

City of Manassas, Virginia Manassas Regional Airport Commission Meeting

AGENDA

Manassas Regional Airport Commission Meeting Terminal Building - 1st Floor Conference Room 10600 Harry Parrish Boulevard Manassas, VA 20110 Thursday, January 19, 2023

Call to Order and Roll Call - 7:00 p.m.

1. <u>Pledge of Allegiance</u>

2. <u>Approval of Minutes</u>

2.1 Approval of Meeting Minutes for December 8, 2022 Commission Minutes December 8 2022.docx

3. <u>Review of Expenses</u>

3.1 Review of Bill Sheet Bill Sheet.xlsx

4. <u>Comments from the Public</u>

The "Comments from the Public" agenda item is for members of the public to address the Airport Commission for less than three (3) minutes each. Please state your full name, your city/county and state of domicile, and your interest in, and/or affiliation with, the Airport prior to speaking. No prior notice is necessary to speak during this portion of the agenda. Members of the public may also address the Airport Commission for longer than three (3) minutes if they ask the Airport Director for a place on the agenda at least five (5) working days before the meeting or if a member of the public is specifically requested by a Commission Member to address the Commission.

5. <u>Airport Director's Report</u>

- 5.1 Airport Director's Report Airport Director's Report January 2023.docx
- 5.2 Tie-Down and Hangar Occupancy Reports, and Citizen's Monthly Noise Concern December 2022 Tie-Down Occupancy.pdf December 2022 Hangar Occupancy.pdf December 2022 Noise.pdf

5.3 Revenue, Expenditure and Aging Report Revenues Report.xlsx Expenses Report.xlsx Aging Report.xlsx

6. <u>Presentations</u>

- 6.1 Quarterly Reports on Airport Operations and Fuel Sales (Mrs. Jolene Berry, Sr. Operations, 6 minutes) Agenda Statement - January Presentation - Commission.docx FuelOperations - Fiscal - January 2023 Update.pdf
- 6.2 Quarterly Maintenance Division Report (Mr. Brian Smith, Acting Maintenance Supervisor, 6 minutes) January 23 Power Point - Maintenance.pptx Agenda_Statement_-_January_Maintenance_Presentation_-_Commission (1).docx
- 6.3 Airport 5K/10K Runway Run Update by Bull Run Rotary Club (TBD, 5 minutes)

7. <u>Old Business</u>

- 7.1 Approve the Airport's FY 2024 Operating Budget (Mr. Juna Rivera, Director, 5 minutes)
- 7.2 Approve the Airports FY 2024 Capital Improvement Plan Budget (CIP) (Mr. Juan Rivera, Director, 5 minutes)
- 7.3 Approve Airport Fee and Rent Schedule (Mr. Juan Rivera, Director, 5 minutes) Agenda Statement - January 19 Rates and Charges - Commission.docx Memo - VPD - Recommended Fines (2022).pdf
 O-2023-XX - Clean.docx
 O-2023-XX - Track Changes.docx

8. <u>Consent Agenda</u>

8.1 Approval of renewal of Manassas Aviation Maintenance Lease for one twelve (12) month term with an escalation of rent by 2.9%
Manassas Aviation Maint Lease 2023.docx

9. <u>Committee Reports (If Available)</u>

9.1 Airport Operations Committee Report (Mr. John Snider, Chair, 5 minutes)

10. <u>New Business</u>

- 11. <u>Information Items</u>
- 12. <u>City Council Comments</u>
- 13. <u>Commission Comments</u>

Adjournment

City of Manassas, Virginia Manassas Regional Airport Commission Meeting



MINUTES

Manassas Regional Airport Commission Meeting Terminal Building - 1st Floor Conference Room 10600 Harry Parrish Boulevard Manassas, VA 20110 Thursday, December 8, 2022

The Manassas Regional Airport Commission held its regular meeting in the Airport Conference Room on the above date, attended by Chairman Seraydarian, Vice Chairman Ross Snare, Member Juan Cabrera, Member Howard Goodie, Member John Snider, Member Anthony McGhee, Member Vanslyn Augustus. Member Lawrence Pigeon, Member David Farajollahi

Airport Personnel in Attendance: Juan E. Rivera (Airport Director), Patty Bibber (Secretary) Richard Allabaugh (Operations), Bryan Foster (Deputy City Manager).

Chairman Seraydarian called the meeting to order at 7:00 p.m.

Pledge of Allegiance

1. 1.1 Approval to add section 9.2 Approval of Commission Calendar to Agenda

Vice Chairman Snare MOVED to approve adding 9.2 approval of commission calendar to agenda, SECONDED by Member Goodie and CARRIED UNANIMOUSLY

1.2 Approval of Meeting Minutes

Vice Chairman Snare MOVED to approve the minutes for the October 20, 2022 meeting, SECONDED by Member Goodie and CARRIED UNANIMOUSLY

- 2. <u>Review of Expenses</u> No Comments
- 3. <u>Comments from the Public</u>

The "Comments from the Public" agenda item is for members of the public to address the Airport Commission for less than three (3) minutes each. Please state your full name, your city/county and state of domicile, and your interest in, and/or affiliation with, the Airport prior to speaking. No prior notice is necessary to speak during this portion of the agenda. Members of the public may also address the Airport Commission for longer than three (3) minutes if they ask the Airport Director for a place on the agenda at least five (5) working

days before the meeting or if a member of the public is specifically requested by a Commission Member to address the Commission.

4. <u>Airport Director's Report</u>

4.1 Airport Director's Report

Status of Flood Damage: a PO was issued today for \$183,624 that will complete the downstairs and the airport offices.

Aviation Adventures and Customs and Border Patrol have started moving in today. The airport offices will not be ready for another couple of weeks.

The insurance company has agreed to pay \$124,000 for damage correction construction, but working with them to get that increased. The cost from ServPro for the mitigation is approximately \$44,000. The cost of the new switch in the telephone closet which was damaged is \$15,000.

Looking into water leak sensors to help better detect water leaks before so much damage occurs.

We received an unsolicited proposal for the two lots in Moore Green Estates. The proposal was not based on an appraisal and Mr. Rivera advised the person that it would need to get an appraisal done prior to discussing the offer. Currently offering \$125,000 per lot.

- 4.2 Tie-Down and Hangar Occupancy Reports, and Citizen's Monthly Noise Concerns
- 4.3 Revenue, Expenditure and Aging Report
- 5. <u>Presentations</u> N/A
- 6. <u>Old Business</u> N/A
- 7. <u>Consent Agenda</u>

All items listed under the consent agenda are considered to be routine and will be enacted by one motion. There will be no separate discussion of these items. If separate 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".

SUGGESTED MOTION TO REMOVE AN ITEM: "I move that Item # be removed from the Consent Agenda and be added as Items # under New Business, and that the remaining Consent Agenda items be approved as it now appears".

- 8. <u>Committee Reports (If Available)</u>
 - 8.1 Airport Operations Committee Report (Mr. John Snider, 5 minutes) The Operations committee was updated on the flood and where we were with the construction.

Decided to move the Operations meeting to the 1st Wednesday at 11am from 2nd Wednesday at 8:30am, so that they would be able to present their items to the Executive Committee.

9. <u>New Business</u>

- 9.1 Presentation of projected Expenditures for the Airport's FY 2024 Operating Budget (Mr. Juan Rivera, Director, 10 minutes)
- 9.2 Approval of 2023 Airport Commission Calendar (Mr. Richard Allabaugh, 5 minutes)

Member Snider MOVED to approve the airport Commission Calendar, SECONDED by Vice Chairman Snare and CARRIED UNANIMOUSLY

10. <u>Information Items (No Discussion Necessary)</u> No items

11. <u>Authorize a Closed Meeting</u>

11.1 Authorize a Closed Meeting

Vice Chairman Snare moved that Airport Commission convene in a Closed Meeting. To discuss the acquisition of real property for a public purpose in the Manassas Regional Airport area, where discussion in an open meeting would adversely affect the negotiating strategy of the City, as permitted by Va. Code §2.2-3711 (A) (5); to approve a closed meeting.

Roll Call: Chairman Seraydarian, Vice Chairman Ross Snare, Member Juan Cabrera, Member Howard Goodie, Member John Snider, Member Jim Uzzle, Member Anthony McGhee, Member Vanslyn Augustus CARRIED UNANIMOUSLY

Meeting closed to the public at 7:30pm

12. <u>Certify the Closed Meeting</u> 12.1 Certify the Closed Meeting

Vice Chairman Snare MOVED that the Commission certify that, in the closed meeting just concluded, nothing was discussed except the matter (1) specifically identified in the motion to convene in a closed meeting and (2) lawfully permitted to be discussed under the provisions of the Virginia Freedom of Information act cited in that motion

ROLL CALL: Chairman Seraydarian, Vice Chairman Ross Snare, Member Juan Cabrera, Member Howard Goodie, Member John Snider, Member Jim Uzzle, Member Anthony McGhee, Member Vanslyn Augustus CARRIED UNANIMOUSLY

Meeting open to the public at 8:50 pm

- 13. <u>Council Representative Comments</u>
 - 13.1 No comments.
- 14. <u>Commission Comments</u>
 - 14.1 No comments

Vice Chairman Snare MOVED to adjourn the meeting. SECONDED by Member Cabera and CARRIED UNANIMOUSLY.

Meeting adjourned at 9:09 PM.

Secretary

Chairman

Date

Vendor	Description	Net Amount
A R C WATER TREATMENT	Water Treatment Services	195.00
AM ASSOC OF AIRPORT EXEC AAAE	Affiliate Membership for Richard Allabaugh	275.00
AMERICAN DISPOSAL SVCS, INC	Trash Serviice	922.96
CENTENNIAL CONTRACTORS ENTERPRISES INC	Water Leak Restoration	183,624.00
CINTAS CORP. #145	Mats/Misc/Uniforms	1,501.61
CINTAS FIRST AID & SAFETY	Medical Cabinet	20.61
COMCAST COMMUNICATIONS	Cable TV	144.95
MANASSAS, CITY OF UTILITIES	UB 11/1/22 - 11/30/22	12,138.63
NATIONAL AIR TRANSPORTATION ASSOCIATION	Membership Renewal	274.00
NAT'L ELEVATOR INSP SVC INC	Elevator Inspection Services	196.90
ORACLE ELEVATOR HOLDCO INC	Elevator Maintenance Services	250.00
ORKIN EXTERMINATING CO INC	Termite Baiting Renewal	376.58
REYNOLDS SMITH & HILLS INC	10/22 Master Plan Update	55,238.25
SECURADYNE SYSTEMS INTERMEDIATE LLC	Terminal Roof Camera	2,143.25
THE ADT SECURITY CORPORATION	Replace sensor	741.46
THE ADT SECURITY CORPORATION	Panic Monitoring	34.08
U S PLANTS INC	Monthly Plant Maintenance	240.00
VERIZON	Acct # 351673688000131 Phone Service	10.25
VIRTOWER LLC	Virtual Tower Monitoring	1,000.00
WALKERS CRPT CRE/JANTRL SVC	Janitorial Services	4,220.20
WASHINGTON GAS	Gas 10493 Observation Rd	37.60
WASHINGTON GAS	10509 Wakeman Dr Gas	43.80
WASHINGTON GAS	Gas 10529 Wakeman Dr	349.59
WASHINGTON GAS	Gas 10603 Observation Rd	111.84
WASHINGTON GAS	Gsa 10400 Wakeman Dr	3,068.28
	Total	267,158.84

Bill Sheet from 12/9/2022 - Present



Airport Director's Office Juan E. Rivera

Memorandum

January 13, 2023

TO: Manassas Regional Airport Commission

FROM: Juan E. Rivera, Airport Director

RE: AIRPORT DIRECTOR'S REPORT FOR JANUARY 2023

<u>CITY COUNCIL ACTIONS IN REGARDS TO THE AIRPORT</u> *No action was taken in regards to the Airport in December.*

HANGAR OCCUPANCY RATE

East T-Hangars: 97 out of 97 Rented 100% Rented – **No change.** West T-Hangars: 57 out of 59 Rented 98% Rented - **1 tenant vacated.** East and West Hangars – 154 out of 156 – 99% Rented

Waiting List Status – We have two hangars that are vacant. Total on List – 120 East Side – 107 West Side – 81 60x50 – 14

<u>TIE-DOWN OCCUPANCY RATE</u> East Tie-Down: 86 out of 86 Rented 100% Rented – **2 new tenants.** West Tie-Down: 49 out of 89 Rented 55% Rented – **No change.** East and West Tie-Down – 135 out of 175 Rented – 77% Rented

The number of total tie-downs increased by 4 (171 to 175) as we have some aircraft parked in the closed portion of the south 40 (west tie-down). They are either disabled or in transition, but Ops is working the remaining aircraft has a lease agreement.

Squatters

There have been no squatters identified at this time on the public use tie-downs.

January 13, 2023 Airport Director's Report for January Page Two

NOISE COMPLAINTS FOR DECEMBER

There were no noise complaints recorded in December.

November Total(s):

0 – Helicopter

0 – Aircraft

A noise complaint form is available on the Airport's website for citizens who have noise concerns. The form can be completed and submitted online, or a citizen can call the Noise Hotline 24/7 at (703) 257-2576. Staff is continuing to exercise contacts with operators in an effort to educate on Noise Program. A good percentage of the recent complaints are from operators outside of our based tenants, particularly military.

MASTER PLAN UPDATE

The Airport Staff's next bi-monthly meeting with the staff of RS&H and the Airport Staff is scheduled for January 23, 2023.

OBSERVATION ROAD RELOCATION AND DRAINAGE IMPROVEMENTS

RS&H is finalizing the site plan drawings and will submit them to the City for final approval. The plan is to advertise the project by March 1, 2023 with construction to follow in the Summer of 2023. The estimated cost of the project is \$3.8 million. This includes CM and CA services.

TAXIWAY B REHABILITATION

The Airport Staff has submitted the modification to standards (can only be done by Sponsor) to the FAA. The design effort is at the 60% stage.

TAXIWAY A CONSTRUCTION

The FAA and State grants for the Taxiway A project have been received and properly executive. The contract has been signed by Chemung and the City Manager. The design grant is being processed for final closed out. Construction will begin in the spring of 2023. The Pre Con meeting is scheduled for January 20, 2023.

RUNWAY 16R-34L REHABILITATION (CONSTRUCTION)

The Airport received concurrence from the FAA on the contract amendments for RS&H construction administration and inspection services. The final close out documents are pending, as well as the final RFR.

ATC TOWER FUNDING FROM BIL ATP

The Airport Director received the FAA's Notice of a Funding Opportunity and has applied for the 2nd round of funding for a new tower. It is expected that the FAA will make an announcement of what airports get funding in January of 2023. The Airport requested \$850,000 for the design and bid and award phase. The Airport staff worked with the Virginia Department of Aviation and received a grant for the first phase of the project which is the Siting Analysis and Environmental Due Diligence. The grant is for \$151,094.18 and represents 80% of the total cost. The Budget Department is setting up the budget for this project.

