of a request to tow the

vehicle, or shall submit within 24 hours to the Chief of Police when requested, a written explanation of the failure to respond.

8. Wreckers shall have only those tow trucks owned or leased by them responding to police calls for service. Calls shall not be passed on to another Wrecker. A copy of all current lease agreements and any changes to the agreement shall be given to the Wrecker Coordinator on demand.
9. If a tow truck is not available, then the Wrecker shall immediately indicate to the dispatcher that it cannot respond and the reasons why. The police dispatcher shall then notify the next Wrecker on the list.
10. If on arrival at the scene of a police call for service the Wrecker determines that the equipment brought will not be sufficient, the driver may be allowed by the police supervisor to return to their place of business to get the necessary additional equipment. In their discretion, the police supervisor may dismiss the Wrecker originally called and contact another authorized Wrecker; the Wrecker shall be either next on the list or the next closest in proximity on the list.
11. All equipment used by Wreckers must be in good working order.
12. All Wreckers shall have the firm name, the address, and telephone number printed on the towing vehicle in letters at least three (3) inches in height.
13. All Wrecker operators must possess a valid Virginia Driver's License or CDL, a current Department of Criminal Justice Services (DCJS) registration, and be qualified to operate the tow vehicle and its equipment. TRAA National Driver's Certification Testing (as available) is required by 50% of drivers for each company at any given time. It will be the Wrecker's responsibility to ensure all their Wrecker operators meet these requirements.
14. Any operator, who has a mental or physical disability which could impair his ability to operate the Wrecker or its equipment, shall not be allowed to operate the Wrecker when responding to a police call for service.
15. Any operator, who is taking drugs or narcotics, either by a doctor's prescription or of his own free will, shall not be allowed to operate a Wrecker when responding to a police call for service, if such drug affects the person's ability to operate a motor vehicle and/or perform the duties required.
16. Wreckers shall remove all litter and debris caused by the incident which necessitated towing, including ordinary and reasonable quantities of oil and gas spillage as determined by the police on the scene. This shall be routinely done at no additional cost. ***If a scene requires "additional clean up" the associated wrecker service shall provide documentation detailing the amount needed for the associated cost permitted within the towing fees (i.e. photographs and detailed itemized list). This shall only***



***be charged in increments provided in the “additional clean up” category listed in the towing fees.***

17. Under no circumstance shall any driver or other employee of the Wrecker Company carry or display a firearm while in the performance of services under this Agreement.
18. All Wrecker firms shall have the capability to accept cash, personal checks, and at least one form of credit card as payment for services under this Agreement. Personal checks may only be rejected for reasonable and justifiable causes, including, but not limited to, no physical address on the check, past history of insufficient funds, non-resident of the City (to include Prince William County, and Manassas Park).
19. Wreckers shall make all inquiries concerning the Policy through the office of the Wrecker Coordinator and not through Police Communications. This does not prohibit any Wrecker from calling Police Communications to obtain additional information on an incident for which they have been dispatched.
20. Abandoned/Inoperable Vehicles
  - a. Each Wrecker shall, at police request, tow any abandoned/inoperable vehicle as part of the normal tow rotation.
  - b. The Police assume no responsibility for any costs resulting from administrative errors made by police personnel. For the purposes of this policy, it is the sole responsibility of the Wrecker to properly notify all necessary parties regarding a towed vehicle within 15 days of the service.

## **G. REQUIRED VEHICLES AND EQUIPMENT OF AUTHORIZED WRECKERS**

1. Pursuant to this Agreement, the contracting Wrecker may make available any of the following motor vehicles, which shall be maintained in good operating condition and with valid Virginia license plates, current Virginia inspection stickers, and such license tags or decals as required by law:
  - a. There will be two classifications of equipment, Light Trucks and Heavy Trucks. (This also includes rollbacks.)
2. Light Truck Standards- for towing passenger cars, pickup trucks, small trailers, etc.
  - a. The tow truck chassis for tow trucks on the Wrecker List shall have a minimum manufacturer's capacity of 10,000 GVWR.
  - b. A boom capacity and individual power winch pulling capacity not less than the manufacturer's specifications.

- c. One-hundred (100) feet or more of 3/8 inch or larger cable.
  - d. Dual rear wheels.
  - e. Dollies, scotch blocks, and snatch block.
  - f. Wheel lift or under lift.
  - g. A Wheel base sufficient to safely handle towed vehicles. A minimum of thirty-three (33) percent of the front axle weight must be on the ground at all times.
  - h. All-weather tires on the rear wheels.
  - i. At least one (1) five (5) pound dioxide (DO) fire extinguisher.
  - j. Lock-picking tools suitable for unlocking cars.
  - k. At least two (2) amber revolving or strobe emergency lights mounted on the highest part the vehicle and are visible for 360 degrees.
  - l. One (1) air tank, when not equipped with air brakes. Rollback trucks are exempt from this requirement.
  - m. One (1) heavy duty street broom and one (1) shovel.
  - n. Gas and oil absorbent material.
  - o. Each vehicle shall be equipped with its own mobile telephone or two-way radio that is capable of communications with the wrecker company's base station.
3. Heavy Truck Standards-for towing large trucks, road tractors, and trailers, etc.
- a. The tow truck chassis shall have a minimum manufacturer's capacity of not less than 30,000 GVWR.
  - b. A boom capacity of no less than 50,000 pounds and two individual power winches, each with a pulling capacity of no less than 20,000 pounds.
  - c. One-hundred (100) feet or more of 5/8 inch or larger cable on each drum.
  - d. Air brakes so constructed as to lock wheels automatically upon failure.
  - e. Towing and removal capacity of up to 80,000 pounds.
  - f. The standards listed in section 2 (e-o) under Light Trucks.

4. Each of the motor vehicles enumerated above shall be standard vehicles originally designed and built as tow trucks and shall not be pick-up trucks with towing slings in the body. An exception to the above allows a vehicle suitable to retrieve a vehicle from “off road” such as rugged terrain, woods, etc., to be utilized for this purpose. This exception only applies to recovery of the vehicle and moving to a location where it can be safely towed by one of the approved tow trucks.

## **H. STORAGE AND SECURITY OF VEHICLES BY AUTHORIZED WRECKERS**

All Wreckers shall have an appropriate security lot for vehicles towed at police request, located in the City or within Five (5) miles of the City limits. All such vehicles shall be stored at all times in said storage lot or in an adjacent service bay.

1. The storage lot shall have a sign posted in a conspicuous place identifying the firm’s name, telephone number and normal hours of operation.
2. The storage lot shall have a graveled or paved surface and have a minimum vehicle storage area of 2,000 square feet. There shall be a minimum of 2,000 square feet available for vehicles towed at police request. The fence around the lot shall be at least six (6) feet high. Storage lots must be lighted.
3. A storage lot may be shared by more than one Wrecker company. In such cases, the name and other information of each firm sharing the lot shall be posted as required in section H-1 of this policy.
4. It shall be the sole responsibility of the Wrecker to notify the owner and/or lien holder of any vehicle that is stored on their lot for more than seven (7) days. (Specific reference is made to **Section F, Paragraph 20, Sub-section b** which also applies here).

## **I. INSPECTIONS OF AUTHORIZED WRECKERS**

1. All of the tow trucks, required equipment and storage facilities shall be inspected and approved by the Chief of Police or his designee prior to use. The police may periodically perform unannounced inspections of all equipment and storage facilities and shall inspect the tow trucks utilized for the City tows annually. The tow truck inspection shall take place at a location designated by the Chief of Police or his designee. When the inspection is performed each individual tow truck shall be driven to the inspection site. Vehicles towed to the site will not be inspected. A copy of a current dated proof of insurance certificate, as required in Section D, Paragraph 5 shall be presented at each annual inspection.
2. The Chief of Police or his designee shall give the Wreckers written notice when the equipment or storage facility is found to be unacceptable and state the reasons for his determination.
3. Unacceptable tow trucks and equipment or storage facilities shall not be used by a Wrecker in the performance of its obligations under this Agreement until replaced, repaired or the problem is otherwise corrected.
4. Failure to comply with any of the conditions stated above in paragraphs #1, 2 or 3 shall result in suspension of the Wrecker from the list until the corrections are made. If the corrections are not made with ten (10) days, the Wrecker shall be terminated from the Wrecker List.

## **J. RESPONSIBILITIES AND RECORDS OF AUTHORIZED WRECKER AND POLICE**

1. Wrecker shall be responsible for vehicle(s) towed and any contents, unless the contents are stored in the Police Property Room or Police Storage Lot, from the time the vehicle is towed until one of the following events occur:
  - a. The vehicle is delivered to a location specified by the owner or other authorized person.
  - a.
  - b. The vehicle and contents are released to and accepted by the owner or other authorized person in the same condition as originally towed.
  - c. The vehicle is otherwise disposed of according to the State Code.
2. Wreckers shall be responsible for recovering from the owner of the towed vehicle(s) all fees owed to them for towing, storage, or any other services provided.
3. If an owner or lien holder fails to claim any vehicle, or if Wrecker wants to satisfy any lien which it has on a vehicle, the Wrecker shall be responsible for disposing of or selling any such vehicle in compliance with the State Code.