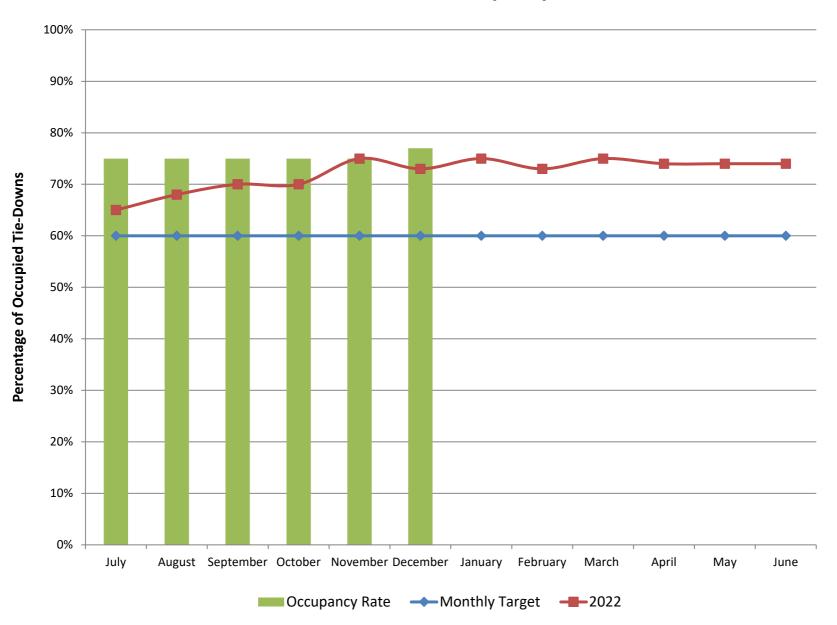
January 13, 2023 Airport Director's Report for January Page Three

UPCOMING EVENTS

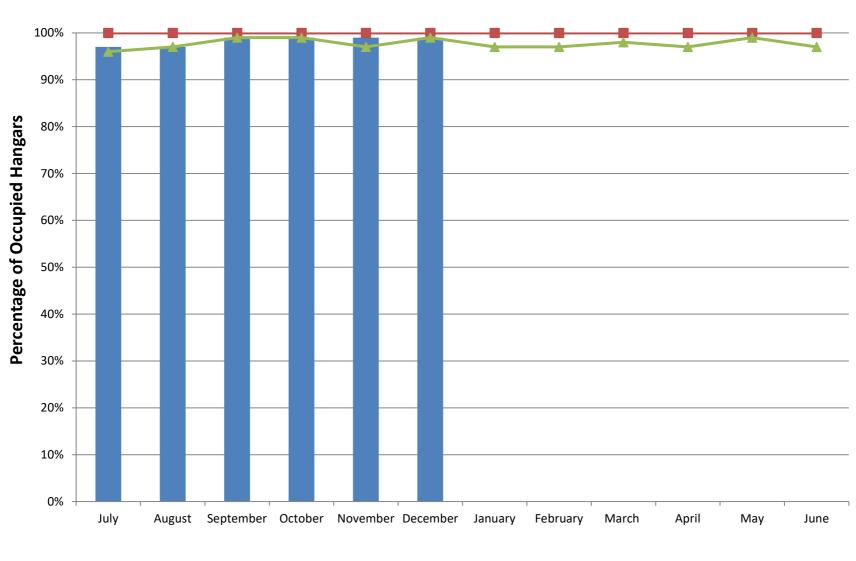
May 2023 - Airport Open House

Juan E. Rivera Juan E. Rivera, Director Manassas Regional Airport

Attachments: Airport Master Plan Status Update Noise Complaints & YTD Tie-Down and Hangar Occupancy Rates Grant Cost Summary Sheet

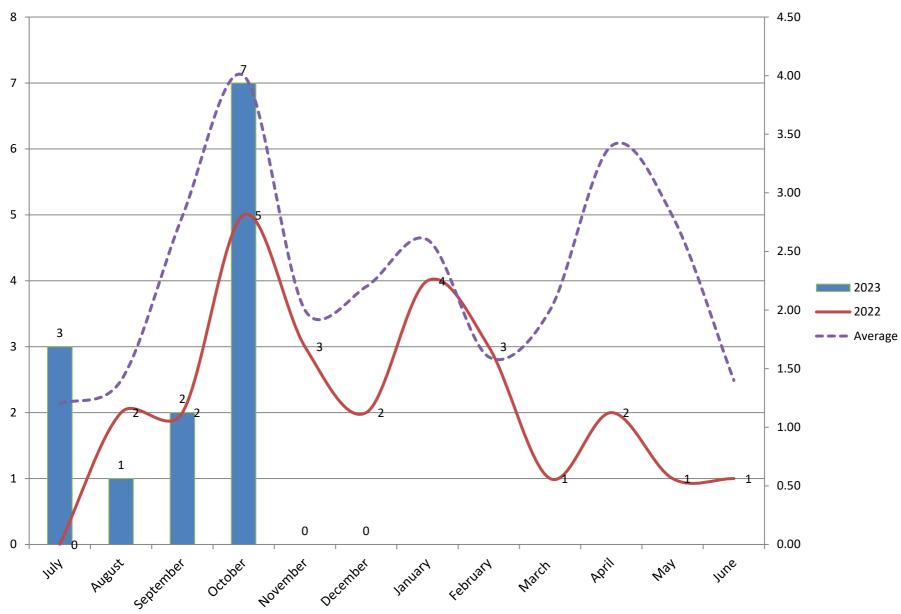


FY2023 Tie-Down Occupancy Rates



FY2023 Hangar Occupancy Rates

Cccupancy Rate — Monthly Target 2022



Noise Complaints FY 2022-2023

			Revenu	es Year to Date				
ORG	OBJ	ACCOUNT DESCRIPTION	ORIGINAL APPROP	TRANFRS/ADJSMTS	REVISED BUDGET	YTD ACTUAL	AVAILABLE BUDGET	% USED
57097400	315200	Leases and Rents	-2,162,610	0	-2,162,610	-1,351,332.72	-811,277	62.50
57097400	315204	Hangar Rentals	-958,790	0	-958,790	-553,143.72	-405,646	57.70
57097400		Total 57097400 Use of Money & Prope	-3,121,400	0	-3,121,400	-1,929,049.75	-1,192,350	61.80
57097600	317510	Airport Tie-Down Fees	-95,000	0	-95,000	-77,039.11	-17,961	81.10
57097600	317520	Airport Fuel Flowage Fees	-238,000	0	-238,000	-140,463.73	-97,536	59.00
57097600	317530	Airport Security Surcharge	-55,000	0	-55,000	-33,910.56	-21,089	61.70
57097600	317535	Airport Car Rental Revenue	-15,000	0	-15,000	-21,334.35	6,334	142.20
57097600		Total 57097600 Sales & Connections	-403,000	0	-403,000	-272,747.75	-130,252	67.70
57097700	318000	Miscellaneous Revenues	-2,500	0	-2,500	-6,714.67	4,215	268.60
57097700	318426	Card Replacement Fees	-200	0	-200	-280.27	80	140.10
57097700	318650	Airport Commercial Op Permit	-6,600	0	-6,600	-805.00	-5,795	12.20
57097700	318710	Cash Over/Short-Airport	0	0	0	-0.01	0	100.00
57097700		Total 57097700 Other Local Rev-Gene	-9,300	0	-9,300	-7,799.95	-1,500	83.90
57097900	322071	VA State Reimbursements	-35,000	0	-35,000	-11,149.40	-23,851	31.90
57097900		Total 57097900 State Non-Categorica	-35,000	0	-35,000	-11,149.40	-23,851	31.90
57098200	332010	FAA Tower Rent from Fed Govt	-15,580	0	-15,580	-9,086.00	-6,494	58.30
57098200	332011	FAA Tower Reimbursements	-25,700	0	-25,700	-6,827.27	-18,873	26.60
57098200		Total 57098200 Federal Non-Categori	-41,280	0	-41,280	-15,913.27	-25,367	38.50
57099100	346500	Contr Surplus-Encumbrances	0	-6,690	-6,690	0.00	-6,690	0.00
57099100		Total 57099100 OFS-Contribution fro	0	-6,690	-6,690	0.00	-6,690	0.00
		Revenue Total	-3,609,980	-6,690	-3,616,670	-2,236,660.12	-1,380,010	61.80

				Expenses Year to Da	ite				
ORG	OBJ	ACCOUNT DESCRIPTION	ORIGINAL APPROP			YTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	% USED
57003703	411000	Salaries and Wages	726,500	0	726,500	272,365.04	0.00	454,135	37.50
57003703	411020	Board and Elections Stipends	10,350	0	10,350	3,000.00	0.00	7,350	29.00
57003703	411075	S&W-Housing Stipend	3,500	0	3,500	2,274.76	0.00	1,225	65.00
57003703	412000	S&W-On-Call	23,300	0	23,300	11,575.65	0.00	11,724	49.70
57003703	416000	S&W-Overtime	25,000	0	25,000	7,209.52	0.00	17,790	28.80
57003703	416010	Hours Worked on a Holiday	850	0	850	979.04	0.00	-129	115.20
57003703	420000	Employee Benefits	345,700	0	345,700	0.00	0.00	345,700	0.00
57003703	420002	Deferred Compensation	0	0	0	1,850.17	0.00	-1,850	100.00
57003703	420004	FICA	0	0	0	20,630.78	0.00	-20,631	100.00
57003703	420006	Virginia Retirement System	0	0	0	33,887.97	0.00	-33,888	100.00
57003703	420008	Group Health	0	0	0	19,412.54	0.00	-19,413	100.00
57003703	420010	Worker's Compensation	0	0	0	1,899.14	0.00	-1,899	100.00
57003703	420012	Group Term Life Insurance	0	0	0	3,045.91	0.00	-3,046	100.00
57003703	420014	Long Term Disability	0	0	0	1,005.18	0.00	-1,005	100.00
57003703	420016	Unemployment	0	0	0	23.27	0.00	-23	100.00
57003703	420031	Car Allowance	6,030	0	6,030	3,023.09	0.00	3,007	50.10
57003703	431000	Professional Services	75,000	462	75,462	10,790.00	462.35		14.90
57003703	431004	Legal Fees	25,000	0		0.00	0.00	25,000	0.00
57003703	432000	Temporary Help Services	2,500	0		0.00	0.00	2,500	0.00
57003703	435000	Print Bind Photo Services	1,500	0		407.50	0.00	1,093	27.20
57003703	436000	Advertising Services	60,000	0		1,589.86	0.00	58,410	2.60
57003703	439000	Other Purchased Services	18,000	1,000	19,000	7,537.20	4,334.42	7,128	62.50
57003703	439010	Board Fees	0	0		20.00	0.00	-20	100.00
57003703	441000	Information Technology Charges	74,830	0	÷	43,650.00	0.00	31,180	58.30
57003703	441005	Phones and Voicemail Charges	19,580	0		11,420.00	0.00		58.30
57003703	441045	IT GIS Mapping Charges	8,750	0		5,105.00	0.00	3,645	58.30
57003703	441050	IT Purchases Mid-Year	1,000	0	-1	7,326.82	0.00	-6,327	732.70
57003703	442000	Motor Vehicle Charges	55,600	0		32,435.00	0.00	23,165	58.30
57003703	444000	Cost Allocation Charges	182,960	0		106,730.00	0.00		58.30
57003703	447000	Radio Charges	6,480	0		3,780.00	0.00	2,700	58.30
57003703	451001	Utilities	23,500	0	-,	7,033.52	0.00	16,466	29.90
57003703	451002	City Utility Charges	127,000	0	_01000	62,864.89	0.00	64,135	49.50
57003703	452003	Cell Phone Charges	4,700	0		2,417.03	0.00		51.40
57003703	452003	Cable/Satellite TV Service	3,000	0		779.83	995.00	1,225	59.20
57003703	452008	Telephone Service Charges	500	0		61.50	73.75	365	27.10
57003703	452009	Long Distance Charges	100	0		23.25	0.00	77	23.30
57003703	453000	Insurance	55,000	0		39,729.00	0.00	15,271	72.20
57003703	454001	Operating Leases	3,500	0		1,219.05	870.75	1,410	59.70
57003703	455001	Mileage	1,000	0		97.50	0.00	903	9.80
57003703	455002	Training and Travel	12,500	0	1	6,008.48	0.00		48.10
	455005	Meeting / Business Expense	8,000			3,481.69	0.00		43.50
57003703	458000	Dues Memberships & Other Exp	6,500	0		1,929.00	0.00		29.70
57003703	458099	Miscellaneous ExpenseAirport	25,000	0		0.00	0.00		0.00
57003703	461000	Office Supplies	3,500			9,009.83	278.03		265.40
57003703	462000	Other Supplies	5,000	0		4,008.90	0.00		80.20
57003703	463000	Books and Subscriptions	5,000	0		4,008.90	0.00		0.00
57003703	464000	Uniforms and Safety Apparel	3,500	0		979.72	0.00		28.00
57003703	404000	Total 57003703 Airport Operations	1,955,230			752,616.63	7,014.30		38.80
57003703	433000	Maintenance Services	55,000	0		209,056.45	2,925.18		38.80
-	433000		6,000	0					
57003710		Refuse Collection Services				2,768.88	4,617.04		123.10
57003710	433003	Janitorial Services	25,000	0	25,000	7,639.08	0.00	17,361	30.60

5700371 43308 IVAC 8.000 0 8.000 3.66900 0.00 4.3 5700371 433010 Snow Removal 25.000 0 2.500 0.00 0.00 25.00 5700371 433114 Bixedor Inspections 2.000 0 2.000 0.00 0.00 2.00 5700371 433114 Bixedor Inspections 2.000 0 0.00 0.00 3.00 5700371 433010 Short Revises 6.000 0 3.000 0.00 0.00 3.00 57003714 439000 Therk Parthased Services 46.000 0 0.00 <th>0.00 0.00 17,200</th> <th>0.00</th> <th>17,200</th> <th>0</th> <th>17,200</th> <th>Mowing Services</th> <th>433006</th> <th>57003710</th>	0.00 0.00 17,200	0.00	17,200	0	17,200	Mowing Services	433006	57003710
5700770 43309 Elevator Services 6.000 0 0.00 0.00 0.00 5700770 43312 Article Liphing Maintonanoc 2.500 0 2.500 0.00 0.00 2.50 5700770 43315 Ventic/Apparitus Maintonanoc 3.500 0 2.500 0.00 0.00 3.01 5700770 433015 Ventic/Apparitus Maintonanoc 3.5000 0 3.600 0.00 0.00 3.01 5700770 439004 Pany Services 45.000 0 7.000 0.00								
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Expense Total 3,609,980 6,690 3,616,670 1,456,540.69 251,578.94 1,908,50	40.69 251,578.94 1,908,550	1 456 540 69	3 616 670	6 600	3 600 080	Expense Total		

Cust Id	Customer Name	Bill #	Bill Due Date	30 to 60	61 to 90	91 to 120	Over 120	
36079	RISING PHOENIX AVIATION, INC.	3667	12/31/2021	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	78002	08/31/2021	\$0.00	\$0.00	\$0.00	\$1,741.75	UTILITIES
36079	RISING PHOENIX AVIATION, INC.	78003	10/01/2021	\$0.00	\$0.00	\$0.00	\$1,741.75	Owed to the City
36079	RISING PHOENIX AVIATION, INC.	89102	08/31/2021	\$0.00	\$0.00	\$0.00	\$420.00	\$574.65
36079	RISING PHOENIX AVIATION, INC.	89103	10/01/2021	\$0.00	\$0.00	\$0.00	\$420.00	
36079	RISING PHOENIX AVIATION, INC.	105601	10/31/2021	\$0.00	\$0.00	\$0.00	\$1,741.75	Owed to Airport
36079	RISING PHOENIX AVIATION, INC.	105602	12/01/2021	\$0.00	\$0.00	\$0.00	\$1,741.75	\$1,747.27
36079	RISING PHOENIX AVIATION, INC.	105603	01/31/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	105604	03/03/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	Total Owed Utilities
36079	RISING PHOENIX AVIATION, INC.	105605	03/31/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	\$2,321.92
36079	RISING PHOENIX AVIATION, INC.	105606	05/01/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	105607	05/31/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	105608	07/01/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	City Taxes
36079	RISING PHOENIX AVIATION, INC.	105701	10/31/2021	\$0.00	\$0.00	\$0.00	\$420.00	\$121.91
36079	RISING PHOENIX AVIATION, INC.	105702	12/01/2021	\$0.00	\$0.00	\$0.00	\$420.00	
36079	RISING PHOENIX AVIATION, INC.	105703	12/31/2021	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105704	01/31/2022	\$0.00	\$0.00	\$0.00	\$340.00	Rent Jan & Feb
36079	RISING PHOENIX AVIATION, INC.	105705	03/03/2022	\$0.00	\$0.00	\$0.00	\$340.00	\$4,003.50
36079	RISING PHOENIX AVIATION, INC.	105706	03/31/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105707	05/01/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105708	05/31/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105709	07/01/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105601	07/31/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	105602	08/31/2022	\$0.00	\$0.00	\$0.00	\$1,741.75	
36079	RISING PHOENIX AVIATION, INC.	105603	10/01/2022	\$0.00	\$0.00	\$1,741.75	\$0.00	
36079	RISING PHOENIX AVIATION, INC.	105604	10/31/2022	\$0.00	\$1,741.75	\$0.00	\$0.00	
36079	RISING PHOENIX AVIATION, INC.	105605	12/01/2022	\$1,726.01	\$0.00	\$0.00	\$0.00	
36079	RISING PHOENIX AVIATION, INC.	105701	07/31/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105702	08/31/2022	\$0.00	\$0.00	\$0.00	\$340.00	
36079	RISING PHOENIX AVIATION, INC.	105703	10/01/2022	\$0.00	\$0.00	\$340.00	\$0.00	
36079	RISING PHOENIX AVIATION, INC.	105704	10/31/2022	\$0.00	\$340.00	\$0.00	\$0.00	
36079	RISING PHOENIX AVIATION, INC.	105705	12/01/2022	\$332.75	\$0.00	\$0.00	\$0.00	Hgr & Tiedown
	Total			\$2,058.76	\$2,081.75	\$2,081.75	\$27,382.75	\$33,605.01

Cust Id	Customer Name	Bill #	Bill Due Date	30 to 60	61 to 90	91 to 120	Over 120	Notes
42047	AVIATION ADVENTURES LLC	100505	12/01/2022	\$3,459.86	\$0.00	\$0.00	\$0.00	looking for adjustment of rent due to Flood
42203	DULLES AVIATION INC MANASSAS	112705	12/01/2022	\$240.00	\$0.00	\$0.00	\$0.00	called I/m
47398	DEMMELBAUER-EBNER, WOLFGANG	3018605	12/01/2022	\$390.00	\$0.00	\$0.00	\$0.00	Mailing chk Monday 1/16
47733	BITTERFIELD, COLIN	113304	10/31/2022	\$0.00	\$150.00	\$0.00	\$0.00	Emailed & Called-no response
47733	BITTERFIELD, COLIN	113305	12/01/2022	\$90.00	\$0.00	\$0.00	\$0.00	sending letter of default
78201	EYBERS, JOHN M	3017605	12/01/2022	\$60.00	\$0.00	\$0.00	\$0.00	Late fee's paying today online
83168	HERNANDEZ, MARCO	3256	04/30/2022	\$0.00	\$0.00	\$0.00	\$267.74	
83168	HERNANDEZ, MARCO	3020901	05/01/2022	\$0.00	\$0.00	\$0.00	\$100.00	Richard has started proceedings
83168	HERNANDEZ, MARCO	3020902	05/31/2022	\$0.00	\$0.00	\$0.00	\$100.00	to put a lien on the plane
83168	HERNANDEZ, MARCO	3020903	07/01/2022	\$0.00	\$0.00	\$0.00	\$100.00	
83168	HERNANDEZ, MARCO	3020901	07/31/2022	\$0.00	\$0.00	\$0.00	\$100.00	
83168	HERNANDEZ, MARCO	3020902	08/31/2022	\$0.00	\$0.00	\$0.00	\$100.00	
83168	HERNANDEZ, MARCO	3020903	10/01/2022	\$0.00	\$0.00	\$100.00	\$0.00	
83168	HERNANDEZ, MARCO	3020904	10/31/2022	\$0.00	\$100.00	\$0.00	\$0.00	
83168	HERNANDEZ, MARCO	3020905	12/01/2022	\$90.00	\$0.00	\$0.00	\$0.00	
87078	STETTIN, EDWARD R	1154	04/07/2022	\$0.00	\$0.00	\$0.00	\$35.00	still wait to come bk here to wrk
95919	OMARCO LLC	3867	11/23/2022	\$102.90	\$0.00	\$0.00	\$0.00	Emailed sent statement
				\$4,432.76	\$250.00	\$100.00	\$802.74	Grand Total \$5,585.50



AIRPORT COMMISSION AGENDA STATEMENT

MEETING DATE:	January 19, 2023
TIME ESTIMATE:	5 minutes
AGENDA ITEM TITLE:	Quarterly Reports on Airport Operations and Fuel Sales
DATE THIS ITEM WAS LAST CONSIDERED BY COMMISSION:	N/A
SUMMARY OF ISSUE/ TOPIC:	This is a quarterly presentation on the Airport's number of Operations and Fuel Flowage. Information will be presented on PowerPoint slides with an analysis on past numbers and future trends.
STAFF RECOMMENDATION:	N/A
DISCUSSION (IF NECESSARY):	No Discussion
BUDGET/FISCAL IMPACT:	N/A
STAFF:	Jolene Berry, 257-8279

Airport Director

Attachment

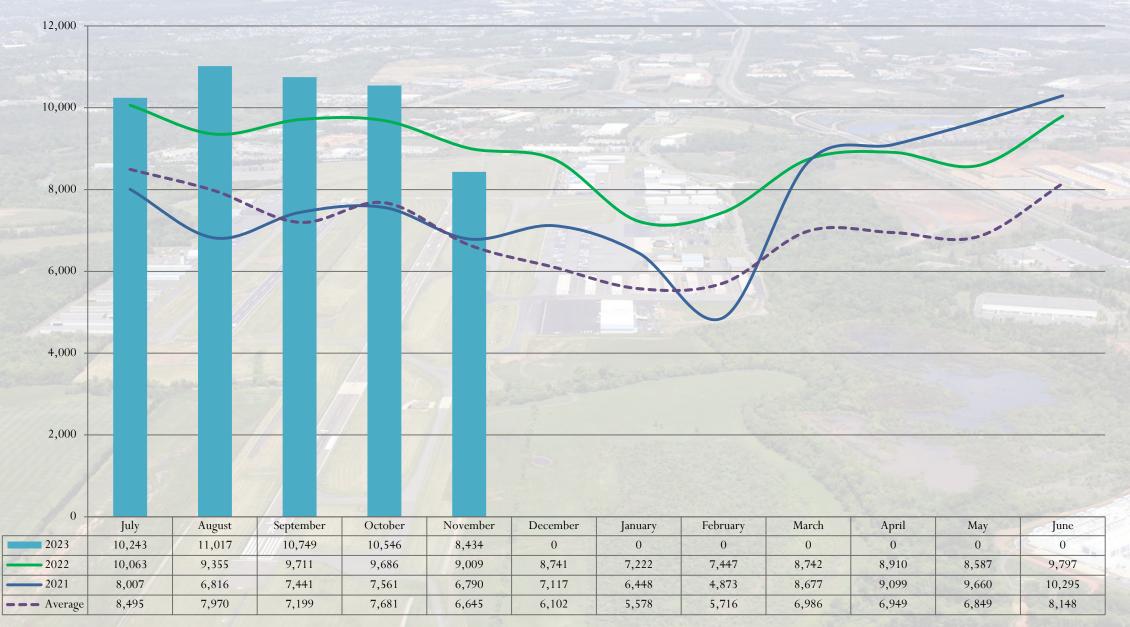


Fuel Flowage and Aircraft Operations January Update

		OPERATION	NS – TOTAL	S					
Calendar Year	Operations		Fiscal Year	Operations		Month	FY2020/FY2021	FY2021/FY2022	FY2022/FY2023
2017	83,911		2018	80,714		July	-10.22%	25.68%	1.79%
2018	79,930		2019	83,130			17.07%	27.25%	17 779/
2019	85,701		2020	75,316	1.2	August	-17.07%	37.25%	17.77%
2020	74,765		2021	92,784	15.2	September	-3.31%	30.51%	10.69%
2021	105,617	3/1-11	2022	107,270		October	4.23%	28.10%	8.88%
2022	101,694		2023	50,989		November	-0.64%	32.68%	-6.38%
	/			11 - O		December	32.73%	22.82%	
Calendar Year	Local	Itinerant	Fiscal Year	Local	Itinerant	January	9.62%	12.00%	
2017	37,380	46,531	2018	34,270	46,444	February	-20.09%	52.82%	
2018	33,538	46,392	2019	36,409	46,721	March	37.23%	0.75%	
2019	39,264	46,437	2020	33,442	41,874	April	237.75%	-2.08%	
2020	30,815	43,950	2021	41,540	51,244		202.54%	11 110/	
2021	51,377	54,240	2022	50,821	56,449	May	202.54%	-11.11%	
2022	48,968	52,726	2023	25,863	25,126	June	50.45%	-4.84%	
	2	1341				Total	23.19%	15.61%	

Note - Incomplete Year Stats through November 30, 2022

Monthly Aircraft Operations - Fiscal



Local Vs Itinerant - Fiscal

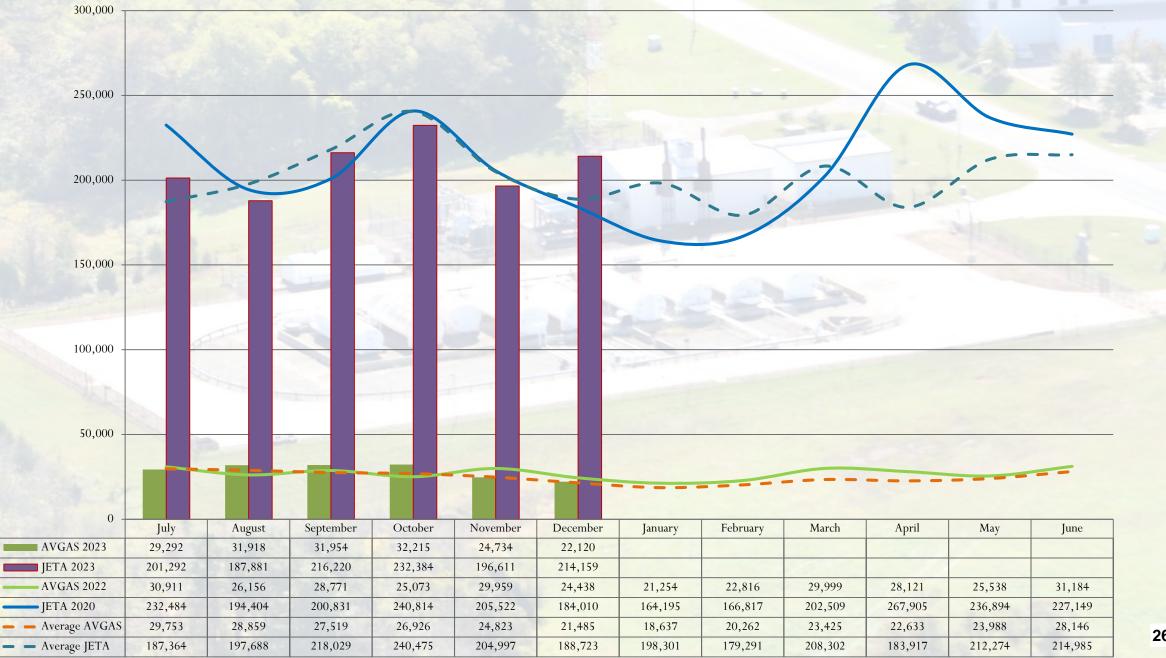


FUEL FLOWAGE – TOTALS

Calendar	AVGAS	JETA	TOTAL	% Change	Fiscal	AVGAS	JETA	TOTAL	% Change
2017	311,650	2,633,283	2,944,933	3.56%	2018	306,885	2,551,238	2,858,123	-3.96%
2018	296,197	2,576,100	2,872,297	-2.47%	2019	292,146	2,552,229	2,844,375	-0.48%
2019	284,689	2,458,013	2,742,702	-4.51%	2020	265,136	2,110,967	2,376,103	-16.46%
2020	309,565	2,013,409	2,322,974	-15.30%	2021	361,457	2,298,628	2,660,085	11.95%
2021	445,781	2,350,237	2,796,018	20.36%	2022	505,867	2,341,887	2,847,754	7.06%
2022	517,923	2,327,238	2,845,161	1.76%	2023	284,843	1,135,937	1,420,780	

Note - Incomplete Year Stats through December 31, 2022

Monthly Fuel Flowage - Fiscal



Maintenance Briefing

MANASSAS REGIONAL AIRPORT

Total Number of Work Orders

#WO

134 (154 last quarter)