4. The police officer at the scene may conduct an inventory search of personal property in the vehicle which is to be towed to a storage lot.
  - a. Except as provided in b., the police officer may take custody of all personal property and transport it to the Police Property Room. Should the Wrecker subsequently discover additional property in the vehicle, he shall notify the police immediately and follow all instructions related to the property.
  - b. In his discretion, following the inventory, the police officer may request the Wrecker to secure the personal property in the vehicle.
    - 1) The Wrecker shall allow the owner or person otherwise authorized by the owner to retrieve such personal property at the storage lot. For the purposes of this provision personal property shall not include parts of the vehicle or property physically attached to the vehicle. Any child restraint devices in the vehicle shall be released to the owner or other authorized person upon request.
5. Wreckers shall promptly arrange for the release of vehicles towed or stored pursuant to this Policy.
  - a. There shall be an attendant on duty at the business office from the hours of 8:00 A.M. through 6:00 P.M. for the purpose of permitting inspections or releasing stored vehicles, except on weekends and state holidays. If requested, the Wrecker shall provide transportation for the owner of the towed vehicle from the business office to the storage lot for the purposes of releasing or inspecting the vehicle and for the release of personal property. There shall be no additional charge for this service. The owner or attendant must be available twenty-four (24) hours-a-day, each day of the year for the purpose of releasing stored vehicles.
    - 1) Wreckers, upon receiving a request to release or permitting an inspection of a stored or seized vehicle from the owner, operator, or other authorized person shall release that vehicle to the owner or other authorized person between the hours of 8:00 A.M. and 6:00 P.M.
    - 2) Wreckers, upon receiving a request to release or permitting an inspection of a stored vehicle by an owner or authorized person during other than normal business hours, shall allow and otherwise require one (1) hour notice for the release of such motor vehicle. The foregoing notice provision shall apply likewise for the release of personal property and contents within the vehicle. All fees charged for any off-hour release/inspection shall be in compliance with [the Fee Schedule \(Appendix 'A', attached\)](#).

- 3) Wreckers shall not release any vehicle designated as “Seized”, “Seized for forfeiture” or “Administrative Impoundment” by the police until the Wrecker obtains written permission from the Commonwealth Attorney or Police Official. Seized vehicles shall be towed to the City Police Headquarters for storage purposes by the most direct route. The Wrecker shall bill the Police for the cost of the tow. Vehicles towed for “Administrative Impoundment shall be stored at the Wrecker’s storage lot.
  - 4) Wreckers shall not release any vehicle that has a “Hold” without first obtaining authorization from the officer or ranking Police Official placing the “Hold”. The Wrecker Coordinator may also authorize release.
  - 5) Wreckers shall have a claim check system to assure release of the vehicle to the rightful owner or authorized person.
6. The police officer at the scene shall complete a written report (Motor Vehicle Tow and Storage Sheet) for each vehicle towed, containing the following information:
- Date and time of service.
  - Location from which vehicle was towed.
  - Number assigned to towed vehicle by the police.
  - License number or identification number of towed vehicle, if available.
  - Make, year and color of towed vehicle.
  - Name of police officer at the scene.
  - Name of Wrecker service performing the towing.
- a. The police officer shall keep one copy of the report. He shall furnish the Wrecker operator with three (3) copies of the report.
  - b. Upon completion of the towing operation and release of the vehicle, the Wrecker shall complete the following information on the Motor Vehicle Tow and Storage Sheet:
    - Date vehicle is released.
    - Tow Ticket number.
    - Dollar amount of tow.
    - Dollar amount of storage.
    - Name, address, date of birth and driver’s license number of person to whom the vehicle is released.

- Signature of person who released the vehicle.
  - Signature of person to whom vehicle was released.
- c. The Wrecker shall then furnish one (1) copy of the completed Motor Vehicle Tow and Storage Sheet and itemized receipt or tow ticket to the owner or operator of the towed vehicle, one (1) copy to the police which will be sent to the Wrecker Coordinator the next business day and maintain one (1) copy for his records. Each receipt will be attached to the applicable storage sheet.
- d. Any questions applicable to this information shall be available to the police upon request between the hours of 8:00 A.M and 6:00 P.M., Monday through Friday.

## K. COMPENSATION TO AUTHORIZED WRECKERS

1. All costs incident to towing and storage shall be paid by the owner or operator of the towed and stored vehicle to the Wrecker. In those cases involving “seized” vehicles the owner shall reimburse the police for the tow cost should the vehicle be released by the Commonwealth Attorney.
2. The towing and storage fees shall not exceed those listed in Appendix ‘A’ of this Agreement. There shall be no storage fees assessed for the initial twenty-four (24) hours after the tow truck leaves the scene. However, storage fees may be assessed for the initial twenty-four (24) hours when the stored vehicle is not released during the first twenty-four (24) hours. Additional charges may be assessed for tows that require the use of additional equipment beyond what is normally used for motor vehicle removal or during snow emergencies, floods or other natural disasters that inhibit a safe and timely response by the Wrecker.
3. An itemized receipt for payment shall be issued to the owner/operator or other authorized person and the Wrecker Coordinator. The receipt submitted to the Wrecker Coordinator will be attached to the Motor Vehicle Tow and Storage Sheet.
4. The rates in Appendix A may be adjusted by the Chief of Police from time to time after discussion by the Towing Advisory Board at a duly-noticed meeting. If that Board determines fees should be increased, then their recommendation shall go before City Council, which may adopt fee increases by ordinance during the term of this agreement and shall become effective after written notice is given to all firms covered under this agreement.

## L. ROTATION SYSTEM

1. The Chief of Police shall insure that Wreckers are called on a rotating basis.

- a. In the event sufficient numbers of Wreckers (2) or equipment are not available and additional Wreckers or equipment is needed for such service, the next Wrecker on the List shall be requested to make available the needed Wreckers and/or equipment, and so on, until the incident service request is completed. It is the desire of the Police Department to call as few as possible. If one Wrecker service can provide enough equipment to resolve the incident they will be used regardless of the vehicles towed. It is the intent of the Police to only make one call for tows in two (2) vehicle incidents. If it is determined that a Wrecker consistently is unable to respond and tow two (2) vehicles from the same incident, the Chief of Police or his designated may terminate the company.
2. The owner or operator of a vehicle to be towed shall be allowed to specify the Wrecker of his choice, whether or not authorized by the Chief of Police, unless the vehicle constitutes a traffic hazard and the requested Wrecker will have a long response. This does not apply to situations when the vehicle is towed because of an arrest, seizure, or for evidence of a crime. In these situations, the Wrecker will be called according to the rotating list.
3. The Police shall not call any Wrecker who does not have an Agreement with the police unless all Wreckers on the Wrecker list are unavailable or an emergency exists.
4. In an emergency, the patrol supervisor on duty may call a Wrecker out of sequence because of its proximity to a particular incident and/or estimated response time.
5. The patrol supervisor on duty may temporarily suspend the Wrecker list for reason such as, but not limited to, bad weather and any unusual events. However, any Wreckers which are randomly used at the request of a police officer, during suspension of the list, must be reported to the Communications Section for record purposes.
6. The police officer at the scene may reject the services of the Wrecker dispatched when said Wrecker arrives unfit to perform the tow. Unfitness shall include, but not be limited to, possession of inadequate equipment to perform the tow, or operated by personnel who, due to drugs, alcohol, or other incapacity, are not likely to perform the tow safely. In the event that the Wrecker is determined to be unfit, the police officer shall notify Communications to dispatch the next Wrecker on the list, shall report said decision to the on-duty supervisor, and shall file a written report with the Wrecker Coordinator by the end of the next business day.

## **M. SOLICITATION OF BUSINESS BY AUTHORIZED WRECKERS**

1. No Wrecker shall respond to an accident or scene of an emergency for the purpose of towing vehicles, unless specifically called there by either the police or the person involved in the accident or emergency.
  - a. The police shall direct the Wrecker to leave even if the Wrecker would otherwise have been called to the location.



- b. The police may direct the Wrecker to provide necessary services in such instances when immediate assistance is necessary to protect persons or property.
- 2. Wreckers are prohibited from soliciting business at the scene of accidents or emergencies; however, a Wrecker is not otherwise prohibited from contracting with any firm or cooperation.
- 3. Any Wrecker under investigation by the Wrecker Coordinator for a violation or paragraphs 1, and 2 may be suspended pending the outcome of the investigation.