Total Corrective Maintenance

Total Planned Maintenance

118

16

Total Number of WO Completed

113

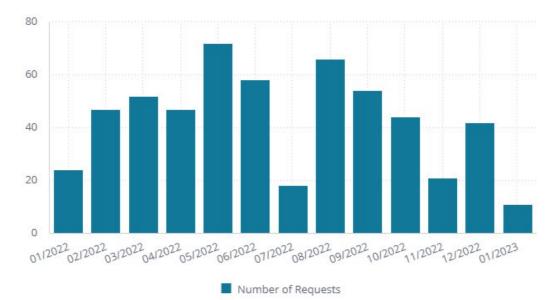
Total Corrective Maintenance

97

Total Planned Maintenance

16

Past Year Work Orders



Trend of Work Requests Created Per Month

ARFF Report

ARFF Tracking 2022						
E-One Vehicle						
Item	*	Cos	st 📘	•	Date	-
Napa		\$	139.88	8		7/8/2021
Finlay Fire		\$	2,519.27	7		10/12/2021
Finlay Fire		\$	2,032.06	6		3/15/2022
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
		\$	-			
TOTAL		\$	4,691.2	1		



AIRPORT COMMISSION AGENDA STATEMENT

MEETING DATE:	January 19, 2022
TIME ESTIMATE:	6 minutes
AGENDA ITEM TITLE:	Quarterly Maintenance Division Report
DATE THIS ITEM WAS LAST CONSIDERED BY COMMISSION:	N/A
SUMMARY OF ISSUE/ TOPIC:	This is a quarterly presentation from Airport Maintenance on projects, equipment, and other related items.
STAFF RECOMMENDATION:	N/A
DISCUSSION (IF NECESSARY):	No Discussion
BUDGET/FISCAL IMPACT:	N/A
STAFF:	Brian Smith, 257-8425

Airport Director

Attachment



AIRPORT COMMISSION AGENDA STATEMENT

MEETING DATE:	January 19, 2023
TIME ESTIMATE:	5 Minutes
AGENDA ITEM TITLE:	Approve the revised Airport's Fee and Rent Schedule
DATE THIS ITEM WAS LAST CONSIDERED BY COMMISSION:	Revenue Presentation – November 17, 2022
SUMMARY OF ISSUE/ TOPIC:	The FAA requires that the Airport maintain a fee and rental structure for the facilities and services at the Airport that will make the airport as self-sustaining as possible. Back in 2020, the Airport Commission recommended approval a new set of Rates and Charges, which included fines set for Vehicle Pedestrian Deviations based on their level of offense. Researching airports of various sizes, it is apparent that the Airport's fines are too lenient. The fee schedule has been updated to reflect recommended rates.
STAFF RECOMMENDATION:	Recommends approval.
DISCUSSION (IF NECESSARY):	No discussion.
BUDGET/FISCAL IMPACT:	N/A
STAFF:	Juan Rivera, 361-1882

Airport Director

Attachment



November 17, 2022

TO: Juan E. Rivera, Airport Director

FROM: Richard Allabaugh, Airport Operations



SUBJECT: Vehicle Pedestrian Deviations (V/PD) – Fine Increase

Back in 2020, the Airport Commission recommended approval a new set of Rates and Charges, which included fines set for V/PD based on their level of offense. Since established, the Manassas Regional Airport continues to have issues with V/PD. Since 2020, staff has been proactive in establishing a new driver training program, which includes separate Movement Area training and a Train the Trainer Course. Letters of Certification of employees are also provided annually.

A breakdown of the regional and local statistics are below:

Northeast Region (AEA)	Manassas Regional Airport (HEF)
2020 - 27	2020 - 3
2021 - 40	2021 - 1
2022 – 39	2022 - 2

When an individual creates a V/PD, they are issued a Notice of Violation (NOV), take remedial training, and are issued a fine based on their level offense. If it is an employee of a business, they will also required to be retrained by their employer. The NOV stays in their record for twelve (12) calendar months.

Researching airports of various sizes (IAD, MTN, FTW, APA), it is apparent that our fines are too lenient. Conducting a survey, fines range start at \$500 for the 1st offense and go up to \$2,000 depending on level of severity (in addition to noting federal penalties as applicable).

It is the recommendation of the staff to increase the fines that are currently in fee schedule for the FY2024 budget year. This will put the Airport more in line with what other airports have established. The recommended amounts are listed below.

V/PD Fines

1st Offense - \$250.00 (Increase from \$125.00) 2nd Offense - \$500.00 (Increase from \$250.00) 3rd Offense - \$1,000.00 (New Fee)

Let me know if you have any questions.

ORDINANCE #O-2023-XX

First Reading: Second Reading: Enacted: Effective:

AN UNCODIFIED ORDINANCE ESTABLISHING THE MANASSAS REGIONAL AIRPORT FEE AND RENT SCHEDULE EFFECTIVE XXXXXXX

WHEREAS, the Manassas Regional Airport (Airport) has been designated by the Federal Aviation Administration (FAA) as a public use General Aviation Reliever Airport; and

WHEREAS, the FAA requires that the Airport maintain a fee and rental structure for the facilities and services at the Airport that will make the airport as self-sustaining as possible; and

WHEREAS, the Airport Commission has reviewed and approved the following fee and rent structure.

BE IT ORDAINED that, by the City Council of the City of Manassas, Virginia, meeting in regular session this <u>XXXXXXXXXXX</u>, Ordinance #O-2022-17 is repealed effective July 1, 2023 and that the following fee schedule is established effective July 1, 2023.

Car Rental Company Fees	
Annual Non-Franchise Operator	\$10.00
Annual Non-Tenant Operator	\$20.00
Commercial Operating Permit Fees	
Annual Non-Franchise Operator	\$25.00
Annual Non-Tenant Operator	\$680.00
Conference Room Cleaning Fee	\$150.00
Crop Dusting Permit fee (per day)	\$25.00
Fuel Flowage Fees	
Non-Commercial Fuel Flowage Fee (per gallon)	\$0.13
Security Surcharge (per gallon)	\$0.02
Gate Card Fees	
Gate Card Issuance (New and Renewal)	\$20.00
Gate Card Replacement (Lost or Broken)	\$35.00
Hangar Rent – East Side	
Monthly Storage Unit	\$210.00
Monthly 40' Unit	\$360.00
Monthly 42' Unit	\$408.00
Monthly 42' End Unit	\$505.00
Monthly 45' Unit	\$435.00
Monthly 48' Unit	\$505.00
Monthly 48' End Unit	\$560.00

Hangar Rent – Box Hangars	
Monthly 50' by 60' Unit	\$1,500.00
Monthly 60' by 60' Unit	\$2,000.00
Hangar Rent - West Side	
Monthly End Unit	\$385.00
Monthly Regular Unit	\$335.00
Late Fees	
East and West T-Hangars (non-commercial)	\$30.00
Tie-Downs (Single and Twin Engine)	\$10.00
Hangar Lockout	\$100.00
Key Replacement Fee	\$50.00
Callout Fee	\$50.00
Nightly Blimp Tie-Down Fee	\$75.00
Special Event Fee (per day)	
Full Day	\$800.00
Half Day	\$400.00
Hourly	\$125.00
Special Events – Late Application	
Full Day	\$100.00
Half Day	\$50.00
Hourly	\$25.00
Special Media Permit Fee	
Photo (per day)	\$250.00
Movie (per day)	\$500.00
Terminal Office Space (per sq. ft.)	\$36.58
Tie-Down Rent	
Monthly Single Engine	\$80.00
Monthly Twin Engine	\$90.00
Vehicle/Pedestrian Deviation	
Vehicle/Pedestrian Deviation – 1 st Offense	\$250.00
Vehicle/Pedestrian Deviation – 2 nd Offense	\$500.00
Vehicle/Pedestrian Deviation – 3 rd Offense	\$1,000.00

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

Lee Ann Henderson City Clerk

MOTION: SECOND: RE: ACTION:

<u>Votes:</u> Ayes: Nays: Absent from Vote: Absent from Meeting:

ORDINANCE #O-2023-XX

First Reading: Second Reading: Enacted: Effective:

AN UNCODIFIED ORDINANCE ESTABLISHING THE MANASSAS REGIONAL AIRPORT FEE AND RENT SCHEDULE EFFECTIVE XXXXXXX

WHEREAS, the Manassas Regional Airport (Airport) has been designated by the Federal Aviation Administration (FAA) as a public use General Aviation Reliever Airport; and

WHEREAS, the FAA requires that the Airport maintain a fee and rental structure for the facilities and services at the Airport that will make the airport as self-sustaining as possible; and

WHEREAS, the Airport Commission has reviewed and approved the following fee and rent structure.

BE IT ORDAINED that, by the City Council of the City of Manassas, Virginia, meeting in regular session this <u>XXXXXXXXXXX</u>, Ordinance #O-2022-17 is repealed effective July 1, 2023 and that the following fee schedule is established effective July 1, 2023.

Car Rental Company Fees				
Annual Non-Franchise Operator	\$10.00			
Annual Non-Tenant Operator	\$20.00			
Commercial Operating Permit Fees				
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Conference Room Cleaning Fee	\$150.00			
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Key Replacement Fee	\$50.00			
Callout Fee	\$50.00			
Nightly Blimp Tie-Down Fee	\$75.00			
Special Event Fee (per day)				
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Half Day	\$400.00			
Hourly	\$125.00			
Special Events – Late Application				
Full Day	\$100.00			
Half Day	\$50.00			
Hourly	\$25.00			
Special Media Permit Fee				
Photo (per day)	\$250.00			
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Vehicle/Pedestrian Deviation – 2 nd Offense	\$500.00			
Vehicle/Pedestrian Deviation – 3 rd Offense	\$1,000.00			

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

Lee Ann Henderson City Clerk

MOTION: SECOND: RE: ACTION:

<u>Votes:</u> Ayes: Nays: Absent from Vote: Absent from Meeting:

LEASE AGREEMENT

THIS LEASE AGREEMENT together with all exhibits and appendices thereto (together, "*Agreement*") is made and entered into as of the Effective Date (hereinafter defined) in accordance with Chapter 21 of Title 15.2 of the Virginia Code, as amended, by and between:

- A. THE CITY OF MANASSAS, a corporate body politic, by and through its authorized and duly designated agent, the Airport Director (hereinafter referred to as the "*City*"); and
- **B.** Manassas Aviation Maintenance, (hereinafter referred to as the "*Lessee*").

<u>RECITALS</u>:

WHEREAS, the City is the owner of that certain facility known as the Manassas Regional Airport located within the limits of the City of Manassas, Virginia, and presently comprising approximately 889 acres of land together with various roadways, runways, taxiways, ramps, facilities and improvements thereon (as the same may hereinafter be expanded, contracted or modified, being hereinafter collectively in this Agreement referred to as the "*Airport*"); and

WHEREAS, the City owns within the boundary of the Airport a certain parcel of land located on the west side of the Airport known as Parcel 11-A at 10601 Observation Road in the City of Manassas, Virginia (the "*Demised Premises*"); and

WHEREAS, the Demised Premises is currently improved by a single story $\pm 13,000$ square foot hangar and $\pm 1,356$ square feet of attached office space; and

WHEREAS, the Lessee desires to lease the Demised Premises for the sole purpose of: (i) parking, storage, servicing, repair, overhaul and maintenance of aircraft; and (ii) sale and storage of aircraft and parts.

WHEREAS, subject to the terms and conditions contained herein, the City and the Lessee are mutually desirous of entering into this Agreement for lease of the Demised Premises for the Permitted Use (hereinafter defined).

WITNESSETH:

NOW, THEREFORE, in consideration of the premises and of the rents, covenants and conditions herein contained in this Agreement and the foregoing recitals being incorporated herein, the City hereby leases to the Lessee the Demised Premises, as the same is more fully described by **Exhibit A** attached hereto and made a part herein.

Lease Agreement

<u>ARTICLE – I</u> TERM

1.1 <u>Term</u>.

The Term of this Agreement shall be for a period of twelve (12) months commencing on March 1, 2023 (the "*Commencement Date*"), and expiring at midnight on Feb 28, 2024 (the Expiration Date") (the time period starting on the Commencement Date and ending on the Expiration Date of this Agreement shall hereinafter be referred to as the "*Term*").

1.2 <u>Early Termination of Term.</u>

Notwithstanding the foregoing and with the exception of any of Lessee's obligations which in accordance with its terms survive termination or expiration of this Agreement, and further provided that Lessee shall not then be in Default of this Agreement, the Lessee shall have the option, upon sixty (60) days advance notice (the "*Early termination Notice*"), to terminate this Agreement at any time after twelve (12) months from the Effective Date of this Agreement (the "*Early Termination*"). Upon Early Termination, this Agreement shall terminate and come to an end as if it had naturally terminated at the end of the Term, provided however, matters that service termination in accordance with the terms of this Agreement, shall service Early Termination of this Agreement.

<u>ARTICLE – II</u> DESCRIPTION OF DEMISED PREMISES

2.1 <u>Improvements</u>.

The Demised Premises, as described by **Exhibit A**, shall consist of, include and mean all buildings, structures and improvements now existing or which may hereafter be constructed on, under or upon the Demised Premises by Lessee (together, the "*Improvements*").

2.2 <u>Title to Improvements</u>.

Any new Improvements constructed by the Lessee shall at all times be deemed to be part of the Demised Premises and title to the Improvements shall vest in the City upon expiration or sooner termination of this Agreement.

Lease Agreement

<u>ARTICLE – III</u> USE OF DEMISED PREMISES

3.1 <u>Permitted Use</u>.

Subject to the terms of this Agreement, the City grants to Lessee the non-exclusive privilege to operate, conduct and perform the following services on or from the Demised Premises and for no other purpose whatsoever (together, the "*Permitted Use*"):

3.1.1 For administration and operations offices, maintenance shops and lounges used in connection with the purposes authorized hereunder.

3.1.2 Parking, storage, servicing, repair, maintenance and overhaul of aircraft.

3.1.3 Sale and storage of aircraft parts.

3.1.4 Aircraft component repairs.

3.1.5 Aircraft Sales and Brokerage

3.1.6 Repair and maintenance of tugs, auxiliary power units (APUs), and aircraft related support equipment.

3.2 <u>Fuel Sales</u>.

Unless expressly indicated by this Agreement, nothing contained in this Agreement shall give, or be construed to give, the Lessee any right to sell or store aviation fuel of any kind from the Demised Premises or at the Airport.

3.3 Additional Uses of Demised Premises.

Should the Lessee desire to offer any such additional services not listed above and included and made part of Lessee's Permitted Use, the Lessee shall notify the Airport Commission in writing of its desire to offer such additional services, and the Airport Commission shall have thirty (30) days from the date of receipt of such request to consent to or to deny the Lessee's request, unless the Airport Commission, by and through its director (the "*Airport Director*"), notifies Lessee within such thirty (30) day period that the Airport Commission will require additional information or time in order to respond to Lessee's request, in which event, the time for the Airport Commission to respond shall be extended as per the request of the Airport Director, but in no event to exceed ninety (90) days. In the event the Airport Commission fails to respond within the foregoing thirty (30) day or longer time period, if extended, such lack of response shall be deemed that Lessee's request has been denied. If approved, such approval for additional permitted services must be in writing, shall be on nonexclusive basis to Lessee and the terms of such additional services shall be attached and be made part of this Agreement by separate addenda.

Lease Agreement

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ARTICLE – IV RENT

4.1 <u>Rent Payable</u>.

For use and occupancy of the Demised Premises and privileges herein granted, the Lessee agrees to pay to the City a monthly rent of Four-Thousand Nine-Hundred Thirty Nine Dollars and Twenty Cents (\$4,939.20).

4.2 <u>Payment</u>.

The Rent shall be in payable equal monthly installments due on the first (1st) day of each month and paid in advance at the office of the City's Treasurer or at such other office as may be directed from time to time by the City.

4.3 <u>Late payment.</u>

If any installment of Rent is not paid to the City within a period of ten (10) calendar days after the day when such payment is due, the Lessee shall pay to the City a late charge equal to ten percent (10%) of each such late payment (each, a "*Late Charge*"). Additionally, any Rent which is thirty (30) days delinquent shall bear interest at the rate of eighteen percent (18%) per annum from the date the payment is due until paid (the "*Default Interest Rate*"). If any installment of Rent is late three (3) or more times in any consecutive twelve (12) month period, the Lessee shall be deemed to be chronically delinquent and the City shall have the right, in addition to the Late Charge, the Default Interest Rate and all other rights and remedies reserved under this Agreement, to increase the Rent for the remaining Term of this Lease by twenty (20%) in order to compensate the City for its additional administrative expenses incurred in collecting the Rent.

4.4 <u>Real Estate Tax Credit</u>.

The City will estimate the annual Real Estate Tax ("Tax") for the Demised Premises annually on June 1 and provide a rent reduction in the full amount of that estimated Tax subject to true-up as provided in this paragraph. This rent reduction shall be applied equally to each month's rent. No later than November 30th and May 31st of each year, the City will true-up by comparing the estimated Tax and the actual Tax for the half of the tax year ending the following month. If the actual Tax for the half year is lower than the estimated Tax for the half year, Lessee shall pay the difference (calculated as the estimated Tax minus the actual Tax) to the City as additional rent. If the actual Tax is higher than the estimated Tax, the City shall give the Lessee a rent credit of the difference (calculated as the actual Tax minus the estimated Tax).

Any credit given to the Lessee shall be in the form of a reduction in the next month's rent. Any amount owed the City shall be paid within fifteen (15) days of receipt of an invoice from the City. In the event that this lease is extended beyond the original Term, the Lessee

Lease Agreement

Page 4 of _____

shall pay all Real Estate Taxes with no reduction in rent and the provisions of this section 4.4 will no longer apply.

<u>ARTICLE – V</u> HANGAR CONSTRUCTION

5.1 RESERVED.

<u>ARTICLE – VI</u> ACCEPTANCE, CARE, MAINTENANCE, IMPROVEMENTS AND REPAIR

6.1 <u>Delivery of Demised Premises</u>.

Lessee warrants it has inspected the Demised Premises and accepts possession of the Demised Premises, to include any existing Improvements thereon, in its "as-is" and "where-is" present condition, and subject to all limitations imposed upon the use thereof by the rules and regulations of the Federal Aviation Administration, Virginia Department of Aviation and by ordinances of the City, and admits its suitableness and sufficiency for the Permitted Use hereunder.

6.2 <u>Maintenance and Repair</u>.

6.2.1 City Obligations.

At the City's expense, perform all replacements and repairs necessary to maintain the exterior and structure of the building in good repair and proper working order such:

- a. Load bearing walls,
- b. Foundations,
- c. Downspouts and gutters,
- d. Hangar doors,
- e. Roof
- f. HVAC Replacement
- g. Underground power and sewerage works
- 6.2.2 During the term of this Agreement, Lessee shall periodically (at least quarterly) inspect the Demised Premises and perform, at its sole expense, all routine maintenance. Routine maintenance is a function of preserving each type of facility as near as possible in its condition as constructed. The types and schedule of all maintenance conducted by the City shall be at its sole discretion. Additionally, during the Term of this Agreement and without limiting the generality hereof, Lessee shall be: *Lessee's Obligations*.

At the Lessee's expense (up to \$1,500.00 annually), perform all repairs and replacement and all routine maintenance necessary to maintain the interior, nonstructural components of the Premises and all major building systems in good repair and proper working condition, normal wear and tear excepted. The Lessee shall maintain records of all expenses incurred for routine maintenance and shall make the records available to the Lessee when requested. The records shall include at a minimum; invoice, date of repair, and company or person who made the repairs.

6.2.3 <u>Clean and Orderly Condition.</u>

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

6.2.4 <u>Quality of Maintenance</u>.

Maintain the quality of the Improvement at a level which is at all times equal to or greater than at the time of its acceptance by the Lessee, with normal wear and tear excepted. The Airport Director may at any time and from time to time during regular working hours enter upon the Demised Premises to inspect the same and to determine if maintenance satisfactory to the City is being performed. If in the Airport Director's reasonable judgment, the Lessee is not undertaking, or has not undertaken the necessary repairs and improvements, the Airport Director shall notify the Lessee, giving specifics of its findings.

6.2.5 Lights and Security System.

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

6.2.6 <u>Notify City</u>

Promptly report in writing to the City any defective condition known to Lessee that Landlord is required to repair.

6.2.7 <u>Lessee's Obligation to Repair Damage</u>

6.2.8 Reimburse the City upon demand for all costs and expense incurred by the City for the repair of any damage to the Premises caused by the negligence or willful misconduct of the Lessee. *Damage and Repair*.

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

6.2.9 <u>Erosion and Plantings</u>.

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

6.3 <u>Failure to Repair</u>.

In the event the Lessee fails within a period of thirty (30) days after notice from the City: (a) to commence to maintain, clean, repair, replace, rebuild or repaint or to do any of the maintenance or repair work required to be done by Lessee under the provisions of this Agreement or to undertake any preventative maintenance required in order to reasonably maintain the Demised Premises in good repair and working condition (together, the "Required Repairs"); and (b) to diligently continue to complete the Required Repairs as required under the terms of this Agreement; then, the City may, at its option, and in addition to any other remedies which may be available to it under this Agreement or applicable law, enter the Demised Premises, without such entry by the City being deemed or constituting a cancellation of this Agreement or an interference with the possession of the Demised Premises, and proceed to make the Required Repairs, and do all things reasonably necessary in order to make the Required Repairs. Provided, however, if in the sole opinion of the City, the Lessee's failure to perform any such Required Repairs creates an emergency or an event which in the City's sole opinion may result in an emergency, endangers or could endanger the safety of the public or that of the employees of the City, or endangers or could endanger the safety of the property of the City or that of the other tenants at the Airport, and the City so states the same in its notice to the Lessee, the City may at its sole option, in addition to all other remedies which may be available to it under this Agreement or applicable law, elect to immediately perform all or any of the Required Repairs at any time after the giving of such notice (together, the "Emergency Repairs"). The cost and expense incurred by the City in order to make the Required Repairs, to include any of the Emergency Repairs made by the City, shall be deemed as additional Rent under this Agreement and shall be due and payable by Lessee to the City upon demand together with interest thereon at the Default Interest Rate. The City's costs and expenses shall include, but not be limited to, all legal, expert and consulting fees, all direct and indirect costs and expenses of the City, its agents, outside contractors, consultants and employees, all financing charges, if any, and all allocations of fringe benefits and overhead incurred in making such repairs and incurred by the City in enforcing Lessee's obligation to make the Required Repairs.

Furthermore, should the City, its officers, employees or agents undertake any work in order to make the Required Repairs, the Lessee hereby waives any claim for damages,

consequential or otherwise, as a result therefrom except for claims for damages arising from the intentional misconduct or gross negligence of the City, its agents and contractors. The foregoing shall in no way affect or alter the primary obligations of Lessee as set forth in this Agreement, shall not impose or be construed to impose upon the City any obligation to maintain the Demised Premises or to make any of the Required Repairs or the Emergency Repairs.

6.4 <u>Major Alterations</u>.

Plans and specifications for all repairs, construction, alterations, modifications, additions or replacements which are structural in nature or cost in excess of Twenty Five Thousand and 00/100 Dollars (\$25,000) per item or in aggregate, but excluding painting, decorating and nonstructural routine maintenance (together, the "Major Alterations"), shall be submitted to the City for its approval, and no work on such Major Alterations shall be commenced until such approvals are obtained from the City which approval shall not be unreasonably withheld or delayed. The City shall advise the Lessee within thirty (30) days after receipt of Lessee's request, together with copies of all required plans and specifications for the Major Alterations proposed, all in sufficient detail to permit the City to make proper review thereof. In the event of disapproval, the City shall state the reasons therefore. The criteria for the City's review shall be consistency with City ordinances, Federal Aviation Administration Advisory Circulars, Aviation Code of Virginia and the Statewide Building Code, compatibility with the Airport's architecture, City's future proposed plans with the Airport and functionality for present and future uses appropriate to the Airport. City's failure to respond within the foregoing thirty (30) day period shall not be deemed as City's approval of Lessee's request for making the Major Alterations.

If the Lessee makes any of the Major Alterations without City approval or any portion thereof which are disapproved of by the City, then, upon notice from the City, the Lessee shall remove the Major Alterations or at the option of the City cause the same to be changed or modified to the reasonable satisfaction of the City. If the Lessee fails to comply with such notice within thirty (30) days or to commence to comply and pursue diligently to completion, the City may, in addition to all other rights and remedies reserved under this Agreement to the City, effect the removal of the Major Alteration or otherwise change or modify the same and the Lessee shall pay the cost thereof to the City together with interest at the Default Interest Rate.

6.5 <u>Title</u>.

Upon expiration or sooner termination of this Agreement, the complete and unencumbered title to all Improvements located on the Demised Premises (whether existing prior to the Effective Date of this Agreement or hereafter constructed by Lessee) shall immediately vest in the City free and clear of all liens or encumbrances and any claims on the part of the Lessee on account of any repairs or Improvements to the Demised Premises done or to be done under the terms hereof by the Lessee. This vesting of title in the City at the time

specified is a part of the consideration for this Agreement. The City shall not be liable to the Lessee or the Lessee's contractors, sublessee, lender or third party interest holder for the value of any Improvements constructed or located on the Demised Premises.

6.6 <u>Bonding</u>.

Lessee shall, prior to constructing any Improvements pursuant to this Agreement, furnish the City with a performance bond and labor and materials payments bond, each in the sum of the construction contract amount and conditioned, respectively, on: (a) the faithful performance of the construction contract in strict conformity with the plans, specifications previously approved by the City and contract provisions; and (b) the prompt payment for all labor, materials and costs of said construction. The bonds shall be in a form reasonably acceptable to the City Attorney.

<u>ARTICLE – VII</u> ADDITIONAL OBLIGATIONS OF LESSEE

7.1 <u>Quiet Operations</u>.

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

7.2 <u>Interference with Communications</u>.

Further, in operating its machinery and equipment at or from the Demised Premises or elsewhere at the Airport, the Lessee shall take all reasonable measures necessary to insure that it will not produce at the Demised Premises or anywhere else at the Airport, electronic or other disturbance that interferes with the operation by the City or the Federal Aviation Administration's operation of navigational, communication or flight equipment at the Airport, on aircraft using the Airport, or with ground transportation communications.

7.3 <u>Conduct of Lessee's Personnel</u>.

The Lessee shall control the conduct and demeanor of its officers, agents, employees, invites, guests and, upon objection from the City concerning the conduct or demeanor of any such person, the Lessee shall immediately take all lawful steps necessary to remove the cause of the objection.

7.4 <u>Proper Attire</u>.

The Lessee agrees to require its employees to wear attire that is appropriate for their job description, to include safety equipment if necessary.

7.5 <u>Badges</u>.

If the City shall so request, the Lessee agrees to require its employees to wear or carry badges or other suitable means of identification, which shall be subject to the prior and continuing approval of the Airport Director.

7.6 <u>Health and Safety Requirements</u>.

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

7.7 <u>Waste/Trash Storage, Handling and Removal</u>.

Lessee shall be responsible for removal from the Airport, or otherwise disposing of in a manner approved by the City, all garbage, debris, recyclables, yard waste and other waste materials (whether solid or liquid) arising out of its occupancy of the Demised Premises or out of its operations. The Lessee shall provide and use suitable covered metal or other rigidly and sturdily constructed receptacles, suitably screened from public view, for all garbage, debris, recyclables, yard waste and other waste materials created on or arising in connection with the activities conducted on the Demised Premises. Piling of boxes, cartons, barrels or other similar items, in an unsightly or unsafe manner, on or about the Demised Premises is forbidden. The manner of handling and disposing of garbage, debris, recyclables, yard waste material and the frequency of removal thereof from the Airport shall at all times be subject to the rules, regulations and approval of the City. Lessee shall use extreme care when effecting removal of all such waste to prevent littering the Airport. In order to prevent animals and birds from spreading trash and debris, the Lessee shall at all-time keep sliding or hinged doors closed on all trash containers. The Lessee shall dispose of its sanitary sewage through the City's sanitary sewer system.

7.8 <u>Nuisance</u>.

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

7.9 <u>Systems Access</u>.

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

7.10 Floor Loads.

The Lessee shall not overload any floor, structure, structural member or paved area on the Demised Premises, or paved area elsewhere on the Airport, and shall repair at the Lessee's sole cost and expense any floor, structure, structural member, or any paved area damaged by overloading.

7.11 <u>Insurance Rates and Risks</u>.

The Lessee shall not do, nor permit to be done, any act or thing upon the Demised Premises which: (a) will invalidate or conflict with any fire insurance policies as applicable to the Demised Premises or any part thereof; or other contiguous premises at the Airport; nor, (b) may constitute a hazardous condition that increases the risks attendant upon the operations permitted by this Agreement.

7.12 <u>Flammable Liquids</u>.

If Lessee uses flammable liquids, then Lessee shall use only a working supply of flammable liquids within any covered or enclosed portion of the Demised Premises. Any other supplies of such liquids shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories and all applicable federal, state and City regulations. The term "working supply" as used herein shall mean the amount consumed by the Lessee and other parties using the Demised Premises during any normal work week.

7.13 <u>Fire Extinguisher</u>.

The Lessee shall maintain all required fire extinguishing apparatus in accordance with appropriate NFPA standards, subject to inspections by the City's Fire Marshal.

7.14 <u>Restaurant and Kitchen Operations</u>.

Except for the accommodation of its employees and guests, the Lessee shall not install, maintain, operate or permit the installation, maintenance or operation of any restaurant, kitchen, stand or other establishment of any type for the sale of food, services or merchandise of any kind to the general public.

7.15 <u>Notice of Non-Permitted Uses</u>.

Except for services that are expressly permitted under Article III hereof to be performed from the Demised Premises, Lessee shall not perform or permit any of its agents, employees, customers subcontractors, tenants, assigns or any other party under its supervision or control to perform any services which are not expressly permitted under Article III (together, the "*Non-Permitted Uses*"). Lessee shall provide prompt notice to the City of any person, firm or corporate entity performing any Non-Permitted Uses. Further, the Lessee shall provide prompt notice to the City of any person, firm or corporate entity performing any aircraft maintenance work, flight instruction of any sort, air taxi, aircraft charter or aircraft leasing of any sort on the Demised Premises for commercial purposes without a valid permit for such operations from the City (a "*Commercial Operating Permit*").