## **N. PROHIBITED PRACTICES**

- 1. Violation of any provision of this policy may subject the Wrecker to suspension from the List.
- 2. Failure to respond to any call may subject the Wrecker to suspension from the List.
- 3. Wreckers shall respond to 75% of all calls for service pursuant to this Agreement within any two (2) month period. Failure to comply with this requirement may result in termination.
- 4. The following practices shall subject the Wrecker to termination from the List:
  - a. Securing a Wrecker Service Agreement by fraud or by the concealment of a material fact which, if known, would have caused disapproval of the Application.
  - b. Violation of the Wrecker Service Agreement.
  - c. Chronic or repeated violations, even if minor in nature, of this Policy.
  - d. A single serious violation of this policy such as overcharges, etc. See Appendix 'A' for authorized charges.
  - e. Failure to notify the Wrecker Coordinator with immediate changes regarding insurance, taking on new partner(s), owner(s), agent(s), corporate officer(s) or any other changes regarding anything listed in the "Application for Wrecker Service" shall be approved by the Chief of Police to continue on the List.
  - f. Violation of any provisions of this policy while on probation.
  - g. Failure to fully cooperate with any inspection or investigation being conducted by the Police Department.

## **O. SUSPENSION OR TERMINATION OF AUTHORIZED WRECKERS**

1. The Chief of Police or his designate may, upon investigation of the facts, suspend any Wrecker for up to one (1) year for any violation of this policy or any other justifiable cause which would affect the services provided under this policy.
2. The Chief of Police or his designate may, upon investigation of the facts, terminate any Wrecker from the List based on engagement of the Wrecker in practices prohibited by Section "0" or if the City is not satisfied with the general services provided or with the lack of cooperation of the Wrecker which it was rendering service for any other justifiable cause which would affect the services provided under this Policy.
3. The Chief of Police or his designee shall provide the Wrecker with written notice of suspension or termination from the List.
4. The Wrecker Coordinator may, at his discretion, indefinitely suspend any Wrecker pending the outcome of any investigation or to force compliance with the basic mandatory requirements of this Policy.
5. Any Wrecker terminated for violations of this Policy shall be prohibited from re-applying for a two (2) year period from the date of termination.

## **P. APPEALS**

A Wrecker which has been suspended or terminated from the List may appeal such action by filing a written appeal with the Chief of Police no later than ten (10) calendar days after written notification of the suspension or termination. The filing of the appeal stays the execution of the termination or suspension until a hearing has been held and an opinion is rendered

## **Q. HEARING DATE**

The Chief of Police or his designate shall schedule a hearing within fifteen (15) days, of receiving notice of such appeal. An extension, not exceeding five (5) days, may be granted upon mutual agreement of the appellant and the Chief of Police or his designate.

## **R. CONDUCT OF THE HEARING**

1. The Chief of Police or his designate shall set the date and the time of the hearing, notify the appellant and the Wrecker Coordinator, or his designate, and conduct the hearing.

2. The appellant and the Chief of Police, or his designate, shall offer evidence necessary to an understanding and determination of the appeal.
3. In all matters not otherwise covered by this section, the Chief of Police shall determine the procedure to be followed.
4. The Chief of Police or his designate shall insure that a verbatim record of the hearing is made and retained in his custody for at least twelve (12) months.

#### **S. DECISION OF THE CHIEF OF POLICE OR HIS DESIGNATE**

1. The Chief of Police or his designate shall determine whether a violation occurred and whether the term of the suspension or termination is reasonable related to the violation
2. The decision of the Chief of Police or his designate shall be final and binding as to any appeal submitted to him.
3. The decision of the Chief of Police or his designate shall be filed in writing with the Wrecker Coordinator, or his designate, and the appellant no later than five (5) days after the completion of the hearing. The decision shall state the reasons for the decision.

#### **T. COMPLAINTS**

1. Any Wrecker who believes he has been unfairly treated by a police officer or any Police Department employee may file a complaint against that person. Any such complaint shall be in writing and directed to the Chief of Police. These complaints shall be investigated by the Chief of Police or his designee.
2. Any Wrecker who believes that another Wrecker on the List has violated a provision of this Policy, or any user of a Wrecker service, may file a complaint against such Wrecker. The complaint shall be in writing and directed to the Chief of Police. These complaints shall be investigated by the Chief of Police or his designee.
3. Only written signed complaints will be investigated.
4. After an investigation of the complaint, the Chief of Police shall notify the complainant in writing of the results of the investigation and any action taken as a result of the complaint.

#### **U. TOWING ADVISORY BOARD**

In order to ensure that an open line of communication exists between the Police Department and the Wreckers, as defined under this policy, [and in compliance with Virginia Code § 46.2-1233.2 and City of Manassas Resolution #R-2005-11, amended by Resolution #R-2021-31, the City of Manassas Towing Advisory Board shall consist of one \(1\) member of](#)

the City of Manassas Police Department, to be designated by the Chief of Police and who shall serve at the pleasure of the Chief; one (1) representative of a licensed towing and recovery operator doing business in the City, to be appointed by City Council; and one (1) member of the general public, to be appointed by City Council. Appointments by City Council shall be for a four (4) year term. As required by Virginia Code §46.2-1233.2, the position of Chair of the Towing Advisory Board shall rotate on an annual basis among the three (3) members of the Board. Further, the board shall meet at least once per year at the call of the chairman of the advisory board, who shall be elected annually from among the members of the advisory board by a majority vote.~~a panel consisting of no more than two (2) representatives of the Wreckers, one (1) member of Police Department, and three (3) members in good standing from the citizenship of the City will be established and will meet as needed to discuss pertinent issues.~~

## **V. AMENDMENTS TO THE POLICY**

1. The Chief of Police is hereby authorized to promulgate revisions to this Policy.
2. All proposed revisions shall be discussed with the Towing Advisory Board and their input will be considered in each proposed revision.
3. Revisions shall be in effect from the date on which they are promulgated. Wreckers shall be given written notification of any changes ten (10) days prior to the revision being promulgated.
4. If any provisions shall be determined to be invalid, unlawful, or void, it shall have no effect on the remaining provisions which will remain in effect.



# City of Manassas, Virginia

Integrity, Respect, Public Service and Professional Standing

## **STANDARD TOWING SERVICES** **SCHEDULE OF FEES**

| <b>LIGHT-DUTY TOWING FEES</b>  |   |
|--|---|
| <b>**FEES REFLECT MAXIMUM AMOUNT TO BE CHARGED**</b>   |   |
| <b>BASIC POLICE CALL ACCIDENT TOW AND CLEAN UP</b><br>Including, but not limited to, sweeping up and removing glass and vehicle parts from roadway.                            | <b>\$290.00</b>                         |
| <b>BASIC POLICE CALL NON-ACCIDENT TOW</b><br>Defined as a police request tow requiring a vehicle to be towed to the tower's storage lot, police impound lot or police station. | <b>\$210.00</b>                         |
| <b>POLICE REQUIRED SECOND TOW</b><br>From police impound lot or tower's lot or police station to tower's lot or tower's lot to police impound lot                              | <b>\$80.00</b>                          |
| <b>DISABLED VEHICLE SERVICE</b>  | <b>\$110.00</b>                         |
| <b>ADDITIONAL CLEAN UP</b><br>Including, but not limited to, a need for more than 5 gallons of absorbent or removal of trees or other items.                                   | <b>\$25.00 per each extra 5 gallons</b> |
| <b>RELEASE OF VEHICLE AFTER HOURS / GATE FEE</b><br>Between 1801-0759 hours, Monday through Friday. All day on Saturday, Sunday or a holiday.                                  | <b>\$50.00</b>                          |
| <b>THIRD PLUS VISIT FOR VEHICLE</b><br>1 <sup>ST</sup> and 2 <sup>nd</sup> visits during normal business hours are free.   | <b>\$20.00 per visit</b>                |
| <b>SECOND TOW TRUCK REQUIRED</b>   | <b>\$105.00</b>                         |
| <b>DAILY VEHICLE STORAGE FEE</b><br>Calculated by calendar day after the first 24 hours  | <b>\$55.00</b>                          |
| <b>TARPING OF VEHICLE</b>  | <b>\$45.00 per tarp</b>                 |
| <b>ADMINISTRATION FEE</b>  | <b>\$150.00</b>                         |
| <b>WINCHING / RECOVERY (STANDARD)</b>  | <b>\$90.00</b>                          |
| <b>WINCHING / RECOVERY (ADVANCED)</b>  | <b>\$160.00</b>                         |

| <b>HEAVY-DUTY TOWING FEES</b><br><b>**FEES REFLECT MAXIMUM AMOUNT TO BE CHARGED**</b><br><b>***VEHICLES OVER 14,500 LBS OR CANNOT FIT ON A ROLL BACK***</b> |                                      |
|---|--------------------------------------|
| <b>BASIC POLICE HEAVY DUTY TOW (HDT) – First 2 hours</b>  | <b>\$475.00</b>                      |
| <b>CHARGE PER HOUR FOR HDT (After 2 hours)</b>  | <b>\$160.00 per hour / per truck</b> |
| <b>SERVICE TRUCK PER HOUR</b>   | <b>\$130.00</b>                      |
| <b>DAILY VEHICLE STORAGE FEE</b><br>Calculated by calendar day after the first 24 hours.  | <b>\$80.00 per unit</b>              |
| <b>ADMINISTRATION FEE</b>   | <b>\$150.00 per unit</b>             |
| <b>RELEASE OF VEHICLE AFTER HOURS / GATE FEE</b><br>Beginning when gate opens   | <b>\$50.00 per hour</b>              |
| <b>BRAKE CAGING FEE</b>   | <b>\$70.00</b>                       |
| <b>LAND-ALL STYLE TRAILER FEE</b>   | <b>\$475.00 per hour</b>             |
| <b>OTHER EQUIPMENT STANDBY FEE</b>  | <b>\$160.00 per hour</b>             |
| <b>RECOVERY UNIT (TOW TRUCK) STANDBY FEE</b>  | <b>\$160.00</b>                      |
| <b>RECOVERY PRICE PER POUND</b>   | <b>TBD</b>                           |
| <b>SPECIALIZED EQUIPMENT</b>  | <b>TBD</b>                           |