7.16 <u>Noise</u>.

It is the intent of the parties hereto that noise, including but not limited to noise caused by aircraft engine operation, shall be held to a reasonable minimum. To this end, except for the purpose of taking off, and then only in designated areas, the Lessee shall not conduct aircraft engine run-ups between the hours of 10:00 p.m. and 6:00 a.m. Under unusual or emergency circumstances, the Airport Director may allow aircraft to conduct engine maintenance run-ups during the restricted time period.

7.17 <u>Interference with Aircraft Operations</u>.

In its use of the Demised Premises, the Lessee shall take all possible care, caution and precaution and shall use its best efforts to minimize prop or jet blast interference to aircraft operating on a taxiway or to buildings, structures and roadways, now or hereafter located on areas adjacent to the Demised Premises.

7.18 <u>Outside Storage</u>.

The Lessee understands that no outside storage is permitted unless this Agreement specifically designates an area for that purpose. In this regard, it is specifically understood and agreed that no vehicles, trailers or equipment such as, by way of example, campers, boats, recreational vehicles or tractor-trailers are to be stored at the Airport. Vehicles, trailers, tugs, auxiliary power units, de-icing units and any other equipment that is owned or leased by Lessee or any one or more of its subtenants and which are normally required for conduct of the Permitted Use from the Demised Premises are excluded from this provision (the "*Excluded Equipment*"), provided however, the Excluded Equipment must at all times be stored, kept or parked, as the case may be, in designated areas on the Demised Premises or such other areas as may from time to time be designated by the City in order to keep them out of sight and to minimize interference with operations at the Airport. At no time will the Lessee or any of its subtenants be permitted to park any vehicle, aircraft or equipment in any area of the Airport or any other area of the Airport which may obstruct the use of any such taxilane or taxiway at the Airport.

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7.19 <u>Height of Structures</u>.

The Lessee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth and other obstructions on the Demised Premises to such a height so as to comply with all applicable Federal Aviation Regulations, Part 77 (as amended), and/or any other regulations promulgated by proper authority.

7.20 <u>Rodent and Insect Control</u>.

The Lessee agrees to provide adequate control of rodents and insects and other pests in its Demised Premises.

7.21 <u>Snow and ice Removal</u>.

The Lessee, at its own expense, agrees to remove all snow and ice from the sidewalks, parking lots, and ramps located on the Demised Premises. The Lessee or its contractors will not interfere with any snow or ice removal operations being conducted by the Airport or its contractors. The Airport will follow the priorities outlined Airport's Snow & Ice Removal Plan as closely as possible but reserves the right to deviate from the plan as it sees fit and that is in the best interest of the Airport based on availability of equipment and personnel.

7.22 <u>Animals</u>.

The Lessee shall be prohibited from keeping any animals, domestic or otherwise, within the Demised Premises, except for service animals such as seeing eye-dogs and others protected by federal accessibility standards.

<u>ARTICLE – VIII</u> INGRESS AND EGRESS

8.1 <u>Common Right of Ingress/Egress</u>.

The Lessee shall have the right of ingress and egress between the Demised Premises and public landing areas at the Airport by means of connecting taxiways and taxilanes, and between the Demised Premises and the entrance(s) to the Airport by means of connecting paved roads. The Lessee's right to ingress and egress shall be in common with others having rite of passage thereon, and may be used except when the Airport is closed to the public. All such ingress and egress shall be in strict compliance with all applicable Rules and Regulations (hereinafter defined) adopted and modified from time to time by the City.

8.2 <u>Closure of Access and Taxiways</u>.

The City may, at any time, temporarily or permanently close or consent to or request the closing of any such roadway or taxiway or access gate and any other way at, in or near the Demised Premises presently or hereafter used as such, so long as a reasonable means of ingress and egress to the Demised Premises remains available to the Lessee. The Lessee shall not do or permit anything to be done which will interfere with the free access and passage of others to space adjacent to the Demised Premises or in any streets or roadways or access gates near the Demised Premises or elsewhere at the Airport.

<u>ARTICLE – IX</u> AIRPORT SECURITY

9.1 <u>Disclaimer of Security Warranty</u>.

It is understood and agreed that while the City will make reasonable efforts to provide a safe and secure environment at the Airport, the City cannot and does not make any warranty, expressed or implied, that the security services it contracts for will avert or prevent occurrences, or the consequences therefrom, which may result in loss or damage to the Lessee, its proper, guests or invitees, and all such warranties presumed to have been made, whether they be express or implied, are hereby waived by Lessee

9.2 <u>No Liability</u>.

Lessee agrees that the City shall not be liable for any loss or damage of a security related nature, irrespective of origin, to person or to property, whether directly or indirectly caused by the performance or nonperformance of the City's contract security service personnel.

9.3 <u>Lessee's Security Obligation</u>.

The Lessee shall be responsible for securing the Demised Premises, its aircraft and equipment at all times and will make every effort to prevent unauthorized personnel or vehicles from entering on any aircraft movement areas. The Lessee shall abide by the Airport's Security Plan, as the same may be amended or supplemented from time to time.

<u>ARTICLE – X</u> LIABILITIES AND INDEMNITIES

10.1 <u>No Liability</u>.

The City shall not in any way be liable for any cost, damage or injury occurring on or about the Demised Premises or the Airport, including the cost of any suit and expense incurred

for legal services, claimed or recovered by Lessee or any other person whomsoever claiming through Lessee, resulting from any operation, work, act or omission performed on or about the Demised Premises or the Airport, by the Lessee or its subtenants and their respective guests, agents or invitees.

10.2 <u>Indemnity</u>.

The Lessee agrees to indemnify, save and hold harmless, the City and its officers, agents, servants and employees from any and all costs, liability, damage and expense (including costs of suit and attorney fees) claimed or recovered by any person, firm or corporation by reason of injury to, or death of, any person or persons, and damage to, destruction or loss of use of any and all property (including all injury to City personnel or damage to City property), directly or indirectly arising or resulting from, any operation, work, act or omission of Lessee, its agents, servants, employees, contractors, or subtenants. In any case in which such indemnification is found by a court of competent jurisdiction to violate Virginia law, or any other applicable legal prohibition, the foregoing shall not be construed to indemnify the City, its officers, employees or agents for damage arising out of bodily injury to persons or damage to property caused by or resulting from the sole negligence of the City, its officers, employees or agents.

10.3 <u>Legal Defense</u>.

Upon the filing with the City by anyone of a claim for damages arising out of incidents for which the Lessee herein is obligated to indemnify and hold the City harmless, the City shall notify the Lessee of such claim and in the event that the Lessee does not settle or compromise such claim, then the Lessee shall undertake the legal defense on behalf of the City with counsel reasonably satisfactory to the City. It is agreed that the City at its own cost and expense, may participate in the legal defense of any such claim. Any final judgment rendered against the City for any cause for which the Lessee is liable hereunder shall be conclusive against the Lessee as to liability and amount upon the expiration of the time for appeal.

10.4 Intellectual Property Rights.

The Lessee represents that it is the owner of or is fully authorized to use any and all patents, trademarks, copyrights or other similar intellectual properties, services, processes, machines, articles, service marks, names or logos (collectively, the "*Intellectual Property Rights*") used by it in the operation of its business from the Demised Premises. The Lessee agrees to save and hold the City, its officers, employees, agents and representatives free and harmless from any and all loss, liability, expense, suit or claim for damages, including attorney fees, in connection with any actual or alleged infringement by Lessee upon the foregoing Intellectual Property Rights, or arising from any alleged or actual unfair competition or other similar claim arising out of Lessee's business operations from the Demised Premises or in any way connected with this Agreement.

<u>ARTICLE – XI</u> RULES AND REGULATIONS AND MINIMUM STANDARDS

11.1 From time to time, the City may adopt, amend and enforce rules and regulations and minimum standards with respect to the occupancy and use of the Airport (as adopted and amended from time to time, the "*Rules and Regulations*"). The Lessee agrees to observe and obey any and all such Rules and Regulations and all other applicable Federal, state and municipal rules, regulations and laws, as the same may be amended, and to require its officers, agents, invitees, guests, employees, contractors, subtenants and suppliers, to observe and obey the same. The City reserves the right to deny access to the Airport and its facilities to any person, firm or corporate entity that fails or refuses to obey and comply with the Rules and Regulations. Notwithstanding the foregoing, nothing herein shall be construed to require the City from affirmatively or uniformly enforcing the Rules and Regulations and such enforcement shall be solely at the sole discretion of the City.

ARTICLE -XII SIGNS

12.1 The Lessee shall have the right to install and maintain one or more signs on the Demised Premises identifying Lessee's business and its operations, provided, however, the subject matter, type, design, number, location and elevation of such signs, and whether lighted or unlighted, shall be subject to and in accordance with the approval of the City. All signs must comply with the City's sign ordinance and all applicable Rules and Regulation. No sign will be approved that may be deemed by the City in its sole discretion to be confusing or which fails to conform to the architectural scheme of the Airport or meet the City's sign ordinance. The Lessee shall advise the Airport Director of its intent to request a permit from the City to install signs on the Demised Premises prior to making such application.

<u>ARTICLE – XIII</u> ASSIGNMENT AND SUBLEASE

13.1 <u>Further Encumbrances</u>.

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

13.2 Assignments and Transfers Void.

Any assignment or transfer of this Agreement, or any rights of the Lessee hereunder, without the consent of the City, shall be void and of no force or effect, shall be deemed a Default of this Agreement and, at the option of the City, shall entitle the City to forthwith

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cancel this Agreement and to exercise any and all of the remedies as provided in this Agreement in the event of Lessee's Default.

13.3 <u>Subletting of Hangar and Office Space</u>.

Subject to all of the terms and provisions hereof, the Lessee may sublet hangar space and office space constructed within the Demised Premises to a person, partnership, firm or corporate entity engaged in a business that is, in the sole opinion of the City, compatible with the Permitted Use authorized by this Agreement ("*Permitted Sublease*"), provided however, not more than thirty-five percent (35%) of the total hangar and office space within the Demised Premises may be subject to a Permitted Sublease.

13.4 <u>No Release</u>.

No consent by the City to subleasing by the Lessee of portions of the Demised Premises shall in any way relieve the Lessee of any of its obligations to the City set forth or arising from this Agreement. All subleases shall be subordinate to this Agreement and the expiration of this Agreement or the earlier termination of the Lessee's rights hereunder shall ipso facto terminate all subleases.

13.5 **Operating Permits.**

No consent to subleasing by the Lessee to a person, partnership or other corporate entity shall be granted by the City without a duly executed Commercial Operating Permit between the City and the sublessee.

13.6 <u>Change in Control</u>.

If Lessee is a partnership or any other form of non-public corporate entity, a change in Control (as hereinafter defined) of Lessee shall be deemed an assignment of this Agreement and shall at all times be subject to requirements of this Article XIII in the same manner as if Lessee had made an assignment of this Agreement without the City's consent (a "Change in Control Assignment"). Any Change in Control Assignment by Lessee without the prior consent of the City, shall be regarded as a material Default of this Agreement, and at the option of the City, shall entitle the City to forthwith cancel this Agreement and to exercise any and all of the remedies as provided in this Agreement in the event of Lessee's Default. For the purposes of this Section 13.6, the term "Control" shall mean and refer to: (i) a change in the ownership, control, or power to vote 51% or more of any class of voting securities of such entity, directly or indirectly or acting through one or more other persons or entities; (ii) a change in the control in any manner over the election or appointment of a majority of the directors, trustees, managers or general partners (or individuals exercising similar functions) of such entity; (iii) a change in the direct or indirect power to exercise a controlling influence over the management or policies of such entity, whether through the ownership of voting securities, by contract, or otherwise; or (iv) conditioning in any

manner the transfer of 51% or more of any class of voting securities of such entity upon the transfer of 51% or more of any class of voting securities of another entity.

ARTICLE –VIV CONDEMNATION

14.1 <u>Condemnation and Distribution of Award.</u>

In the event that the Demised Premises or any part thereof shall be condemned and taken by any authority with power of eminent domain for any purpose during the Term of this Agreement or sold to such authority in lieu of a taking (collectively, a "Condemnation"), any award which shall be made as a result of such Condemnation shall be paid in accordance with this Article. The City or the Lessee, consistent with its rights under applicable law, may appear in any such condemnation proceeding and present its claims for damages, if any, arising from such condemnation. If all or any part of this Lease or all or any part of any Improvements made to the leased area are taken or damaged by condemning authority (regardless of whether the taking or damage is designated as an exercise of eminent domain or not) before the termination of this Agreement, the proceeds of any claim, award, or action shall be distributed in the following manner and the City shall have the right to intervene as a party in any action to recover damages incurred thereby. First, any proceeds which compensate for permanent or temporary taking of or damage to the Demised Premises shall remain with the City. Second, any proceeds which compensate for permanent or temporary taking of or damage to any Improvements belonging to the City or made to or erected upon the Demised Premises by the City shall remain with the City. Third, the proceeds which compensate for any permanent taking of or damage to Improvements or part thereof made to the Demised Premises by the Lessee after the Effective Date of this Agreement shall be applied to the Lessee's lender (whether one or more, the "Lender") to the extent necessary to satisfy any lien held by the Lender on the Improvements; provided that the lien is the result of a loan by the Lender to the Lessee for the purpose of constructing the leasehold Improvements made or to be made by Lessee and other capital investments directly related to the business of the Lessee being conducted from the Demised Premises. This provision does not apply to any refinancing that increases the amount or term of the original loan and does not apply to any loan encumbering the leasehold Improvements for the purpose of financing any other project on or off the Airport. Fourth, any remaining proceeds shall be allocated between Lessee and the City pro rata, with the Lessee receiving a sum equal to the proceeds to be distributed under this provision times the number of days remaining before expiration of the Agreement divided by the original duration (in days) of the Agreement, and the City receiving the remainder. The number of days remaining before expiration of the Agreement shall be calculated as of the date of take. The Lessee may alienate its proceeds or right to receive proceeds under this provision.

14.2 <u>Total Condemnation</u>.

If all of the Demised Premises is condemned, this Agreement shall terminate and come to an end effective as of the date the Lessee is dispossessed from the Demised Premises.

14.3 <u>Partial Condemnation</u>.

If the Demised Premises is partially condemned, Rent for that portion of the Demised Premises condemned shall be abated from the date that the Lessee is dispossessed therefrom; provided, however, if in the Lessee's reasonable judgment, the remaining portion of the Demised Premises is commercially insufficient for the Lessee's operations authorized hereunder, the Lessee may, within ninety (90) days of the date of such condemnation, terminate this Agreement by providing the City with a thirty (30) notice of termination, and upon expiration of such thirty (30) day period and the complete surrender of possession of the Demised Premises by Lessee to the City, this Agreement shall terminate and with the exception of the obligations which by their terms survive termination, neither party shall have any further obligation to the other under this Agreement.