**FEES MAY NOT BE ASSESSED FOR THE FOLLOWING:**

- MOVING OF VEHICLE IN LOT TO GET TO THE OWNER'S VEHICLE
- REMOVING PERSONAL ITEMS FROM VEHICLE DURING NORMAL BUSINESS HOURS (CLOTHING, MEDS, TOOLS, ETC)
- THERE SHALL BE NO STORAGE FEES ASSESSED FOR THE INITIAL 24 HOURS AFTER THE TOW TRUCK LEAVES THE SCENE. HOWEVER, STORAGE FEES MAY BE ASSESSED FOR THE FIRST CALENDAR DAY WHEN THE STORED VEHICLE IS NOT RELEASED DURING THE FIRST 24 HOURS

**THE TOWING COORDINATOR MAY IMPLEMENT A FUEL SURCHARGE WHEN REQUIRED**

**ALL FEES MUST BE THOROUGHLY DOCUMENTED AND ITEMIZED, OTHER THAN:**

- BASIC POLICE CALL ACCIDENT TOW AND CLEAN UP
- BASIC POLICE CALL NON-ACCIDENT TOW
- POLICE REQUIRED SECOND TOW
- DISABLED VEHICLE SERVICE
- BASIC POLICE HEAVY DUTY TOW

January 2020  
 Initials/date: \_\_\_\_\_/\_\_\_\_\_

## City of Manassas Police Department

### 2024 Towing Pricing Schedule

*\*Fees reflected maximum amount to be charged\**

| <b>LIGHT DUTY TOWING FEES</b>   |  | <b>2024</b>                       |
|---|--|-----------------------------------|
| <b>SERVICE</b>  |  | <b>RATE</b>                       |
| <b>BASIC POLICE CALL ACCIDENT TOW &amp; CLEAN UP:</b><br>Towing and removal involved in a crash and cleaning of the crash scene. Fee includes crash cleanup as required by law to include ordinary use of broom, shovel, absorbent, and the pickup of minor crash debris (bumpers covers, headlights, small car pieces, etc.) |  | <b>\$375</b>                      |
| <b>BASIC POLICE CALL NON-ACCIDENT TOW:</b><br>Defined as a police request tow requiring a vehicle to be towed to the tower's storage lot, Police Impound Lot, or Police Station   |  | <b>\$250</b>                      |
| <b>POLICE REQUIRED SECOND TOW:</b><br>From police impound lot or tower's lot or police station to tower's lot or tower's lot to police impound lot  |  | <b>\$95</b>                       |
| <b>DISABLED VEHICLE SERVICE:</b><br>Standard tow equipment is used. No additional special equipment or labor required   |  | <b>\$150</b>                      |
| <b>ADDITIONAL CLEAN UP:</b><br>Including, but not limited to, a need for more than 5 gals of absorbent  |  | <b>\$25</b><br>Per extra (5) gals |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  |  | <b>\$50</b>                       |
| <b>THIRD PLUS VISIT FOR VEHICLE:</b><br>1 <sup>ST</sup> and 2 <sup>nd</sup> visits during normal business hours are free  |  | <b>\$20</b><br>Per visit          |
| <b>SECOND TOW TRUCK REQUIRED:</b>   |  | <b>\$150</b>                      |
| <b>DAILY VEHICLE STORAGE FEE:</b><br>Calculated by calendar day after the first 24 hours  |  | <b>\$85</b><br>Per (24) hours     |
| <b>TARPING OF VEHICLE:</b>  |  | <b>\$45</b>                       |
| <b>ADMINISTRATION FEE:</b><br>For vehicles being stored greater than 3 business days (72 hours)   |  | <b>\$165</b>                      |
| <b>WINCHING/RECOVERY (STANDARD):</b>  |  | <b>\$90</b>                       |
| <b>WINCHING/RECOVERY (ADVANCED):</b> 75ft plus, overturned vehicle, cutting trees, etc.   |  | <b>\$165</b>                      |

## City of Manassas Police Department

### 2024 Towing Pricing Schedule

*\*Fees reflected maximum amount to be charged\**

| <b>HEAVY DUTY TOWING FEES</b>   |  | <b>2024</b>   |
|---|--|---|
| <b>SERVICE</b>  |  | <b>RATE</b>   |
| <b>BASIC POLICE CALL ACCIDENT TOW &amp; CLEAN UP:</b><br>Towing and removal involved in a crash and cleaning of the crash scene. Fee includes crash cleanup as required by law to include ordinary use of broom, shovel, absorbent, and the pickup of minor crash debris (bumpers covers, headlights, small car pieces, etc.) |  | <b>\$1000</b>   |
| <b>BASIC POLICE CALL NON-ACCIDENT TOW:</b><br>Defined as a police request tow requiring a vehicle to be towed to the tower's storage lot, Police Impound Lot, or Police Station. No additional special equipment or labor required.   |  | <b>\$800</b>  |
| <b>SERVICE TRUCK PER HOUR:</b>  |  | <b>\$135</b>  |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  |  | <b>\$50</b>   |
| <b>ADDITIONAL CLEAN UP:</b><br>Including, but not limited to, a need for more than 5 gals of absorbent  |  | <b>\$25</b><br>Per extra (5) gals                           |
| <b>RELEASE OF VEHICLE AFTER HOURS/GATE FEE:</b><br>Between 1801-0759 hours Monday through Friday. All day on Saturday, Sunday or a Holiday  |  | <b>\$50</b>   |
| <b>DAILY VEHICLE STORAGE FEE:</b><br>Calculated by calendar day after the first 24 hours  |  | <b>\$85</b><br>Per (20) feet<br>Max \$255<br>Per (24) hours |
| <b>ADMINISTRATION FEE:</b><br>For vehicles being stored greater than 3 business days (72 hours)   |  | <b>\$165</b>  |
| <b>BRAKE CAGING FEE:</b>  |  | <b>\$70</b>   |
| <b>EXTRA LABOR FOR RECOVERY (PER HOUR/PER PERSON):</b>  |  | <b>\$75</b>   |
| <b>AIR BAGS (PER HOUR OR PRICE BY POUND):</b>   |  | <b>\$1,270</b>  |
| <b>LAND-ALL STYLE TRAILER FEE:</b>  |  | <b>\$490</b>  |





# Manassas City Police Department

## Application for Towing Service Agreement

### SECTION 1. *Towing Company Information*

Name of Towing Company: \_\_\_\_\_

Trading As (if different): \_\_\_\_\_

Business Address: \_\_\_\_\_

Include Zip Code

Mailing Address (if different): \_\_\_\_\_

Include Zip Code

Fax Number: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

Website: \_\_\_\_\_

Telephone number at which this towing  
company can receive calls for service on a 24  
hour basis.

**One number only:**

|                       |
|-----------------------|
| _____ - _____ - _____ |
|-----------------------|

Does this towing company intend to conduct light-duty towing, heavy-duty towing or both light and heavy-duty towing? \_\_\_\_\_

### SECTION 2: *Business Owner Information*

Information provided in this section must be for an individual person(s), not corporate entities.

Applicant / Primary Owner of the Towing Company:

Full Legal Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

Include Zip Code

Home Telephone#: \_\_\_\_\_

Office Telephone#: \_\_\_\_\_

Cellular Telephone# \_\_\_\_\_



## SECTION 2: *Business Owner Information (continued)*

Other Owners, Partners, Agents, or Corporate Officers:

Full Legal Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

Include Zip Code \_\_\_\_\_

Home Telephone#: \_\_\_\_\_

Office Telephone#: \_\_\_\_\_

Cellular Telephone# \_\_\_\_\_

Full Legal Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

Include Zip Code \_\_\_\_\_

Home Telephone#: \_\_\_\_\_

Office Telephone#: \_\_\_\_\_

Cellular Telephone# \_\_\_\_\_

Full Legal Name: \_\_\_\_\_

Company Title: \_\_\_\_\_

Home Address: \_\_\_\_\_

Include Zip Code \_\_\_\_\_

Home Telephone#: \_\_\_\_\_

Office Telephone#: \_\_\_\_\_

Cellular Telephone# \_\_\_\_\_



### Section 3: *Insurance Information*

**You must attach copies of each insurance policy and certificate listed below.**

#### Vehicle Liability Policy

Insurance Company: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Amount of Coverage: \_\_\_\_\_

Date Coverage Begins: \_\_\_\_\_

Date Coverage Ends: \_\_\_\_\_

Does this policy meet all requirements of the Virginia State Corporation Commission? \_\_\_\_\_

#### Garage Keepers Policy

Insurance Company: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Amount of Coverage: \_\_\_\_\_

Date Coverage Begins: \_\_\_\_\_

Date Coverage Ends: \_\_\_\_\_

Does this policy meet all requirements of the Virginia State Corporation Commission? \_\_\_\_\_

#### Employee Insurance Policy (Workman's Compensation)

Insurance Company: \_\_\_\_\_

Policy Number: \_\_\_\_\_

Amount of Coverage: \_\_\_\_\_

Date Coverage Begins: \_\_\_\_\_

Date Coverage Ends: \_\_\_\_\_

Does this policy meet all requirements of the Virginia State Corporation Commission? \_\_\_\_\_

Does each attached insurance policy contain a clause obligating the insurer to give the Chief of Police or the Manassas City Police Towing Coordinator at least thirty (30) days written notice prior to cancellation or modification of the policy? \_\_\_\_\_



### Section 3: *Insurance Information* (continued)

Do you agree to give the Manassas City Police Towing Coordinator immediate notification of any changes or modifications to any of the above insurance coverages? \_\_\_\_\_

Do you agree to indemnify and hold harmless the Police and the City, their agents, employees and representatives and members of the panel from any and all claims, casualties, damages or injuries arising out of its actions pursuant to the agreement? \_\_\_\_\_

### Section 4: *Other Towing Business Involvement*

List all towing companies which you presently own or have owned in the past either as sole owner or in a partnership. Also list all towing companies with which you have acted as an agent, past or present. Include addresses.

Company Name: \_\_\_\_\_

Full Address: \_\_\_\_\_

Your title with this company: \_\_\_\_\_

Are you still legally involved with this company? \_\_\_\_\_

Company Name: \_\_\_\_\_

Full Address: \_\_\_\_\_

Your title with this company: \_\_\_\_\_

Are you still legally involved with this company? \_\_\_\_\_

Company Name: \_\_\_\_\_

Full Address: \_\_\_\_\_

Your title with this company: \_\_\_\_\_

Are you still legally involved with this company? \_\_\_\_\_

\_\_\_\_\_



## Section 5: *Storage Lot*

Address of your storage lot: \_\_\_\_\_

Square footage of the lot: \_\_\_\_\_

Dimensions of the lot: \_\_\_\_\_

Is this lot completely surrounded by a secure fence at least six (6) feet high? \_\_\_\_\_

Is this lot completely illuminated at night? \_\_\_\_\_

Does this lot have a paved or gravel surface? \_\_\_\_\_

Location to which the public must go to claim a vehicle: \_\_\_\_\_

## Section 6: *Equipment*

Use the attached Vehicle Information form (Page 7) to list all vehicles which will be used to provide towing services under the Towing Service Agreement.

Use the attached Specialized Equipment form (Page 8) to list all specialized equipment you possess which may be used to provide towing, recovery and scene cleanup services under the Towing Service Agreement.

Specialized Equipment means equipment which is not normally used to provide standard towing and recovery services, but may be required for the Tower to meet his responsibilities under the Towing Service Agreement. Examples of such specialized equipment include, but are not limited to, forklifts, refrigerated trailers, loaders etcetera.

Specialized equipment is not normally needed for light-duty towing and recovery. Heavy-duty towers will be required to provide whatever equipment is needed to clear a heavy-duty incident scene.

## Section 7: *Towing Operators*

Use the attached Towing Operators Information form (Page 9) to list all Towing Operators (drivers) who will be used to provide towing services under the Towing Service Agreement.

## Section 8: **Declarations**

**You must initial each item.**

**I hereby declare that each of the following statements is true:**

My towing company will provide towing service 24 hours a day every day of the year. \_\_\_\_\_

I agree to immediately notify the Manassas City Police Towing Coordinator of any changes regarding company ownership, adding or changing partners or agents or corporate officers. \_\_\_\_\_



I agree to immediately notify the Manassas City Police Towing Coordinator of any changes regarding any of the information furnished in this application, to include newly hired tow operators. \_\_\_\_\_

I accept responsibility for safeguarding all towed vehicles and all personal property left in towed vehicles beginning at the time the hookup starts until the vehicle reaches its destination, and at any time the vehicle is in the possession of my company. \_\_\_\_\_

I give the Chief of Police or his designee permission to inspect on demand, my records and my company's records pertaining to the towing and the storage of vehicles and personal property left in or removed from towed vehicles. \_\_\_\_\_

I give the Chief of Police or his designee permission to inspect on demand, my towing equipment, storage facilities, and security features. \_\_\_\_\_

I agree to indemnify the City of any claims, injuries, or damages incurred as a result of providing towing services pursuant to any agreement with the Manassas City Police Department. \_\_\_\_\_

I have received a copy of the City of Manassas Towing Policy. \_\_\_\_\_

I have read, and I do understand the City of Manassas Towing Policy in its entirety. \_\_\_\_\_

I accept, and agree to abide by, all of the terms, regulations, policies and requirements of the City of Manassas Towing Policy without exception. \_\_\_\_\_

All information contained in this application is true and accurate. \_\_\_\_\_

I understand that any falsification or misrepresentation of any information provided in this application will result in the denial of the application. \_\_\_\_\_

I understand that if any falsification or misrepresentation of any information provided in this application is discovered after this application is approved, my Towing Service Agreement will be immediately rescinded. \_\_\_\_\_

Applicants

Printed Name: \_\_\_\_\_ Title at Company: \_\_\_\_\_

Signature of Applicant \_\_\_\_\_ Date: \_\_\_\_\_

Address of Business: \_\_\_\_\_  
STREET CITY STATE ZIP CODE

## Section 9: Notary Public

I hereby certify that the foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_ by \_\_\_\_\_.

My commission expires: \_\_\_\_\_ (DATE) \_\_\_\_\_ Notary Registration Number \_\_\_\_\_

Notary Public

(SEAL)

Check One: ☐ APPROVED ☐ REJECTED **POLICE DEPT USE ONLY**

Agreement executed (MM/DD/YYYY): \_\_\_\_\_

Reasons for rejection: \_\_\_\_\_

Applicant Notified (MM/DD/YYYY): \_\_\_\_\_

\_\_\_\_\_  
Wrecker Coordinator, Manassas City Police

\_\_\_\_\_  
Traffic Services Supervisor



## Application for Towing Service Agreement    Vehicle Information

Provide complete information for each vehicle which will be used to provide towing services under the Towing Service Agreement.

[illegible]

## Application for Towing Service Agreement    Specialized Equipment Information

List any specialized equipment which will be used to provide towing services under the Towing Service Agreement.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



## Application for Towing Service Agreement

### Towing Operator Information

#### Light-duty Towing Operators

| Last Name | First Name | Driver's License Number | Date of Birth | DCJS Certificate Number & Expiration | TRAA Certification Level |
|-----------|------------|-------------------------|---------------|--------------------------------------|--------------------------|
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |
|           |            |                         |               |                                      |                          |

#### Heavy-duty Towing Operators

| Last Name | First Name | Commercial Driver's License Number | Date of Birth | DCJS Certificate Number & Expiration | TRAA Certification Level |
|-----------|------------|------------------------------------|---------------|--------------------------------------|--------------------------|
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |
|           |            |                                    |               |                                      |                          |



## Application for Towing Service Agreement

### Required Documents:

Each of the documents listed below **must be included** with the Application for Towing Service Agreement and **must be clearly legible**. Additional documents may be required as needed.