14.4 <u>Temporary Taking</u>.

Provided that Lessee shall continue to pay Rent and shall not otherwise be in Default of this Agreement, the Lessee shall be entitled to the award made for a temporary taking of possession of all or part of the Demised Premises for any period of time within the Term of this Agreement. Such award shall be full compensation to the Lessee for such temporary taking and no claims for damages arising out of the temporary taking shall be made against the City.

<u>ARTICLE – XV</u> NON-DISCRIMINATION

15.1 <u>Title 49 Compliance</u>.

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

15.2 <u>Covenant Not to Discriminate</u>.

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

15.3 <u>Breach and Enforcement.</u>

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

15.4 <u>Application of Non-Discrimination to Third Parties</u>.

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

15.5 <u>Affirmative Action</u>.

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

affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

15.6 <u>American with Disabilities Act</u>.

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

15.7 <u>Indemnity</u>.

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

ARTICLE XVI GOVERNMENTAL REQUIREMENTS

16.1 <u>Required Governmental Permits</u>.

The Lessee shall procure all licenses, certificates, permits or other authorization from all governmental authorities, if any, having jurisdiction over the Lessee's operations at the Demised Premises which may be necessary for the Lessee's operations thereat. This includes but is not limited to all required licenses, certificates and permits from the Federal Aviation Administration and Virginia Department of Aviation.

16.2 <u>Permit Fees</u>.

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

16.3 <u>Compliance with Laws, Rules and Regulations</u>.

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

ARTICLE XVII RIGHTS OF ENTRY RESERVED

17.1 <u>Entry by City</u>.

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

17.2 Obstructions to Entry.

In the event that any personal property of the Lessee shall obstruct the access of the City, its officers, employees, agents or contractors, the Lessee shall move such property, as directed by the City, its officers, employees, agents or contractors, in order that access within the Demised Premises may be had to the system or part thereof for inspection, maintenance or repair. If the Lessee shall fail to so move such personal property after direction from the City, its officers, employees, agents or contractors to do so, the City may move it, and the Lessee hereby agrees to pay the cost of such relocation upon demand, and further the Lessee hereby waives any claim against the City for damages as a result therefrom, except for claims for damages arising from the City's gross negligence.

17.3 Inspection Right.

At any reasonable time, and from time to time during the ordinary business hours, the City, by its officers, agents and employees, shall have the right to enter the Demised Premises for the purpose of inspecting, exhibiting and viewing all parts of the same, subject to the Lessee's reasonable security requirements.

17.4 <u>No Eviction or Abatement.</u>

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

<u>ARTICLE – XVIII</u> ADDITIONAL RENTS AND CHARGES

18.1 <u>Expenses, Costs and Interest</u>.

If the City elects to pay any sum or sums or incur any obligation or expense by reason of the failure, neglect or refusal of the Lessee to perform or fulfill any one or more of the conditions, covenants or agreements contained in this Agreement, or as the result of any act or omission of the Lessee contrary to said conditions, covenants or agreements, the Lessee hereby agrees to pay the sum or sums so paid or expense so incurred by the City as the result of such failure, neglect or refusal of the Lessee, all of which shall be deemed to be additional Rent, together with interest at the Default Interest Rate and all costs, damages and penalties including reasonable attorney fees.

18.2 Additional Rent.

In such event, the total of such amounts may be added to any installment of Rent thereafter due hereunder, and each and every part of the same shall be and become additional Rent recoverable by the City in the same manner and with like remedies as if it were originally a part of the Rent provided for in this Agreement.

18.3 <u>Increase in Security</u>.

In the event it is necessary for the Airport to increase security because special threats or Federal mandates beyond the control of the Airport, the Airport Commission may establish fees or charges that are shared by all the Airport users, above and beyond the existing security surcharge on all fuel dispensed at the Airport.

18.4 <u>Taxes</u>.

Lessee shall be responsible for paying all real property taxes assessed upon the Improvements currently or hereinafter located upon the Demised Premises. In addition, Lessee shall be responsible for all personal property taxes, gross receipt taxes, etc., levied with respect to Lessee's business operations conducted from the Demised Premises.

18.5 <u>Plan Review Fee</u>.

Lessee shall be responsible for paying the cost of having all site plans and plans for the Improvements to be constructed by the Lessee reviewed by the Airport's engineer consultant(s), not to exceed the sum of \$2,500.00 per review.

18.6 <u>Attorney Fees</u>.

Upon Default by Lessee in the performance of any covenant or condition required to be performed by Lessee, other than the payment of rents and other fees or charges, the Lessee

shall be responsible for payment of the City's reasonable attorney's fees in connection with such Default. Upon the Default by the Lessee in the performance of any covenant or condition requiring the payment of rents and other fees or charges, the Lessee shall be responsible for payment of the City's attorney's fees in the amount of 33% of the amount due when referred to an attorney for collection. Lessee shall further reimburse the City for its attorney fees when it is necessary for the City or the City is requested by Lessee to review documents pertaining to this Agreement.

<u>ARTICLE – XIX</u> TERMINATION & DEFAULT

19.1 <u>Monetary Default</u>.

Failure to pay reserved Rent when due under this Agreement shall be a default of this Agreement (Lessee's failure to pay Rent and all other sums reserved under this Agreement, all arrears or any other charges required by this Agreement to be paid to the City, shall in each event be a "*Monetary Default*").

19.2 <u>Notice of Remedy (Monetary Default)</u>.

In each event of a Monetary Default, the City shall give notice to the Lessee of such Monetary Default, and demand full payment of amounts due thereunder, including all arrears and interest thereon. If, within five (5) days after the date the City gives such notice of non-payment (a "*Monetary Default Notice*"), the Lessee has not corrected its Monetary Default and paid all delinquent amounts in full, the City may, by notice to the Lessee, terminate this Agreement and all rights and privileges granted hereby in and to the Demised Premises.

19.3 <u>Non-Monetary Default</u>.

This Agreement together with all rights and privileges granted in and to the Demised Premises shall terminate automatically, upon the happening of any one or more of the following events (in each event, a "*Non-Monetary Default*"):

19.3.1 <u>Voluntary Petition</u>.

The filing by the Lessee of a voluntary petition in bankruptcy under the United States Code or any assignment for benefit of creditors of all or any part of the Lessee's assets;

19.3.2 Involuntary Petition.

An institution of an involuntary proceeding in bankruptcy against the Lessee, which bankruptcy proceeding is not dismissed within ninety (90) days of its filing;

19.3.3 <u>Non Federal Bankruptcy Reorganization.</u>

The filing of a petition requesting a court to take jurisdiction of the Lessee or its assets under the provision of any state or other reorganization act which, if it is an involuntary petition is not dismissed within ninety (90) days of its filing;

19.3.4 <u>Receiver</u>.

The filing of a request for the appointment of a receiver or trustee of the Lessee's assets by a court of competent jurisdiction, which if the request is not made by the Lessee, is not rejected within six (6) months after being made, or the request for the appointment of a receiver or trustee of the Lessee's assets by a voluntary agreement with the Lessee's creditors;

19.3.5 <u>Suspension of Operations</u>.

Suspension of Lessee's operations for a period of (60) days without the City's prior consent;

19.3.6 <u>Abandonment.</u>

The abandonment by Lessee of the Demised Premises or the failure of the Lessee to conduct business from the Demised Premises pursuant to the Permitted Use;

19.3.7 <u>Failure to Maintain Insurance</u>.

Failure of Lessee to maintain at all times during the Term of this Agreement insurance as required by this Agreement; or

19.3.8 <u>Covenants and Conditions</u>.

The failure of the Lessee to observe any of the covenants, conditions or other terms of this Agreement required to be performed, kept and observed by the Lessee.

19.4 <u>Notice and Remedy (Non-Monetary Default)</u>.

Upon a Non-Monetary Default by the Lessee in the performance of any covenant or conditions required to be performed by the Lessee (other than the payment of rent and other fees or charges which is governed by Section 19.1 above), the City shall provide the Lessee

with notice allowing the Lessee sixty (60) days to remedy such Non-Monetary Default ("*Notice of Non-Monetary Default*"). Upon the failure of the Lessee to remedy such Non-Monetary Default for a period of sixty (60) days after receipt from the City of the foregoing Notice of Non-Monetary Default, the City shall have the right to cancel this Agreement. Such cancellation shall be achieved through the delivery by the City to the Lessee of a notice of cancellation (the "*Notice of Cancellation*"). The Notice of Cancellation shall be effective immediately upon delivery to Lessee in accordance with the notice provisions of the Agreement.

19.5 Abeyance of Notice of Cancellation.

Notwithstanding the foregoing, should the City after giving the Notice of Cancellation determine in its sole, absolute and un-appealable discretion, that the Lessee is diligently remedying such Non-Monetary Default to completion, the City may determine by subsequent notice to Lessee, to hold its prior Notice of Cancellation in abeyance for such period of time as determined by City in its sole, absolute and un-appealable discretion. If, however, the City at any time thereafter determines that such Non-Monetary Default is no longer being diligently remedied to conclusion, the City shall so advise the Lessee of the same and upon delivery of such notice, the Notice of Cancellation shall no longer be deemed to be held in abeyance, and without further notice to the Lessee or action by the City, the Notice of Cancellation shall become final. The determination of the City in this regard shall in all events be conclusive and binding upon the Lessee.

19.6 <u>Termination of Rights After Default.</u>

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

19.7 <u>Waiver</u>.

Failure by the City to take any authorized action upon the occurrence of a Monetary Default, a Non-Monetary Default or any other default by Lessee of any of the terms, covenants or conditions required to be performed, kept and observed by the Lessee (in each case, a "*Default*" or an "*Event of Default*" as the context may require) shall not be construed to be, nor act as, a waiver of said Default nor of any subsequent Default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by Lessee. Acceptance of Rent by the City from the Lessee, or performance by the City

under the terms hereof, for any period or periods after an Event of Default by the Lessee of any of the terms, covenants and conditions herein required to be performed, kept and observed by the Lessee shall not be deemed a waiver or estoppel of any right on the part of the City to cancel this Agreement or to seek judicial remedy for any subsequent failure by the Lessee to so perform, keep or observe any said terms, covenants or conditions.

<u>ARTICLE – XX</u> TERMINATION BY LESSEE

20.1 Termination by Lessee.

After the Lessee has completed the initial improvements, if any, required pursuant to Article V, and further provided that the Lessee is not in Default of this Agreement beyond any applicable notice and cure period, the Lessee may, in addition to the Early Termination Right provided Lessee in accordance with Section 1.2 of this Agreement, cancel this Agreement, and thereby terminate all of its rights and un-accrued obligation hereunder, by giving the City sixty (60) days advance notice upon or after the happening of any one of the following events:

20.1.1 Injunction Preventing Use of Demised Premises.

Issuance by a court of competent jurisdiction of an injunction which in any way substantially prevents or restrains the use of the Demised Premises, or any material part thereof necessary to Lessee's business operations on the Airport, and which injunction remains in force for a period of at least thirty (30) days after the party against whom the injunction has been issued has exhausted or abandoned all appeals or one hundred twenty (120) days whichever is shorter, if such injunction is not necessitated by or issued as a result of an act or omission of Lessee;

20.1.2 <u>U.S. Government Control of Airport.</u>

The assumption by the United States Government or any authorized agency thereof, of the operation, control or use of the Airport and its facilities, or any substantial part thereof, in such a manner as substantially to restrict Lessee from operating its authorized Airport business for a continuous period of at least ninety (90) days.

<u>ARTICLE – XXI</u> SURRENDER AND RIGHT OF REENTRY

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21.1 Upon the expiration, cancellation or termination of this Agreement pursuant to any terms hereof, the Lessee agrees peaceably to surrender up the Demised Premises to the City in the same condition as they may hereafter be repaired and improved by the Lessee; save and except: (a) such normal wear and tear thereof as could not have been prevented by ordinary and usual repairs and maintenance; (b) obsolescence in spite of repair; and (c) damage to or destruction of the Improvements for which insurance proceeds are received by the City. Upon such cancellation or termination, the City may re-enter and repossess the Demised Premises together with all Improvements and additions thereto, or pursue any remedy permitted by law for the enforcement of any of the provisions of this Agreement, at the City's election. Provided that Lessee is not otherwise in Default of this Agreement, and further provided, that Lessee shall continue to pay to the City the then current Rent reserved under this Agreement, upon such cancellation or termination, and for a reasonable time thereafter (not exceeding thirty (30) days), the Lessee shall have the right to remove its personal property, fixtures and trade equipment which it may have on the Demised Premises, provided the removal thereof does not impair, limit or destroy the utility of the Demised Premises or that of the Improvements thereon, and provided, further, that the Lessee repairs all damages that might be occasioned by such removal, and restore the Improvements and site to the condition above required.

<u>ARTICLE – XXII</u> SERVICES TO LESSEE

22.1 City Services

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

22.2 Parking Spaces Provided

The Lessee has the right to use, in common with others, the parking lot located west of the Demised Premises. The parking spaces shall be used for parking of motor vehicles only and for use by the Lessee's employees, tenants and customers only. At no time shall vehicles be allowed to park in the parking lot for more than 48 hours unless prior permission is given by the Airport Director. At no time shall the Lessee, his employees, or his tenants park a boat, trailer, or campers in the parking lot.

ARTICLE XXIII SURVIVAL OF THE OBLIGATIONS OF THE LESSEE AND CITY'S REMEDIES

23.1 In the event that the Agreement shall have been terminated in accordance with the requirements of Article XIX hereof, all the obligations of the Lessee under this Agreement shall survive such termination, re-entry, regaining or resumption of possession and shall remain in full force and effect for the full and remaining Term of this Agreement, and the amount or amounts of damages or deficiency shall become due and payable to the City to the same extent, at the same time or times, and in the same manner as if no termination, reentry, regaining or resumption of possession had taken place. Any damages and/or loss of and/or deficiency in Rent sustained by the City may be recovered by the City, at City's option: (i) in one (1) or more separate actions, at any time and from time to time, as and to the extent that said damages and/or Rent shall have accrued; or (ii) in a single action deferred until on or after the Expiration Date (in which event Lessee hereby agrees that the cause of action shall not be deemed to have accrued until the Expiration Date), or (iii) in a single proceeding prior to either the time of reletting or the Expiration Date, in which event Lessee agrees to pay the City the difference, if any, between (a) the present value of the Rent reserved under this Lease on the date of breach, and (b) the fair market value of the Lease from the date of the breach discounted at eight percent (8%) per annum, the latter remedy hereby acknowledged to be a fair estimation of City's damages and not an unenforceable penalty.

ARTICLE XXIV LIMITATION OF RIGHTS AND PRIVILEGES GRANTED

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

ARTICLE – XXV NOTICES

25.1 <u>Notice</u>.