- ☐ Current City of Manassas business license.
- ☐ Current business office Lease Agreement (If location is different since the last application).
- ☐ Current storage lot Lease Agreement. (If location is different since the last application).
- ☐ DMV/IFTA/ License with matching registration certificate for each tow truck.
- ☐ Current SCC (State Commission Corporation) Registration.
- ☐ Vehicle Liability Policy and Certificate for all inspected tow trucks.
- ☐ Garage Keepers Policy and Certificate.
- ☐ Employee Insurance Policy and Certificate.
- ☐ A current statement(s) from the City of Manassas Zoning Office or the applicable city or town Zoning Office that the storage/impound lot and, if different, the business office location listed on the application meets **all** applicable zoning requirements and that the storage lot may be used to store impounded and inoperative vehicles.
- ☐ Certified plat showing dimensions and square footage of your storage lot. (If different since last application)
- ☐ A statement(s) from the City of Manassas Treasurer's Office that **all** applicable taxes are current and have been paid.
- ☐ Copies of the Driver's License or CDL for each and every towing operator.
- ☐ Copies of DCJS certificates for all drivers. **(Towers must carry this certificate at all times while actively towing under authority for the City of Manassas Police Department. Towers' certificates are subject to inspection by any Manassas City Police Officer upon request.)**
- ☐ Copies of TRAA certifications for each TRAA certified driver.
- ☐ Company check in the amount of \$300.00 made payable to the "City of Manassas." (Application fee)





## City Council Agenda Item Report

Agenda Item No. 3.3  
Submitted by: Sandra Mitchell  
Submitting Department: Finance  
Meeting Date: January 13, 2025

### Item Title

Resolution #R-2025-465 Amending the FY 2025 Budget by Budgeting and Appropriating \$ 166,095.76 of State Grant Funding for Airport Capital Projects  
(Staff: Juan Rivera, Airport Director)

### Suggested Action and/or Recommendation

Approve

### Suggested Motion

I move that Resolution #R-2025-465 be approved

**Item Type** Resolutions  
**Submitting Department** Finance  
**Meeting Body** City Council

**Item ID** 2025-465  
**Drafter** Sandra Mitchell  
**Meeting Date** January 13, 2025

### Fiscal Impact

\$70,297.20 - Access Control and Video Management System (A-104)

\$46,085.40 - CCTV Cameras (A-104)

\$ 4,849.20 - ID Badge Printer Replacement (A-104)

\$24,506.96 - Outbound Access Control Card Readers (A-104)

\$20,357.00 - ARFF Testing System (A-108)

\$166,095.76 Total State Grant Funding

### Executive Summary and Background Information

The Airport has four security equipment replacement projects that are being funded with a 90% state grant, but were not identified in FY2025's budget, but are necessary for the Airport to transition to a commercial service airport. The Airport is received state funding for an Access Control and Video Management System, CCTV Cameras, ID Badge Printer Replacement, and Outbound Access Control Card Readers in November for \$145,738.76.

The Airport received a state grant to purchase an Aircraft Rescue Fire Fighting (ARFF) Testing System. The Airport has to have the capability to test its foam from the fire trucks prior to receiving its Airport Operating Certificate (AOC). Since Virginia does not allow testing of AFFF foam, and the FAA Reauthorization Act of 2018 directed the FAA to stop requiring the use of AFFF, the airport cannot use traditional methods of testing foam. The FAA has approved three AFFF testing systems for airports that do not require the dispensing of the foam on the ground or in a containment area that then must be cleaned and the AFFF properly disposed, which is a costly endeavor. With this system, the Airport will modify its three ARFF vehicles that will enable it to utilize one of the FAA approved testing systems. The grant was in the amount of \$20,357.00.

This resolution will budget and appropriate \$166,095.76 of State Grant Funding in the Airport Capital Projects Fund.

#### **ATTACHMENTS**

- [2025-465 RES Airport Capital Projects Grant](#)
- [ATTH01 Airport State Grant Agreements](#)
- [PRES Airport State Grants](#)

## RESOLUTION R-2025-465

Adopted:

BE IT RESOLVED by the Council of the City of Manassas meeting in regular session this 13<sup>th</sup> day of January, 2025, that the following funds be budgeted and appropriated as shown.

|  |  |            |
|--|--|------------|
| Airport Security Equipment & ARFF Testing State Grants |  |            |
| <b>AIRPORT CAPITAL PROJECTS FUND</b>                   |  |            |
| <u>Revenue:</u>  |  |            |
| 57597900-322071 C3722                                  | VA State Reimbursement                         | 70,297.20  |
| 57597900-322071 C3722                                  | VA State Reimbursement                         | 46,085.40  |
| 57597900-322071 C3722                                  | VA State Reimbursement                         | 4,849.20   |
| 57597900-322071 C3722                                  | VA State Reimbursement                         | 24,506.96  |
| 57597900-322071 C3716                                  | VA State Reimbursement                         | 20,357.00  |
|  |  | 166,095.76 |
| <u>Expenditure:</u>                                    |  |            |
| 57505800-439000 C3722                                  | Security Equip. Replacement - Access Control   | 70,297.20  |
| 57505800-439000 C3722                                  | Security Equip. Replacement - CCTV             | 46,085.40  |
| 57505800-439000 C3722                                  | Security Equip. Replacement - ID Badge Printer | 4,849.20   |
| 57505800-439000 C3722                                  | Security Equip. Replacement - Outbound Access  | 24,506.96  |
| 57505800-439000 C3716                                  | ARFF System Testing                            | 20,357.00  |
|  |  | 166,095.76 |

For: Airport Security Equipment & ARFF Testing State Grants

This resolution shall take effect upon its passage.

---

Michelle Davis-Younger                      MAYOR  
On Behalf of the City Council  
of Manassas, Virginia

ATTEST:

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Eric Smith                      City Clerk



Commonwealth of Virginia  
Department of Aviation  
5702 Gulfstream Road  
Richmond, Virginia 23250-2422

## Grant Agreement

### Part I - Offer

|                           |                          |
|---------------------------|--------------------------|
| Project Number:           | <b>CS0030-57</b>         |
| Date of Approval:         | <b>November 21, 2024</b> |
| Date of Offer:            | <b>November 21, 2024</b> |
| Date of Offer Expiration: | <b>January 20, 2025</b>  |

WHEREAS, by executing a *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (hereinafter referred to as the "Master Agreement"), effective on June 23, 2022, the **City of Manassas** (hereinafter referred to as the "Sponsor") agreed to the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth"); and

WHEREAS, the Sponsor has submitted a request for a grant of state funds to assist in the development of **Manassas Regional Airport** (hereinafter referred to as the "Airport") together with the appropriate supporting documentation; and

WHEREAS, the Commonwealth acting by and through the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department"), has approved a project for development of the Airport which consists of the following (hereinafter referred to as the "Project"):

### Access Control and Video Management Systems

NOW, THEREFORE, pursuant to the authority granted to the Department by §5.1-2.2 of the *Code of Virginia* (1950), as amended, and in consideration of (a) the authority granted to the Sponsor to operate and maintain the Airport, (b) the Sponsor's adoption and ratification of the assurances provided in the Master Agreement, and (c) the benefits to accrue to the Commonwealth and the public from the accomplishment of this Project, the Department offers to pay, as the Commonwealth's share, **ninety (90.00)** percent of all eligible Project costs.

This offer is made on and subject to the following terms and conditions:

1. The Master Agreement is incorporated by reference herein, and this offer is subject to the terms and conditions of said Master Agreement.
2. The maximum obligation of the Commonwealth payable under this Grant Agreement shall not exceed **\$70,297.20**.
3. If the Federal Aviation Administration (hereinafter referred to as the "FAA") will be participating in the funding of this Project, the Sponsor has, at the time of the execution of this Grant Agreement, a commitment from FAA for federal funds in the amount of **\$N/A**.
4. This Grant Term will expire on **September 30, 2026**.
5. The Grant Obligation Term is **10 years**.
6. All funds associated with this Grant Agreement will be reimbursed fully to the Commonwealth in the event the Sponsor has not acquired FAA Part 139 certification within five Years from the execution date of this Grant Agreement.

Grant Agreement, Project Number **CS0030-57**

The Sponsor's acceptance of this Grant Offer with its terms and conditions shall be evidenced by execution of this Grant Offer by, or on behalf of, the Sponsor, as hereinafter provided, and said Grant Offer and acceptance shall comprise a Grant Agreement for the distribution of funds by the Department as authorized under §5.1-2.2 *Code of Virginia* (1950), as amended. This Grant Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

Commonwealth of Virginia  
Department of Aviation

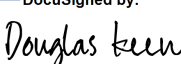
DocuSigned by:  
  
By, 77A881184C3440B 11/22/2024

Its, Director

## Part II - Acceptance

The Sponsor hereby accepts and agrees to all the terms, conditions and assurances contained in this Grant Agreement.

City of Manassas

DocuSigned by:  
  
By, 12E6D18CC5E641A... 11/22/2024

Douglas W. Keen  
Interim City Manager, City of Manassas

## Certification of Sponsor's Attorney

Acting as Attorney for the Sponsor, I do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signed by:  
  
By, 369A5A5CA71D465... 11/22/2024

S. Craig Brown  
City Attorney, City of Manassas



Commonwealth of Virginia  
Department of Aviation  
5702 Gulfstream Road  
Richmond, Virginia 23250-2422

### Grant Agreement

#### Part I - Offer

|                           |                          |
|---------------------------|--------------------------|
| Project Number:           | <b>CS0030-58</b>         |
| Date of Approval:         | <b>November 21, 2024</b> |
| Date of Offer:            | <b>November 21, 2024</b> |
| Date of Offer Expiration: | <b>January 20, 2025</b>  |

WHEREAS, by executing a *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (hereinafter referred to as the "Master Agreement"), effective on June 23, 2022, the **City of Manassas** (hereinafter referred to as the "Sponsor") agreed to the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth"); and

WHEREAS, the Sponsor has submitted a request for a grant of state funds to assist in the development of **Manassas Regional Airport** (hereinafter referred to as the "Airport") together with the appropriate supporting documentation; and

WHEREAS, the Commonwealth acting by and through the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department"), has approved a project for development of the Airport which consists of the following (hereinafter referred to as the "Project"):

#### CCTV Cameras

NOW, THEREFORE, pursuant to the authority granted to the Department by §5.1-2.2 of the *Code of Virginia* (1950), as amended, and in consideration of (a) the authority granted to the Sponsor to operate and maintain the Airport, (b) the Sponsor's adoption and ratification of the assurances provided in the Master Agreement, and (c) the benefits to accrue to the Commonwealth and the public from the accomplishment of this Project, the Department offers to pay, as the Commonwealth's share, **ninety (90.00)** percent of all eligible Project costs.

This offer is made on and subject to the following terms and conditions:

1. The Master Agreement is incorporated by reference herein, and this offer is subject to the terms and conditions of said Master Agreement.
2. The maximum obligation of the Commonwealth payable under this Grant Agreement shall not exceed **\$46,085.40**.
3. If the Federal Aviation Administration (hereinafter referred to as the "FAA") will be participating in the funding of this Project, the Sponsor has, at the time of the execution of this Grant Agreement, a commitment from FAA for federal funds in the amount of **\$N/A**.
4. This Grant Term will expire on **September 30, 2026**.
5. The Grant Obligation Term is **10 years**.
6. All funds associated with this Grant Agreement will be reimbursed fully to the Commonwealth in the event the Sponsor has not acquired FAA Part 139 certification within five Years from the execution date of this Grant Agreement.



Grant Agreement, Project Number **CS0030-58**

The Sponsor's acceptance of this Grant Offer with its terms and conditions shall be evidenced by execution of this Grant Offer by, or on behalf of, the Sponsor, as hereinafter provided, and said Grant Offer and acceptance shall comprise a Grant Agreement for the distribution of funds by the Department as authorized under §5.1-2.2 *Code of Virginia* (1950), as amended. This Grant Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

Commonwealth of Virginia  
Department of Aviation


DocuSigned by:  
  
By, 77A881184C3440B 11/22/2024

Its, Director

## Part II - Acceptance

The Sponsor hereby accepts and agrees to all the terms, conditions and assurances contained in this Grant Agreement.

City of Manassas

DocuSigned by:  
  
By, 12E6D18CC5E641A... 11/22/2024

Douglas W. Keen  
Interim City Manager, City of Manassas

## Certification of Sponsor's Attorney

Acting as Attorney for the Sponsor, I do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signed by:  
  
By, 369A5A5CA71D465... 11/22/2024

S. Craig Brown  
City Attorney, City of Manassas



Commonwealth of Virginia  
Department of Aviation  
5702 Gulfstream Road  
Richmond, Virginia 23250-2422

### Grant Agreement

#### Part I - Offer

|                   |                          |
|-------------------|--------------------------|
| Project Number:   | <b>CS0030-55</b>         |
| Date of Approval: | <b>November 21, 2024</b> |
| Date of Offer:    | <b>November 21, 2024</b> |
|                   | <b>January 20, 2025</b>  |

WHEREAS, by executing a *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (hereinafter referred to as the "Master Agreement"), effective on June 23, 2022, the **City of Manassas** (hereinafter referred to as the "Sponsor") agreed to the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth"); and

WHEREAS, the Sponsor has submitted a request for a grant of state funds to assist in the development of **Manassas Regional Airport** (hereinafter referred to as the "Airport") together with the appropriate supporting documentation; and

WHEREAS, the Commonwealth acting by and through the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department"), has approved a project for development of the Airport which consists of the following (hereinafter referred to as the "Project"):

#### ID Badge Printer Replacement

NOW, THEREFORE, pursuant to the authority granted to the Department by §5.1-2.2 of the *Code of Virginia* (1950), as amended, and in consideration of (a) the authority granted to the Sponsor to operate and maintain the Airport, (b) the Sponsor's adoption and ratification of the assurances provided in the Master Agreement, and (c) the benefits to accrue to the Commonwealth and the public from the accomplishment of this Project, the Department offers to pay, as the Commonwealth's share, **ninety (90.00)** percent of all eligible Project costs.

This offer is made on and subject to the following terms and conditions:

1. The Master Agreement is incorporated by reference herein, and this offer is subject to the terms and conditions of said Master Agreement.
2. The maximum obligation of the Commonwealth payable under this Grant Agreement shall not exceed **\$4,849.20**.
3. If the Federal Aviation Administration (hereinafter referred to as the "FAA") will be participating in the funding of this Project, the Sponsor has, at the time of the execution of this Grant Agreement, a commitment from FAA for federal funds in the amount of **\$N/A**.
4. This Grant Term will expire on **September 30, 2026**.
5. The Grant Obligation Term is **5 years**.
6. All funds associated with this Grant Agreement will be reimbursed fully to the Commonwealth in the event the Sponsor has not acquired FAA Part 139 certification within five Years from the execution date of this Grant Agreement.

Grant Agreement, Project Number **CS0030-55**

The Sponsor's acceptance of this Grant Offer with its terms and conditions shall be evidenced by execution of this Grant Offer by, or on behalf of, the Sponsor, as hereinafter provided, and said Grant Offer and acceptance shall comprise a Grant Agreement for the distribution of funds by the Department as authorized under §5.1-2.2 *Code of Virginia* (1950), as amended. This Grant Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

Commonwealth of Virginia  
Department of Aviation

DocuSigned by:  
 11/22/2024  
By, 

Its, Director

Part II - Acceptance

The Sponsor hereby accepts and agrees to all the terms, conditions and assurances contained in this Grant Agreement.

City of Manassas

DocuSigned by:  
 11/22/2024  
By, 

Douglas W. Keen  
Interim City Manager, City of Manassas

Certification of Sponsor's Attorney

Acting as Attorney for the Sponsor, I do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signed by:  
 11/22/2024  
By, 

S. Craig Brown  
City Attorney, City of Manassas



Commonwealth of Virginia  
Department of Aviation  
5702 Gulfstream Road  
Richmond, Virginia 23250-2422

## Grant Agreement

### Part I - Offer

|                           |                          |
|---------------------------|--------------------------|
| Project Number:           | <b>CS0030-56</b>         |
| Date of Approval:         | <b>November 21, 2024</b> |
| Date of Offer:            | <b>November 21, 2024</b> |
| Date of Offer Expiration: | <b>January 20, 2025</b>  |

WHEREAS, by executing a *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (hereinafter referred to as the "Master Agreement"), effective on June 23, 2022, the **City of Manassas** (hereinafter referred to as the "Sponsor") agreed to the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth"); and

WHEREAS, the Sponsor has submitted a request for a grant of state funds to assist in the development of **Manassas Regional Airport** (hereinafter referred to as the "Airport") together with the appropriate supporting documentation; and

WHEREAS, the Commonwealth acting by and through the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department"), has approved a project for development of the Airport which consists of the following (hereinafter referred to as the "Project"):

### Outbound Access Control Card Readers

NOW, THEREFORE, pursuant to the authority granted to the Department by §5.1-2.2 of the *Code of Virginia* (1950), as amended, and in consideration of (a) the authority granted to the Sponsor to operate and maintain the Airport, (b) the Sponsor's adoption and ratification of the assurances provided in the Master Agreement, and (c) the benefits to accrue to the Commonwealth and the public from the accomplishment of this Project, the Department offers to pay, as the Commonwealth's share, **ninety (90.00)** percent of all eligible Project costs.

This offer is made on and subject to the following terms and conditions:

1. The Master Agreement is incorporated by reference herein, and this offer is subject to the terms and conditions of said Master Agreement.
2. The maximum obligation of the Commonwealth payable under this Grant Agreement shall not exceed **\$24,506.96**.
3. If the Federal Aviation Administration (hereinafter referred to as the "FAA") will be participating in the funding of this Project, the Sponsor has, at the time of the execution of this Grant Agreement, a commitment from FAA for federal funds in the amount of **\$N/A**.
4. This Grant Term will expire on **September 30, 2026**.
5. The Grant Obligation Term is **10 years**.
6. All funds associated with this Grant Agreement will be reimbursed fully to the Commonwealth in the event the Sponsor has not acquired FAA Part 139 certification within five Years from the execution date of this Grant Agreement.