All notices, consents and approvals required or desired to be given by the parties hereto shall be sent in writing, and shall be deemed given when received at the recipient's notice address except that notice that must be given by a certain time to be effective and is sent registered or certified mail, postage prepaid, return receipt requested, addressed to the recipient's address shall be deemed given when posted. Notice that starts the running of a time period and is delivered on a non-business day shall be deemed delivered on the next

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business day, if left at the notice address, or the next business day on which it is redelivered if it is not left at the notice address.

25.2 <u>Notice Address</u>.

The notice addresses of the parties are as follows:

To the City:	Manassas Regional Airport ATT: Airport Director 10600 Harry J. Parrish Blvd Manassas, Virginia 20110	
	With a copy to:	
	The Honorable Mayor The City of Manassas 9027 Center Street Manassas, Virginia 20110	
The Lessee:	Mr. Robert Hepp, CEO Manassas Aviation Maintenance 10601 Observation Road Manassas, VA 20110	

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

ARTICLE – XXVI HOLDING OVER

26.1 <u>No Extension of Term.</u>

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

26.2 Holdover Rent.

Any holding over by the Lessee beyond the thirty (30) day period permitted for removal of fixtures without the consent of the City shall make the Lessee liable to the City for damages

1

equal to double the Rent provided for herein and which may be in effect at the termination of this Agreement (the "*Holdover Rent*"). The parties agree that the Holdover Rent shall not be deemed as a penalty but rather as bargained for liquidated damages in order to compensate the City for Lessee's unlawful holdover of the Demised Premises.

<u>ARTICLE – XXVII</u> INVALID PROVISIONS

27.1 Any provisions, articles, paragraphs, portions, or clauses of this Agreement that are found by a court of competent jurisdiction to be invalid or unenforceable shall have no effect upon any other part or portion of this Agreement.

<u>ARTICLE – XXVIII</u> MISCELLANEOUS PROVISIONS

28.1 <u>Remedies to be Nonexclusive</u>.

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

28.2 <u>Non-Waiver of Rights</u>.

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

28.3 <u>Force Majeure</u>.

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

28.4 <u>Non-liability of Individuals</u>.

No director, officer, member, agent or employee of either party hereto shall be charged personally or held contractually liable by or to the other party under any term or provision

of the Agreement or of any supplement, modification or amendment to this Agreement because of any breach thereof, or because of this or their execution or attempted execution of the same.

28.5 <u>Quiet Enjoyment</u>.

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

28.6 <u>Estoppel Certificate</u>.

At the request of either party, but not to exceed once in every twelve (12) month period, the non-requesting party shall execute and deliver a written statement identifying the Lessor under this Agreement and certifying: (a) the documents that then comprise this Agreement; (b) that this Agreement is in full force and effect; (c) the then current annual amount of Rent and the date through which it has been paid; (d) the expiration date of this Agreement; (e) if made by the City, that no amounts are then owed by the Lessee to the City (or, if amounts are owed, specifying the same); and, (f) to the knowledge of said party, there are not Defaults by the other under this Agreement or any facts which but for the passage of time, the giving of notice or both would constitute such a Default.

28.7 <u>Short Form of Lease</u>.

At the request of either party, the other shall execute a memorandum or short form of lease in proper form for recording (the "*Lease Memorandum*"). The cost of recording the Lease Memorandum shall be paid by the requesting party.

28.8 List of Aircraft.

Upon request, the Lessee shall provide a listing of all aircraft and aircraft owners and addresses utilized or housed in its based operations to the Airport Director.

28.9 <u>General Provisions</u>.

28.9.1 <u>Unauthorized Use</u>.

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

28.9.2 <u>Venue and Jurisdiction</u>.

This Agreement shall be performable and enforceable in Manassas, Virginia, shall be construed in accordance with the laws of the Commonwealth of Virginia, and exclusive jurisdiction under this Agreement shall in all cases lie with the courts of Prince William County, Virginia.

28.9.3 No Third Party Beneficiary.

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

28.9.4 <u>Ambiguity</u>.

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

28.9.5 <u>Binding Effect.</u>

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

28.9.6 <u>*Titles and Headings.*</u>

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

28.9.7 <u>No Partnership</u>.

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

28.9.8 <u>Effective Date</u>.

This Agreement shall not become effective until it has been approved and fully and properly executed by both parties hereto (the last to occur of which shall be the "*Effective Date*"). Once the Agreement is approved by the City, the Lessee shall sign the Agreement within ten (10) calendar days. If the Agreement is not executed by the Lessee within ten (10) calendar days, the Airport Director may, at his sole discretion, terminate the City's approval of this Agreement prior to the execution and delivery of this Agreement by Lessee to the Airport Director.

28.9.9 <u>Administrative Appeal Process</u>.

Decisions or actions taken by the Airport Director regarding this Agreement can be appealed to the Airport Commission by the Lessor. All appeals shall be made in writing to the Chairman of the Airport Commission. Decisions of the Airport Commission may thereafter be appealed to the City Council (together, the "Administrative Process"). Lessee shall not have the right to seek judicial redress with respect to this Agreement until and after it has fully exhausted the Administrative Process.

28.9.10 Right to Close Runway and Taxiways (movement areas).

The Airport Director shall have the right to close runways and taxiway from time to time due to emergencies, maintenance, construction, special events or other reasons deemed necessary by the Airport Director, in his or her sole discretion, with or without notice to the Lessee.

<u>ARTICLE – XXIX</u> SUBORDINATION CLAUSES

29.1 This Agreement is subject and subordinate to the following:

29.1.1 <u>Further Development of Airport.</u>

The City reserves the right, at its sole and absolute discretion, to further develop and improve the Airport, all without regard to the desires or views of the Lessee and without interference or hindrance by or on behalf of the Lessee, provided, that the Lessee is not deprived of the use or access to the Demised Premises. Accordingly nothing contained in this Agreement shall be construed to obligate the City to relocate the Lessee.

29.1.2 <u>Aerial Obstruction</u>.

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

29.1.3 Agreements with US Government.

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

29.1.4 <u>Time of War and Emergency.</u>

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

29.1.5 <u>No Air Rights.</u>

Except to the extent required for the performance of any obligations of the Lessee hereunder, nothing contained in this Agreement shall grant to the Lessee any rights whatsoever in the airspace above the Demised Premises other than those rights in common with the public to use the airspace for air travel, but at all times subject to Federal Aviation Administration rules, regulations and orders currently or subsequently effective.

<u>ARTICLE – XXX</u> INSURANCE REQUIREMENTS AND DAMAGE OR DESTRUCTION

30.1 <u>Property Insurance</u>.

Lessee shall, at its own cost and expense, take out and maintain such insurance for the term of this Agreement as the Lessee is required under the Workers' Compensation Act; and also take out and maintain such public liability insurance as will protect the Lessee, the City from any claims for damage to persons, property, etc., arising out of, occurring or caused by operations under this Agreement by the Lessee or otherwise arising out of this Agreement. The policy will provide the amounts of insurance specified in Paragraph 30.2-30.4 hereof. Before execution of this Agreement, certificates of insurance in form acceptable to the City should be submitted to the City. Each certificate shall have endorsed thereon:

"No cancellation or change in the policy shall become effective until after thirty (30) days notice by registered mail to the Airport Director, Manassas Regional Airport, 10600 Harry J. Parrish Blvd., Manassas, Virginia 20110."

30.2 <u>General Liability Insurance</u>.

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During the term of this Agreement, Lessee shall maintain in full force general liability insurance in the name of the Lessee, and naming the City as an additional insured, with a combined single limit of \$1,000,000 per occurrence in the primary policy (the "CGL Insurance Coverage"). The CGL Insurance Coverage shall provide minimum coverage for: (a) premises and operations coverage, including hangarkeepers; (b) independent contractor and subcontractors; (c) products liability and completed operations; (d) environmental clean-up; (e) broad form contractual; and (f) death and personal injury. CGL Insurance Coverage cannot have a self-insured retention.

30.3 <u>Automobile</u>.

During the term of this Agreement, Lessee shall maintain in full force automobile liability insurance in the name of the Lessee, with maximum a combined single limit of at least \$1,000,000.00 per occurrence/\$1,000,000.00 in aggregate, in the primary policy (the "*Auto Coverage*"). The Auto Coverage shall include coverage for bodily injury and property damage and shall additionally extend the same coverage to: owned automobiles; (b) hired automobiles; and (c) non-owned automobiles.

30.4 <u>Workers' Compensation</u>.

Lessee must at all times carry Workers' Compensation Insurance in such minimum statutory amounts as to be in compliance with the Workers Compensation Laws of the Commonwealth of Virginia.

30.5 <u>Proof of Insurance</u>.

As a condition precedent to this Agreement and Lessee's right of entry upon the Demised Premises, the Lessee shall provide proof of insurance evidencing existence of all insurance required to be maintained prior to the inception of the Term of this Agreement. The failure of Lessee to maintain such insurance or to provide proof of insurance upon request shall be deemed a Default of this Agreement. Lessee shall provide the Airport Director with copies of certificates of insurance in form acceptable to the City. Each certificate shall have endorsed thereon indicating that "no cancellation or change in the policy shall become effective until after thirty (30) days notice by registered mail to the Airport Director, Manassas Regional Airport, 10600 Harry Parrish Boulevard, Manassas, Virginia 20110".

30.6 <u>Review of Coverage Limits</u>.

The City may review the minimum insurance coverage required herein to be maintained by Lessee every three (3) years during the Term of this Agreement. The City shall have the right to direct Lessee to increase the minimum insurance requirement every three (3) years. All required insurance must be in effect and so continue during the life of this Agreement in not less than the following amounts for the first three (3) years of this Agreement:

30.7 <u>Coverage Locations</u>.

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

30.8 Additional Policies.

Nothing herein contained shall prevent the Lessee from taking out any other insurance for protection of its interest which it deems advisable or necessary. The purchase of insurance by the Lessee shall in no event be construed as a fulfillment or discharge of the obligations set forth in this Agreement. All insurance coverages maintained by Lessee shall be primary insurance as respect to the City. Any insurance or self-insurance maintained by the City shall be in excess and non-contributory to Lessees insurance.

30.9 <u>Insurer Minimum Requirements</u>.

Insurance Carrier Status: Each policy of insurance required under this Agreement shall be issued by an "A" rated-Class VI or better (according to the A.M. Best's Rating Organization) insurance company authorized by the Commonwealth of Virginia to issue such policy in this State, and shall be in a form and content satisfactory to the City. The City may at times choose to accept lower rated carriers at its discretion and only with prior approval. If at any time during the Term the rating of any of Lessee's insurance carriers is reduced below the rating required pursuant to the terms hereof, Lessee shall use commercially reasonable efforts to promptly replace the insurance coverage(s) with coverage(s) from a carrier whose rating complies with the foregoing requirements. (e)In the event that Lessee fails to maintain in full force and effect any of the insurance coverages described in this Article XXX, City shall have the right (but not the obligation) to either declare a Default in accordance with the provisions of Article XIX, or to procure and maintain such insurance or any part thereof at Lessee's expense, and the cost of such insurance shall be payable by Lessee to City as Additional Rent. The procurement of such insurance or any part thereof by City shall not discharge or excuse Lessee's obligation to comply with the provisions of this Article XXX.

<u>ARTICLE – XXXI</u> HAZARDOUS MATERIALS

31.1 <u>Covenant with Respect to Hazardous Materials</u>.

Lessee warrants that no Hazardous Materials (hereinafter defined) will be disposed in the sewer system, dumpster, on the ramp/apron or any other location on the Airport. Disposal of all Hazardous Material shall be in accordance with all appropriate City, county, state and federal regulations. Tenant shall all times maintain insurance coverage for clean-up of Hazardous Material in the event of a spill. The City may require a bond or insurance sufficient to guarantee clean up in the event of a spill. For the Purposes of this Agreement

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the Terms "*Hazardous Materials*" shall mean and refer to any and all "pollutants", "hazardous substances", "hazardous wastes", "hazardous materials", "solid wastes" or "toxic substances" as such terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§ 9601 et seq., as amended, the Hazardous Materials Transportation Act, 49 U.S.C. §§ 1801 et seq., as amended, the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901 et seq., as amended, the Toxic Substances Control Act, 15 U.S.C. §§ 2601 et seq., as amended or other similar federal, state and local environmental laws and ordinances or the rules or regulations promulgated pursuant thereto, including, without limitation, polychlorinated biphenyls (PCBs) and commercially processed asbestos, petroleum products or radioactive materials, except for immaterial quantities of Hazardous Materials resulting from the normal use of cleaning materials, pesticides and herbicides on the Demised Premises in conformance with applicable Legal Requirements.

31.2 <u>Storage of Hazardous Material</u>.

Lessee further warrants that all Hazardous Material will not be stored on or upon the Demised Premises without the prior consent and approval of the City which under no circumstance will be given absent Lessee's first obtaining all studies or reports required by the respective local, state and federal governmental agencies, all permits, authorization and licenses required by the respective local, state and federal government, and without Lessee having first obtained, constructed or otherwise provided, at Lessee's own expenses, storage facilities meeting all requirements of all local, state and federal governmental agencies who have jurisdiction.

31.3 <u>Cleanup and Indemnity</u>.

Should Lessee's activities on or upon the Demised Premises result in contamination as a result of the spill or release of Hazardous Materials in the Demised Premises or any part of the Airport, Lessee agrees to take full responsibility for the cost of the clean-up of the same, further agrees to indemnify and hold harmless the City for the same (including legal and attorneys fees), and to defend the City at the Lessee's expense in any proceeding arising from, or resulting from such contamination. Lessee further agrees to compensate the City for any loss or diminution in value of the Demised Premises or the Airport resulting from or arising out of such contamination.

31.4 <u>Aircraft Painting</u>.

No painting of aircraft or aircraft parts will be allowed on the Demised Premises without the Lessees first obtaining all permits and licenses required by the respective local, state and federal governmental agencies and permission from the Airport Director.

31.5 <u>Fuel Disposal</u>.

Lease Agreement

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The disposal of aviation gas or any other hazardous substance by pouring on the ground (or any other surface) or by dispersal in the air is prohibited. The Lessee agrees to provide an area for the proper disposal of sump fuel for Lessee and its subtenants.

<u>ARTICLE – XXXII</u> ENTIRE AGREEMENT

32.1 This Agreement consists of Articles I to XXXII, inclusive, Exhibits A, constitutes the entire agreement of the parties hereto and may not be changed, modified, discharged or extended except by written instrument duly executed by the City and the Lessee. The parties agree that no representations or warranties shall be binding upon the City or the Lessee unless expressed in writing in this Agreement.

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

1

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

THE CITY OF MANASSAS

City Manager City of Manassas, Virginia

ATTEST:

SIGNATURE

PRINT NAME

LESSEE

By:		
Print name: _		
Title:		

ATTEST:

SIGNATURE

PRINT NAME

_____]

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EXHIBIT A

METES AND BOUNDS DESCRIPTION

_____]