Grant Agreement, Project Number **CS0030-56**

The Sponsor's acceptance of this Grant Offer with its terms and conditions shall be evidenced by execution of this Grant Offer by, or on behalf of, the Sponsor, as hereinafter provided, and said Grant Offer and acceptance shall comprise a Grant Agreement for the distribution of funds by the Department as authorized under §5.1-2.2 *Code of Virginia* (1950), as amended. This Grant Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

Commonwealth of Virginia  
Department of Aviation

DocuSigned by:  
  
By, 77A881184C3440B 11/22/2024

Its, Director

## Part II - Acceptance

The Sponsor hereby accepts and agrees to all the terms, conditions and assurances contained in this Grant Agreement.


City of Manassas

DocuSigned by:  
  
By, 12E6D18CC5F641A 11/22/2024

Douglas W. Keen  
Interim City Manager, City of Manassas

## Certification of Sponsor's Attorney

Acting as Attorney for the Sponsor, I do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signed by:  
  
By, 369A5A5CA71D465... 11/22/2024

S. Craig Brown  
City Attorney, City of Manassas



Commonwealth of Virginia  
Department of Aviation  
5702 Gulfstream Road  
Richmond, Virginia 23250-2422

## Grant Agreement

### Part I - Offer

|                           |                          |
|---------------------------|--------------------------|
| Project Number:           | <b>CS0030-59</b>         |
| Date of Approval:         | <b>November 21, 2024</b> |
| Date of Offer:            | <b>November 21, 2024</b> |
| Date of Offer Expiration: | <b>January 20, 2025</b>  |

WHEREAS, by executing a *Master Agreement on Terms and Conditions for Accepting State Aviation Funding Resources* (hereinafter referred to as the "Master Agreement"), effective on June 23, 2022, the **City of Manassas** (hereinafter referred to as the "Sponsor") agreed to the terms and conditions for accepting state aviation funding from the Commonwealth of Virginia (hereinafter referred to as the "Commonwealth"); and

WHEREAS, the Sponsor has submitted a request for a grant of state funds to assist in the development of **Manassas Regional Airport** (hereinafter referred to as the "Airport") together with the appropriate supporting documentation; and

WHEREAS, the Commonwealth acting by and through the Virginia Aviation Board (hereinafter referred to as the "Board") and/or the Virginia Department of Aviation (hereinafter referred to as the "Department"), has approved a project for development of the Airport which consists of the following (hereinafter referred to as the "Project"):

### **FAA Approved Foam (ARFF) Testing System Purchase**

NOW, THEREFORE, pursuant to the authority granted to the Department by §5.1-2.2 of the *Code of Virginia* (1950), as amended, and in consideration of (a) the authority granted to the Sponsor to operate and maintain the Airport, (b) the Sponsor's adoption and ratification of the assurances provided in the Master Agreement, and (c) the benefits to accrue to the Commonwealth and the public from the accomplishment of this Project, the Department offers to pay, as the Commonwealth's share, **fifty (50.00)** percent of all eligible Project costs.

This offer is made on and subject to the following terms and conditions:

1. The Master Agreement is incorporated by reference herein, and this offer is subject to the terms and conditions of said Master Agreement.
2. The maximum obligation of the Commonwealth payable under this Grant Agreement shall not exceed **\$20,357.00**.
3. If the Federal Aviation Administration (hereinafter referred to as the "FAA") will be participating in the funding of this Project, the Sponsor has, at the time of the execution of this Grant Agreement, a commitment from FAA for federal funds in the amount of **\$N/A**.
4. This Grant Term will expire on **September 30, 2026**.
5. The Grant Obligation Term is **15 years**.
6. All funds associated with this Grant Agreement will be reimbursed fully to the Commonwealth in the event the Sponsor has not acquired FAA Part 139 certification within five Years from the execution date of this Grant Agreement.

Grant Agreement, Project Number **CS0030-59**

The Sponsor's acceptance of this Grant Offer with its terms and conditions shall be evidenced by execution of this Grant Offer by, or on behalf of, the Sponsor, as hereinafter provided, and said Grant Offer and acceptance shall comprise a Grant Agreement for the distribution of funds by the Department as authorized under §5.1-2.2 *Code of Virginia* (1950), as amended. This Grant Agreement shall become effective upon the Sponsor's acceptance and shall remain in full force as provided herein.

Commonwealth of Virginia  
Department of Aviation

DocuSigned by:  
 11/22/2024  
By, 

Its, Director

Part II - Acceptance

The Sponsor hereby accepts and agrees to all the terms, conditions and assurances contained in this Grant Agreement.

City of Manassas

DocuSigned by:  
 11/22/2024  
By, 

Douglas W. Keen  
Interim City Manager, City of Manassas

Certification of Sponsor's Attorney

Acting as Attorney for the Sponsor, I do hereby certify that in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the Commonwealth of Virginia. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the Commonwealth of Virginia. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Signed by:  
 11/22/2024  
By, 

S. Craig Brown  
City Attorney, City of Manassas



# Airport Grants

The Airport is received state funding for an  
\$70,297.20 - Access Control and Video Management System  
\$46,085.40 - CCTV Cameras  
\$ 4,849.20 - ID Badge Printer Replacement  
\$24,506.96 - Outbound Access Control Card Readers  
\$20,357.00 - ARFF Testing System



Total State Grant Funding:  
\$166,095.76







## City Council Agenda Item Report

Agenda Item No. 5.1  
Submitted by: Eric Smith  
Submitting Department: City Clerk  
Meeting Date: January 13, 2025

### Item Title

Resolution R-2025-472 Authorizing a Closed Meeting  
(Staff: Craig Brown, City Attorney)

### Suggested Action and/or Recommendation

Approve Resolution R-2025-472 Authorizing a Closed Meeting.

### Suggested Motion

**Item Type** Authorize a Closed Meeting  
**Submitting Department** City Clerk  
**Meeting Body** City Council

**Item ID** 2025-472  
**Drafter** Eric Smith  
**Meeting Date** January 13, 2025

### ATTACHMENTS

- [2025-472 RES Authorizing a Closed Meeting](#)

MOTION:

January 13, 2025

SECOND:

Regular Meeting

Res. No. R-2025-472

RE: RESOLUTION AUTHORIZING A CLOSED MEETING OF CITY COUNCIL

WHEREAS, it is necessary for the City Council to discuss and consider the terms and conditions for selling City-owned real property located in the Godwin Technology Corridor, and a discussion of those terms and conditions in an open meeting would adversely affect the City's bargaining position or negotiating strategy; and,

WHEREAS, pursuant to Virginia Code §§ 2.2-3711 (A) (3) these discussions regarding the sale of real property may take place in a duly convened closed meeting of City Council.

NOW, THEREFORE, BE IT RESOLVED by the Council for the City of Manassas, Virginia that the Council hereby authorizes the discussion of the terms and conditions for the sale of City-owned real property, in a closed meeting of the Council.

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Michelle Davis-Younger Mayor  
On behalf of the City Council  
of Manassas, Virginia

ATTEST:

---

Eric W. Smith, II City Clerk

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting:



## City Council Agenda Item Report

Agenda Item No. 6.1  
Submitted by: Eric Smith  
Submitting Department: City Clerk  
Meeting Date: January 13, 2025

### Item Title

Resolution #R-2025-473 Certifying a Closed Meeting  
(Staff: Craig Brown, City Attorney)

### Suggested Action and/or Recommendation

Approve Resolution R-2025-473 Certifying a Closed Meeting

### Suggested Motion

**Item Type** Certify a Closed Meeting  
**Submitting Department** City Clerk  
**Meeting Body** City Council

**Item ID** 2025-473  
**Drafter** Eric Smith  
**Meeting Date** January 13, 2025

### ATTACHMENTS

- [2025-473 RES Certifying a Closed Meeting](#)

MOTION:

January 13, 2025

Regular Meeting

SECOND:

Res. No. R-2025-473

RE: RESOLUTION CERTIFYING A CLOSED MEETING OF CITY COUNCIL

WHEREAS, immediately prior to this Resolution the City Council of the City of Manassas adjourned into a closed meeting in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, the Freedom of Information Act requires a certification by City Council that such closed meeting was conducted in the manner required by law.

NOW, THEREFORE, BE IT RESOLVED by the Council for the City of Manassas, Virginia that the Council hereby certifies that to the best of each member's knowledge (1) only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the City Council.

\_\_\_\_\_  
Michelle Davis-Younger Mayor  
On behalf of the City Council  
of Manassas, Virginia

ATTEST:

\_\_\_\_\_  
Eric W. Smith II City Clerk

Votes:

Ayes:

Nays:

Absent from Vote:

Absent from Meeting: