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Tax Map Numbers: [_____]

THIS FINANCING LEASE IS EXEMPT FROM RECORDING TAXES UNDER SECTION 58.1-807 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, PURSUANT TO SECTION 58.1-811E.

FINANCING LEASE

BETWEEN

**ECONOMIC DEVELOPMENT AUTHORITY OF
THE CITY OF MANASSAS PARK, VIRGINIA
(to be indexed as Grantor)**

AND

**CITY OF MANASSAS PARK, VIRGINIA
(to be indexed as Grantee)**

March 1, 2021

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FINANCING LEASE

THIS FINANCING LEASE is a deed of lease dated as of March 1, 2021 and is between the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF MANASSAS PARK, VIRGINIA**, a political subdivision of the Commonwealth of Virginia, as lessor (the "Authority"), and the **CITY OF MANASSAS PARK, VIRGINIA**, a municipal corporation of the Commonwealth of Virginia (the "City").

The Authority was duly created pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), for the purpose of promoting industry and developing trade by inducing governmental, industrial and commercial enterprises to locate or remain in the Commonwealth and to exercise all powers granted to it under the Act.

The Authority proposes to issue its Lease Revenue Bonds (Manassas Park, Virginia Projects), Series 2021A (Tax-Exempt) (the "Series 2021A Bonds") and its Lease Revenue Bonds (Manassas Park, Virginia Projects), Series 2021B (Taxable) (the "Series 2021B Bonds" together with the Series 2021A Bonds, the "Series 2021 Bonds") to provide funds to finance the costs of the acquisition, construction and equipping of a new City Hall building and related infrastructure costs and the costs of other projects in the capital improvements program of the City, as it may be amended from time to time; and (ii) to finance, if and as needed, capitalized interest on the Bonds, one or more reserve funds for the Bonds and costs of issuance related to the issuance of the Bonds.

In connection with the issuance of the Series 2021 Bonds, the Authority has acquired a leasehold interest in the Leased Premises. The Authority proposes to lease the Leased Premises back to the City under this Financing Lease. The Series 2021 Bonds will be payable solely from rental payments to be received from the City under this Financing Lease.

ARTICLE I DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Definitions.** All words and terms defined in Article I of the Indenture have the same meanings in this Financing Lease. In addition, the following words and terms have the following meanings in this Financing Lease unless the context clearly requires otherwise:

"Additional Rent" means the Additional Rent that is payable pursuant to Section 5.2(b).

"Assignment of Rents and Leases" means the Assignment of Rents and Leases, dated as of the date hereof, from the Authority to the Trustee, as it may be altered, amended, modified, or supplemented in accordance with its terms and the terms of the Indenture.

"Basic Documents" has the meaning set forth in the Indenture.

"Basic Rent" means the Basic Rent that is payable pursuant to Section 5.2(a).

"Bonds" has the meaning set forth in the Indenture.

"Building B Parcel" means the land and any related rights or improvements related to such land that is identified as Building B on the plat attached hereto as Exhibit B.

"City" means the City of Manassas Park, Virginia.

"Commonwealth" means the Commonwealth of Virginia.

"Cost" and "Cost of the Financed Projects" each have the meaning given to them in the Indenture.

"Event of Default" or "Default" means any of the events enumerated in Section 10.1.

"Financing Lease" means this Financing Lease between the Authority and the City, as it may be altered, amended, modified, or supplemented in accordance with its terms and the terms of the Indenture.

"Financed Projects" means the capital projects located in the City financed or refinanced with proceeds of the Series 2021 Bonds, including, without limitation, the acquisition, construction, and equipping of a new City Hall.

"Governing Body" means the Governing Body of the City.

"Indenture" means the Indenture of Trust, dated as of the date hereof between the Authority and the Trustee, as it may be altered, amended, modified, or supplemented in accordance with its terms.

"Lease" means the Lease, dated as of the date hereof between the City and the Authority, pursuant to which the City will lease the Leased Premises to the Authority, as it may be modified, altered, amended and supplemented in accordance with its terms.

"Leased Premises" means the Tax-Exempt Leased Premises and the Taxable Leased Premises.

"Lease Term" means the duration of the leasehold estate created by this Financing Lease as specified in Section 5.1.

"Net Proceeds" means the gross proceeds of any recovery on any insurance policy or alternative arrangement or substitute arrangement (including but not limited to any recovery on any policy of title insurance) or condemnation or eminent domain award remaining after payment of attorneys fees, fees and expenses of the Trustee and other expenses incurred in the collection of such gross proceeds.

"Payment of the Bonds" means payment in full of the principal of and interest on the Bonds or provision for such payment as provided in the Indenture.

"Permitted Encumbrances" means, as of any particular time as to the Leased Premises, (i) liens for ad valorem taxes and special assessments not then delinquent, (ii) liens for taxes and assessments which are delinquent but the validity of which is being contested in good faith and

with respect to which the Authority or the City has set aside adequate reserves for payment, unless, as a result of the lien, the Leased Premises or the interest of the Authority in it may be in danger of being lost or forfeited, (iii) any security interest or other liens created by the Basic Documents or any Supplemental Indenture, (iv) mechanics' and materialmen's liens incident to the construction, improvement or maintenance of the Leased Premises which are being contested in good faith and have not proceeded to judgment, provided the Authority or the City has set aside adequate reserves for payment, (v) restrictions and mineral rights and easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, (vi) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the City similar in character to the Leased Premises and as will not, in an Opinion of Counsel, impair the intended use of the Leased Premises and (vii) present or future valid zoning laws and ordinances.

"Project Additions" means any additions, enlargements, improvements, expansions, repairs, restorations, reconstructions or equipping or furnishing of the Financed Projects.

"Real Estate" means the land, real property and interest therein as described in Exhibit A.

"Rental Payments" mean the sum of the Basic Rent and the Additional Rent set forth in Section 5.2.

"Series 2021A Bonds" means the Authority's Lease Revenue Bonds (Manassas Park, Virginia Projects), Series 2021A (Tax-Exempt).

"Series 2021B Bonds" means the Authority's Lease Revenue Bonds (Manassas Park, Virginia Projects), Series 2021B (Taxable).

"Series 2021 Bonds" means the Series 2021A Bonds and the Series 2021B Bonds.

"Tax-Exempt Leased Premises" means the Real Estate and the improvements to be located thereon as further described in Exhibit A-1.

"Taxable Leased Premises" means Real Estate and the improvements to be located thereon as further described on Exhibit A-2.

"Trustee" means U.S. Bank National Association, a national banking association having a corporate trust office in Richmond, Virginia.

Section 1.2 Rules of Construction. Except where the context otherwise requires, (i) singular words connote the plural number as well as the singular and vice versa and (ii) pronouns inferring the masculine gender include the feminine and neuter genders and vice versa. All references to particular articles or sections are references to articles or sections of this Financing Lease unless otherwise indicated. The headings and Table of Contents in this Financing Lease are solely for convenience of reference and do not constitute a part of this Financing Lease or affect its meaning, construction or effect.

ARTICLE II REPRESENTATIONS

Section 2.1 Representations by Authority. The Authority makes the following representations as the basis for its undertakings under this Financing Lease:

(a) The Authority is a political subdivision of the Commonwealth, duly created by the Act.

(b) The undertaking by the Authority to finance or refinance, as appropriate, the Financed Projects and to lease the Leased Premises from the City and to lease the Leased Premises back to the City has been authorized, as required by the Act, by the affirmative vote of a majority of the members of the Authority present at a meeting at which a quorum was present and acting throughout.

(c) The Authority (i) has the power to enter into and to carry out its obligations under the Basic Documents and to issue the Series 2021 Bonds to finance or refinance the cost of constructing, improving, furnishing, and equipping the Financed Projects, (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under the Basic Documents and the issuance of the Series 2021 Bonds, and (iii) simultaneously with its execution and delivery of this Financing Lease has duly executed and delivered the other Basic Documents and issued and delivered the Series 2021 Bonds.

(d) The Authority is not in default under or in violation of, and the execution, delivery and compliance by the Authority with the terms and conditions of, the Basic Documents and the Series 2021 Bonds, will not conflict with or constitute or result in a default under or violation of, the Act or any other existing law, rule or regulation applicable to the Authority.

(e) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Documents and the Series 2021 Bonds will not conflict with or constitute or result in a default under or violation of any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the Authority or any of its assets is subject.

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required in connection with (i) the issuance and delivery of the Series 2021 Bonds by the Authority, (ii) the execution or delivery of, or compliance by the Authority with the terms and conditions of, the Basic Documents or the Series 2021 Bonds, or (iii) the pledge and assignment made by the Authority to the Trustee under Article II of the Indenture, provided that no representation is made with respect to any federal or state securities or blue sky laws or regulations.

(g) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver the Basic Documents or the Series 2021 Bonds, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Authority who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf

of the Authority (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

Section 2.2 Representations by the City. The City makes the following representations as the basis for its undertakings under this Financing Lease:

(a) The City is a municipal corporation of the Commonwealth.

(b) The City has the power to enter into and to perform its obligations under this Financing Lease and the other Basic Documents to which it is a party and by proper action has duly authorized the execution and delivery of this Financing Lease and the other Basic Documents to which it is a party.

(c) The City is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money and is not in default under any instrument under and subject to which any indebtedness has been incurred, and no event has occurred and is continuing under the provisions of any such agreement that with the lapse of time or the giving of notice, or both, would constitute such an event of default.

(d) The City is not in default under or in violation of, and the execution, delivery and compliance by the City with the terms and conditions of this Financing Lease and the Lease, will not conflict with, or constitute or result in a default under or violation of, (i) the Act or any other existing law, rule or regulation applicable to the City or (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the City or any of its assets is subject, and no event has occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation.

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any federal or local official is required in connection with (i) the execution and delivery of this Financing Lease and the other Basic Documents to which the City is a party or (ii) the performance by the City of its obligations under this Financing Lease and the other Basic Documents to which it is a party.

(f) No litigation, inquiry or investigation of any kind or by any judicial or administrative court or agency is pending or, to the City's knowledge, threatened against it in which any liability of the City is not adequately covered by insurance or in which any judgment or order would have a material adverse effect upon the activities or assets of the City or would affect the operation of the Leased Premises or the validity or performance of the City's obligations under this Financing Lease or the other Basic Documents to which it is a party.

(g) The lease of the Leased Premises to the City pursuant to this Financing Lease will provide necessary improvements for essential governmental operations and services of the City and, therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the City.

**ARTICLE III
LEASE OF LEASED PREMISES**

Section 3.1 Lease of Leased Premises. The Authority demises and leases to the City, and the City leases from the Authority, the Leased Premises at the Rental Payments set forth in Section 5.2 and in accordance with the provisions of this Financing Lease.

**ARTICLE IV
ISSUANCE OF BONDS**

Section 4.1 Issuance of Series 2021 Bonds; Application of Proceeds of Series 2021 Bonds. In order to provide funds to finance the Financed Projects, the Authority agrees to issue the Series 2021 Bonds. The proceeds of the Series 2021 Bonds will be applied as provided in the Indenture.

Section 4.2 Agreement to Construct the Financed Projects. The City shall acquire, construct, improve, furnish and equip the Financed Projects. Upon the completion of the Financed Projects, the City will promptly deliver to the Authority and the Trustee a certificate signed by the City Representative stating that the Financed Projects have been completed in substantial compliance with all material applicable laws, ordinances, rules and regulations and that all permits then necessary for the use of the Financed Projects as contemplated by this Financing Lease have been issued or obtained. The City will obtain all permits, consents and approvals required in connection with the acquisition, construction, furnishing, equipping, occupation, operation or use of the Financed Projects, including without limitation, the furnishing of utilities thereto. The City will, upon request, promptly furnish to the Authority copies of all such permits, consents and approvals.

Section 4.3 Additional Costs; Delay in Completion. If the money deposited in the Project Fund from the proceeds of the Series 2021 Bonds and any Additional Bonds is not sufficient to pay in full the Costs relating to the Financed Projects, the City shall, subject to Section 5.7, provide for the payment of the excess costs to complete the Financed Projects. The City will not, by reason of the payment of such excess costs be entitled to any reimbursement from the Authority or to any abatement, diminution or postponement of any amounts payable under this Financing Lease, nor will there be any diminution in or postponement of the payments required to be paid by the City pursuant to Section 5.2 if for any reason the acquisition, construction, improvement, furnishing and equipping of any portion of the Financed Projects is not completed or is not completed on schedule.

Section 4.4 Additional Bonds. Upon the request of the City, the Authority may, subject to the terms of the Indenture, issue Additional Bonds to finance the costs of Additional Projects or the costs of the Project Additions; provided, however, the failure of the Authority to do so will not release the City from any of its obligations under this Financing Lease or impose any liability on the Authority.

Section 4.5 Disclaimer of Warranty. The Leased Premises is being acquired at the City's request. THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR

FITNESS OF ANY PORTION OF THE LEASED PREMISES FOR THE CITY'S PARTICULAR PURPOSES.

Section 4.6 Default in Contractors' Performance. In the event of default of any contractor or subcontractor under any contract for the Financed Projects, the City shall promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Authority or the City, as appropriate, against the contractor or subcontractor so in default and against each surety for the performance of such contractor. The City agrees to advise the Authority, in writing, of the steps it intends to take in connection with any such default. The City may, in good faith, in its own name or in the name of the Authority, prosecute or defend any action or proceeding or take other action involving any such contractor, subcontractor or surety which the City deems reasonably necessary, and in such event the Authority agrees to cooperate fully with the City. Unless some other disposition is approved by the City, amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing will be paid into the Project Fund established under the Indenture to be applied to pay the Costs relating to the Financed Projects or, if recovered after completion of the Financed Projects, will be paid to the City.

ARTICLE V LEASE TERM AND RENT PROVISIONS

Section 5.1 Term of Financing Lease. The Lease Term for the Leased Premises will commence on the date of issuance and delivery of the Series 2021 Bonds by the Authority and, unless sooner terminated in accordance with this Financing Lease or pursuant to the exercise by the City of its purchase option pursuant to Section 5.11, terminate at the earlier of (i) December 1, 2053 (provided that all Rental Payments due hereunder have been paid on such date) or (ii) Payment of the Bonds.

Section 5.2 Payment of Rental Payments. (a) In consideration of the financing by the Authority of the Financed Projects, the City will pay to the Authority the following Basic Rent for the Leased Premises on the dates and in the amounts as follows:

- (i) Commencing on December 1, 20[21], and on each June 1 and December 1 thereafter, the amount which, together with any other money available in the Bond Fund, will equal the interest due on the Bonds Outstanding on the following June 15 or December 15; and
- (ii) On December 1, 20[25], and on each December 1 thereafter, the amount which, together with other money available in the Bond Fund, will equal the principal due (whether at maturity or pursuant to mandatory sinking fund redemption) on the Bonds Outstanding on the following December 15.

The Authority has assigned to the Trustee, pursuant to the Assignment of Rents and Leases, its right, title and interest in this Financing Lease, including its right to receive the payments hereunder. Pursuant to the Assignment of Rents and Leases, the City will pay Basic Rent to the Trustee. At the direction of the City Representative, any amounts on deposit in the Bond Fund (other than amounts held for Bonds then due), which exceed any accumulated losses from any investment of such amounts, may be designated for application on any rental payment date to the

payment of principal of and interest on the Bonds then due, and the amount so designated will be credited to the amounts payable under this subsection on such date.

(b) The City will pay when due as Additional Rent for the Leased Premises, (i) the reasonable fees of the Trustee for services rendered and expenses reasonably incurred by it as Trustee under the Indenture, as bond registrar and as paying agent on the Bonds, including any attorneys' fees incurred by the Trustee and any cost or expense necessary to cancel and discharge the Indenture upon Payment of the Bonds, and all other amounts that the City has assumed or agreed in this Financing Lease to pay, (ii) any amounts due to the Authority or the Deed of Trust Trustees for their respective expenses, including reasonable attorneys' fees and costs, (iii) any amounts required to be paid to the United States under Section 148(f) of the Code with respect to the Series 2021A Bonds, to the extent not already provided for in Section 5.2(a).

Section 5.3 Interest upon Default in Rental Payments. Any installment of Basic Rent not paid on or before its due date will bear interest from and after such due date until paid at the rate per annum that will yield the amount necessary to pay the interest due on the Bonds on the date such interest is due.

Section 5.4 Prepayment of Rental Payments. (a) So long as all payments then due pursuant to Section 5.2(a) have been paid, the City may elect by written notice to the Authority and the Trustee to make from time to time prepayments of Basic Rent to purchase Government Obligations, Government Certificates or Defeased Municipal Obligations, or to remain as cash, to be held by the Trustee, the principal of and interest on which at maturity will be sufficient (1) if Bonds have been called for redemption, to redeem in accordance with the relevant Section of the Indenture all such Bonds on the date set for such redemption, (2) to pay at maturity all Outstanding Bonds, (3) to pay interest accruing on all Bonds prior to their redemption or payment at maturity, and (4) to pay to the Trustee its reasonable fees and expenses and any other fees and expenses for which the City is responsible under this Financing Lease.

(b) So long as all payments then due pursuant to Section 5.2(a) have been paid, the City may elect by written notice to the Authority and the Trustee to make on or after [_____] 1, 20[___], prepayments of Basic Rent in an amount or amounts equal to the outstanding principal of the Series 2021 Bonds to be redeemed prior to maturity and premium, if any, and interest accrued thereon to the redemption date for such Series 2021 Bonds which date shall be specified in such notice. The Authority directs the Trustee to apply any amounts so prepaid to redeem the Series 2021 Bonds under the provisions of the Indenture on the specified redemption date. In order to exercise this prepayment right, the City shall, at least forty-five (45) days before the date on which the redemption of the Series 2021 Bonds is to occur, give written notice to the Authority and the Trustee of the prepayment.

Section 5.5 Payment of Authority Expenses. The City will pay all costs, fees and expenses incurred by the Authority (including reasonable attorneys' fees) in connection with:

- (a) the authorization, issuance and sale of the Bonds;
- (b) the ownership, occupation, operation or use of the Financed Projects;
- (c) prepayment or redemption of the Bonds; and

(d) reasonable administrative costs and expenses of the Authority directly related to the Financed Projects, including the fees of attorneys, accountants, engineers, appraisers or consultants, paid or incurred by the Authority by reason of the Bonds being Outstanding or pursuant to requirements of the Basic Documents.

Section 5.6 Indemnification. To the extent permitted by applicable law, the City at all times, shall protect, indemnify and save harmless the Authority, the Trustee and the Deed of Trust Trustees (collectively, "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses (including, without limitation, reasonable attorneys' fees) for all acts or failure to act (or alleged failure to act) in connection with the Leased Premises (including any acquisition, construction, equipping and maintenance of the Leased Premises), the issuance of the Bonds and the maintenance and preservation of the Leased Premises, including without limitation: (i) all amounts paid in settlement of any litigation commenced or threatened against the Indemnitees, if such settlement is effected with the written consent of the City; (ii) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the City, the Leased Premises or the Indemnitees; (iii) the full amount of any judgments, penalties, fines, damages, assessments, indemnities or contributions; (iv) the reasonable fees and expenses of attorneys, auditors and consultants; and (v) any brokerage fees or commissions arising from the sale of the Bonds or the collateral security therefor.

The foregoing indemnity shall be effective only to the extent of any loss that may be sustained by the Indemnitees in excess of the net proceeds received from any insurance carried with respect to such loss, and the benefits of this Section shall not inure to any person other than the Indemnitees. Nothing contained herein shall require the City to indemnify the Indemnitees for any claim or liability resulting from their negligence or intentional misconduct.

All references in this Section to the Indemnitees shall include their members, directors, officers, employees and agents. This Section shall survive the termination of this Financing Lease.

Section 5.7 Nature of Obligations of the City. (a) Except as otherwise provided in this Section, the obligation of the City to pay Rental Payments and all other amounts provided for in this Financing Lease and to perform its obligations under this Financing Lease will be absolute and unconditional, and such Rental Payments and other amounts will be payable without any rights of set-off, recoupment or counterclaim that the City might have against the Authority, the Trustee or any other person and whether or not the Financed Projects are used or occupied by the City or available for use or occupancy by the City.

(b) While recognizing that it is not empowered to make any binding commitment beyond the current fiscal year of the City, it is the current intention of the City to make sufficient annual appropriations during the Lease Term to pay all Rental Payments and other amounts required to be paid by the City under this Financing Lease. Notwithstanding anything in this Financing Lease to the contrary, the City's obligation to pay the cost and expense of performing its obligations under this Financing Lease, including without limitation its obligation to pay all Rental Payments and all other amounts required to be paid by the City under this Financing Lease, are subject to and dependent upon appropriations being made from time to time by the Governing Body for such purpose. The City directs the City Manager or other officer charged with the

responsibility of preparing the City's budget to include in the budget for each fiscal year of the City during the Lease Term a request that the Governing Body appropriate in the fiscal year the amount of Rental Payments and other payments due under this Financing Lease during such fiscal year. If at any time during any fiscal year of the City, the City is notified by the Trustee (or otherwise learns) that the amount appropriated pursuant to the budget of the City for the fiscal year is insufficient to pay when due the Rental Payments and other amounts due under this Financing Lease, the City Manager (or other officer charged with the responsibility of preparing the City's budget) shall submit to the Governing Body at the next scheduled meeting of the Governing Body, or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit. If the amount appropriated by the City as of July 1 of any fiscal year is insufficient to pay when due the Rental Payments and other amounts due under this Financing Lease in such fiscal year, the City Manager (or other officer charged with the responsibility of preparing the City's budget) shall submit to the Governing Body within 60 days after giving the notice required by Section 8.7 a request to the Governing Body to appropriate an amount sufficient to pay the Rental Payments and other amounts due hereunder in such fiscal year.

Section 5.8 Nature of Obligations of Authority. The cost and expense of the performance by the Authority of any of its obligations under this Financing Lease will be limited to the availability of the proceeds of the Bonds issued for such purposes or any Net Proceeds or from other funds provided by the City for such purposes.

Section 5.9 Assignment of Payments by Authority. The City acknowledges that all payments it is to make to the Authority under this Financing Lease (except payments under Sections 5.2(b), 5.5, and 5.6) are to be assigned by the Authority to the Trustee pursuant to the Indenture and the Assignment of Rents and Leases. The City agrees to pay to the Trustee at its address set forth in Section 12.7 all payments payable by the City to the Authority under this Financing Lease (except payments under Sections 5.2(b), 5.5, and 5.6).

Section 5.10 Subordination; Acknowledgment by City. (a) The City agrees that its rights as lessee hereunder are and will be subordinate to the lien and security interest of the Deed of Trust and to all advances made or hereafter to be made upon the security thereof. Upon the request of the Trustee, the City will attorn to and acknowledge the foreclosure purchaser or purchasers, or the grantee of any deed in lieu of foreclosure, as landlord hereunder. In addition, the City will promptly furnish, at the Authority's request, such subordination and estoppel agreements, consents to assignment of the Authority's interest in this Financing Lease or of the rental payments due hereunder and attornment agreements as the Authority may reasonably require to comply with requirements of the Trustee.

(b) The City acknowledges that the Authority has entered into the Deed of Trust and that the Authority has assigned its interest in this Financing Lease (except the Authority's rights pursuant to Sections 5.2(b), 5.5, 5.6 and 12.7 hereof) pursuant to the Indenture and the Assignment of Rents and Leases.

Section 5.11 Transfer Upon Termination. After (i) all payments have been made pursuant to Section 5.2 or the Basic Rent has been prepaid in full pursuant to Section 5.4(b) and after payment in full of the Bonds or (ii) the Bonds are deemed to be paid in full and no longer outstanding pursuant to Section 14.2 of the Indenture, the City shall be deemed to have acquired

all of the Authority's right, title and interest in the Leased Premises, including, the Real Estate and the Lease. In such event, and upon request, the Authority will execute and deliver to the City an appropriate instrument or instruments assigning, transferring and conveying to the City all of the Authority's right, title and interest in the Lease, the Real Estate and the Leased Premises free from any lien, encumbrance or security interest except such as may be created or permitted by the City, but without other warranties, and shall enter into an appropriate instrument terminating this Financing Lease.

Section 5.12 Title to Leased Premises. This Financing Lease is intended for security. For purpose of laws governing taxation, title to the Leased Premises, including the Real Estate will be deemed to be in the City at all times, subject to the Authority's right to possession upon the occurrence of an Event of Default or a failure by the City to appropriate rental payments.

ARTICLE VI OPERATION AND MAINTENANCE; INSURANCE

Section 6.1 Maintenance and Modifications by City. During the Lease Term, the City will, at its own expense, keep the Leased Premises in as reasonably safe condition as its operation will permit and keep the Leased Premises in good repair and operating condition (normal wear and tear excepted). The City will operate and maintain the Leased Premises and pay the cost of such operation and maintenance. The City, as lessee, will provide services, including water, heat, light, electricity, repairs, replacements, security, janitorial, cleaning and caretaking services, all at the City's expense and without right of reimbursement from the Authority. The Authority as lessor will not be required to rebuild or to make any repairs, renewals or replacements of the Leased Premises of any nature whatsoever, and the City expressly waives any right it may have to make any repairs, renewals or replacements at the expense of the Authority as lessor. The City may make any additions, enlargements, improvements and expansions to, or repairs, reconstruction and restoration of, the Leased Premises that do not adversely affect the value of the Leased Premises or the structural integrity of any building or other structure forming a part of the Leased Premises. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Leased Premises must comply with all applicable federal, state and local laws, rules, regulations, ordinances and codes.

Section 6.2 Taxes, Other Governmental Charges and Utility Charges. The City will pay when due all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed against the Authority with respect to the Leased Premises or any machinery, equipment or other property installed in or brought by the City to the Leased Premises. The City will pay when due all utility and other charges incurred in the operation, maintenance, use and occupancy of the Leased Premises and all assessments and charges lawfully made by any governmental body for public improvements to the Leased Premises. The City may, however, upon ten days' notice from the City Representative to the Authority and the Trustee of the City's intention to do so, at its own expense and in its own name or in the name of the Authority, contest in good faith any such tax, assessment, utility or other charge, in which event it may permit the charge to remain unpaid during the period of the contest and any appeal unless the action subjects to loss or forfeiture the assignment of the Basic Rent for the payment of the Bonds, in which event the charge will be promptly satisfied or secured by posting with the Trustee or an appropriate court of record a bond in form and amount satisfactory to the Authority and the Trustee. The Authority will cooperate

with the City in the conduct, at the expense of the City, of any such contest and will, to the extent that it may lawfully do so, permit the City to conduct the contest.

Section 6.3 Additional Rights of City. The City may from time to time, in its discretion and at its own expense, install machinery, equipment and furnishings at the Leased Premises. All machinery, equipment and furnishings installed by the City (and paid for from sources other than proceeds of the Bonds) will remain the property of the City and neither the Authority nor the Trustee will have any interest in it. All machinery, equipment and furnishings installed by the City and not paid for with Bond proceeds may be modified or removed at any time while the City is not in default under this Financing Lease so long as such removal or modification either does not damage the Leased Premises, or the City repairs any such damage.

Section 6.4 Insurance. (a) To the extent available on commercially reasonable terms, the City shall continuously maintain such insurance as may be required from time to time and pay all premiums when due to insure against such risks as are customarily insured against by public bodies for facilities and equipment similar in size and character to the Leased Premises, including, without limitation:

(i) insurance in the amount of at least the full replacement cost of the Leased Premises against loss or damage to the Leased Premises with broad form extended coverage endorsements covering such risks as are normally covered by such endorsements;

(ii) insurance against liability for bodily injury, including death resulting therefrom, and against liability for damage to property, arising out of the ownership, maintenance or use of the Leased Premises; and

(iii) unless the City qualifies as a self-insurer under the laws of Virginia, workmen's compensation insurance with respect to the Leased Premises.

(b) In lieu of separate policies, the City may maintain blanket or umbrella policies having the same coverage as required by this Section. The policies described in subsections (i) and (ii) above (i) shall name the Trustee and the Authority as additional insureds as their interests may appear, (ii) shall not provide that payments be contingent, under any circumstances, on the degree of damage sustained at other facilities leased or owned by the City, (iii) shall explicitly waive any co-insurance penalty, and (iv) shall be issued by a commercial insurer rated A by Best or S&P, except as specifically provided herein. The City shall have an annual review of its insurance coverage with respect to the Leased Premises conducted by an insurance consultant selected by the City, who is knowledgeable in the insurance business. Such review shall indicate that the policies required under this Section are in full force and effect and that the amounts and types of insurance comply with and satisfy all of the requirements of this Section, or, if any additional insurance coverage is required to comply with this Section, specifying the types and amounts of any such insurance. If any of the insurance required by this Section is provided through a self-insurance program, the insurance consultant's report shall include an actuarial report showing sufficient reserves to fund the self-insurance program. All policies evidencing such required insurance shall provide thirty (30) days' prior written notice to the Authority and the Trustee of any cancellation, reduction in amount or material change in coverage.

Section 6.5 Net Lease. This Financing Lease will be deemed and construed to be a net lease, noncancellable by the City during the Lease Term, and during the Lease Term the City will pay absolutely net throughout the Lease Term the Rental Payments and all other payments required under this Financing Lease, free of any or all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason.

Section 6.6 Advances by Authority or Trustee. If the City fails to make any payment or perform any act required of it under this Financing Lease, the Authority or the Trustee, without prior notice to or demand upon the City and without waiving or releasing any obligation or default, may (but will be under no obligation to) make the payment or perform the act. All amounts so paid by the Authority or the Trustee and all costs, fees and expenses so incurred as to such payment and performance will, together with interest at the highest annual rate borne by any of the Bonds, be payable by the City as Additional Rent.

Section 6.7 Trustee's Rights to Enforce Payment. The City acknowledges and consents to the provisions of Section 9.5 of the Indenture which permits the Trustee in its name or in the name of the Authority to enforce on behalf of the Owners of the Bonds all rights of the Authority and all obligations of the City under and pursuant to this Financing Lease providing for any payment to be made by the City under this Financing Lease.

Section 6.8 Disposition or Release of Leased Premises.

(a) Except for easements permitted under Section 6.9 and as provided in subsection (b), the City will have no right to dispose of any interest in the Leased Premises unless it delivers to the Authority and the Trustee the following:

(i) A certificate of the City, signed by the City Representative, stating that any proceeds from the disposition will be (1) applied to the purchase of additional real or personal property, in the case of property financed with the proceeds of the Series 2021A Bonds complying with Treasury Regulations Section 1.141-12(c) to become part of the Leased Premises or (2) deposited with the Trustee in the Bond Fund together with instructions to refund or defease all of a part of the Series 2021 Bonds; and

(ii) A certificate of the City Representative to the effect that the disposition, together with any substitution of additional real or personal property becoming part of the Leased Premises (1) will not adversely affect the usefulness of the Leased Premises or any part of it or its intended purpose or deprive the City of any real or personal property needed for access to or operation of the Leased Premises, and (2) will not materially impair access to and from the Leased Premises.

(b) The City shall have the right to dispose of its interest in the Building B Parcel, if the City delivers to the Authority and the Trustee a certificate of the City Representative to the effect that the disposition (1) will not adversely affect the usefulness of the Leased Premises or any part of it or its intended purpose or deprive the City of any real or personal property needed

for access to or operation of the Leased Premises, and (2) will not materially impair access to and from the Leased Premises.

Upon receipt of the above, so long as the City is not in default under this Financing Lease, the Authority will release from this Financing Lease and convey to the City the real estate to be disposed of free of the liens associated with the Basic Documents.

Section 6.9 Granting of Easements. The City will grant (if the City is not in default under this Financing Lease) or, at the request of the City, the Authority will grant (if the City is not in default under this Financing Lease), such easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Real Estate, free from the lien of this Financing Lease, the Lease and the Deed of Trust, or release existing easements, licenses, rights-of-way and other rights or privileges, with or without consideration, provided that the City delivers to the Authority and the Trustee the following in form reasonably acceptable to the Trustee:

- (i) A copy of the proposed instrument of grant or release;
- (ii) A written application signed by the City Representative requesting the Authority to execute the instrument; and
- (iii) A certificate of the City Representative stating that the grant or release will not impair the effective use or interfere with the operation of the Leased Premises for the purpose for which it is then being used or is intended to be used and will not destroy or materially impair the means of ingress or egress to and from the Leased Premises.

Upon receipt of the above items, the Authority will promptly execute and deliver any and all instruments necessary or appropriate to confirm and grant any easement, license, right-of-way or other right or privilege and to release them from the lien of this Financing Lease, the Lease and the Deed of Trust, and the parties shall provide notice of the same to the Trustee.

ARTICLE VII DAMAGE, DESTRUCTION OR CONDEMNATION

Section 7.1 Damage, Destruction or Condemnation. The City agrees to notify the Authority and the Trustee immediately in the case of damage, destruction or loss of all or any portion of the Leased Premises during the Lease Term as a result of fire or other casualty or condemnation or loss of title in an amount that the City determines in good faith will cost more than \$500,000 to repair, reconstruct and restore. If the City determines in good faith that the cost of such repair, reconstruction or restoration is not in excess of \$500,000, the City will retain the Net Proceeds and promptly repair, reconstruct and restore the Leased Premises to substantially the same condition as before the damage, destruction, condemnation or loss of title, with such alterations and additions as the City may determine and which will not impair the capacity or character of the Leased Premises for its intended use. If the cost of repairing, reconstructing and restoring the Leased Premises is determined by the City in good faith to exceed \$500,000, the City will pay the Net Proceeds to the Trustee, to be held in the Project Fund and disbursed in accordance with Section 7.2 of the Indenture to promptly repair, reconstruct and restore the Leased Premises

to substantially the same condition as before the damage, destruction, loss of title or condemnation with such alterations and additions as the City may determine and which will not impair the capacity or character of the Leased Premises for its intended use. If the Net Proceeds are not sufficient to pay in full the costs of such repair, reconstruction and restoration, the City will pay any excess costs. Any balance of insurance proceeds remaining after payment of the cost of such repair or restoration and after payment of Rental Payments shall belong to the City.

The City may apply Net Proceeds to the prepayment of Basic Rent to be applied to the extraordinary optional redemption of the Bonds or an allocable portion thereof, but only under circumstances involving the damage, destruction or loss of all or substantially all of the Financed Projects. The City shall pay any Net Proceeds which the City elects to apply to prepayment of Basic Rent to the Trustee to be deposited in the Bond Fund.

Section 7.2 No Abatement of Rent. Damage, destruction, condemnation or loss of title of any of the Financed Projects shall in no way annul or void this Financing Lease or give rise to an abatement of the rent and the amounts payable under this Financing Lease or release the City from its obligations under this Financing Lease.

ARTICLE VIII SPECIAL COVENANTS

Section 8.1 City's Right to Possession. Except as otherwise provided in this Financing Lease, the City will be in sole possession of the Leased Premises during the Lease Term, subject to Permitted Encumbrances.

Section 8.2 Quiet Enjoyment. The Authority makes no representation or covenant that the City will have quiet and peaceful possession of the Leased Premises, except that the Leased Premises is and will remain free from encumbrances, other than Permitted Encumbrances, done, made or knowingly suffered by the Authority or anyone claiming by, through or under it.

Section 8.3 Right of Inspection. The Authority and the Trustee and their respective duly authorized agents have such rights of access to the Leased Premises as may be reasonably necessary for the proper maintenance of the Leased Premises in the event of the City's failure to perform its obligations under Section 6.1. The Authority, the Trustee and their duly authorized agents have the right at all reasonable times to enter upon, examine and inspect any part of the Leased Premises and to examine the books and records of the City insofar as they relate to the operations and maintenance of the Leased Premises, but shall have no obligation to do so.

Section 8.4 Covenant Not to Affect Tax-Exempt Status of Bonds. (a) The City agrees that so long as it leases the Leased Premises under this Financing Lease, it will not take any action nor permit any of their agencies or departments to take any action with respect to the Financed Projects that will adversely affect the exclusion, where applicable, of interest on the Series 2021A Bonds from gross income for purposes of federal income taxation, including without limitation any action that would result in either (i) ten percent (five percent or more with respect to unrelated use) or more of the gross proceeds of the Series 2021A Bonds being considered as having been used directly or indirectly in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, if more than ten percent (five

percent with respect to payments derived from unrelated business use) of the Rental Payments on the Series 2021A Bonds is derived from payments with respect to private business use or (ii) five percent or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(b) Without limiting the generality of the foregoing, the City will, at its sole expense, take all action required under Section 148 of the Code and applicable regulations to prevent loss of the exclusion, where applicable, from federal income taxation of interest on the Bonds, including, but not limited to (i) paying on behalf of the Authority the "rebate amount" to the United States in accordance with the "rebate requirement" described in Section 148 of the Code and applicable regulations; (ii) determining on behalf of the Authority, pursuant to such regulations the "rebate amount" and retaining records of all such determinations until six years after Payment of the Bonds, and (iii) complying with any requirements contained in any applicable Treasury Regulations.

(c) Neither the City nor the Authority will (i) knowingly take any action, or approve the Trustee's making any investment or use of the proceeds of any Series 2021A Bonds or taking any other action, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations or (ii) barring unforeseen circumstances, use or approve the use of the proceeds from the sale of any Series 2021A Bonds otherwise than in accordance with the Authority's "non-arbitrage" certificate given immediately before the issuance and delivery of the Series 2021A Bonds.

Section 8.5 Mechanics' and Other Liens. The City will not permit any mechanics' or other liens incurred by it or on its behalf to be established or remain against the Leased Premises, except that the City may, upon ten days' notice from the City Representative to the Authority and the Trustee of the City's intention to do so, at its own expense and in its own name or in the name of the Authority, contest in good faith any lien, in which event the City may permit the lien to remain unsatisfied and undischarged during the period of the contest and any appeal unless the action would result in the loss or forfeiture of any rights of the Authority or the Trustee under the Indenture or this Financing Lease, in which event the lien will be promptly satisfied or secured by posting with the Trustee or an appropriate court of record a bond in form and amount satisfactory to the Authority and the Trustee.

Section 8.6 Recording and Filing. The City will, at its expense, record a counterpart of the Lease, this Financing Lease, the Assignment of Rents and Leases, and the Deed of Trust in the Office of the Clerk of the Circuit Court of the City of Manassas Park, Virginia, on or before the date of delivery of the Bonds.

Section 8.7 Notice of Appropriation. The City shall give notice to the Trustee and the Authority by no later than June 30 of each year, while there remain Bonds Outstanding, if the amount to be appropriated by the Governing Body for the Fiscal Year commencing on the immediately succeeding July 1 is insufficient to make all Rental Payments coming due in such Fiscal Year. Such notice shall specify the amount appropriated by the Governing Body for such purpose and the amount of the deficiency.

ARTICLE IX
ASSIGNMENT, SALE, ENCUMBRANCE AND SUBLETTING

Section 9.1 No Assignment, Sale or Encumbrance by City. The City will not sell, assign or otherwise dispose of or encumber its interest in the Leased Premises except as provided in Sections 6.8, 6.9 and 9.2.

Section 9.2 Subletting by City. (a) The City may sublease space in the Leased Premises, provided, however, that no sublease will be made if it would (i) have any adverse effect upon or affect or reduce the City's obligations under this Financing Lease, (ii) be to a party that could not under the Act be the lessee from the Authority of all or any portion of the Leased Premises, or (iii) be contrary to law.

(b) Before any sublease is made in the Tax-Exempt Leased Premises:

(i) The City will cause to be delivered to the Authority and the Trustee an opinion of Bond Counsel that the use of the Tax-Exempt Leased Premises (or applicable portion thereof) by the sublessee will not cause the interest on any of the Bonds then Outstanding (the interest on which is tax-exempt) to be included in gross income for purposes of federal income taxation.

(ii) The City will confirm in writing to the Trustee that (1) the sublease does not relieve the City from primary liability for any of its obligations under this Financing Lease, and (2) the City will continue to remain primarily liable for the payment of Rental Payments and for the observance and performance of all of the City's other agreements under this Financing Lease.

(iii) The City will deliver to the Trustee a written instrument from the sublessee whereby the will, to the extent of the interest subleased to it agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Financing Lease, the Indenture or otherwise).

(c) Before any sublease is made in the Taxable Leased Premises:

(i) The City will confirm in writing to the Trustee that (1) the sublease does not relieve the City from primary liability for any of its obligations under this Financing Lease, and (2) the City will continue to remain primarily liable for the payment of Rental Payments and for the observance and performance of all of the City's other agreements under this Financing Lease.

(ii) The City will deliver to the Trustee a written instrument from the sublessee whereby the will, to the extent of the interest subleased to it agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Financing Lease, the Indenture or otherwise).

(d) The City will promptly deliver executed counterparts of each sublease pursuant to this Section to the Authority and the Trustee.

(e) No sublease shall take effect until the Trustee acknowledges in writing receipt of an officer's certificate signed by the Authority and the City to the effect that an opinion and instruments complying with the requirements of paragraphs (a) through (d) above, inclusive, are being submitted with such certificate.

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

Section 10.1 Events of Default. (a) An "Event of Default" or a "Default" means, whenever used in this Financing Lease, any or more of the following events:

(i) Failure by the City to pay, when due, any payments to be made under Section 5.2(a);

(ii) Failure by the City to pay when due any payment to be made under this Financing Lease, other than payments under Section 5.2(a), which failure continues for a period of 30 days after notice, specifying the failure and requesting that it be remedied, is given to the City by the Authority or the Trustee, unless the Authority or the Trustee, as applicable, agrees in writing to an extension of such time;

(iii) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Sections 10.1(a)(i) and 10.1(a)(ii), which failure continues for a period of 30 days after notice, specifying the failure and requesting that it be remedied, is given to the City by the Authority or the Trustee, unless the Authority or the Trustee, as applicable, agrees in writing to an extension of such time; or

(iv) The entering of an order or decree appointing a receiver for all or any part of the Leased Premises or of the revenues from any of the Leased Premises with the consent or acquiescence of the City or the entering of an order or decree without the acquiescence or consent of the City if it is not vacated, discharged or stayed within ninety days after entry.

(b) Notwithstanding anything contained in this Section to the contrary, a failure by the City to pay when due any payment required to be made under this Financing Lease or a failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Financing Lease, resulting from a failure by the Governing Body to appropriate money for such purposes after a request to appropriate in accordance with Section 5.7, will not constitute an Event of Default. Upon any such failure, the provisions of Article XI will be applicable.

Section 10.2 Remedies. (a) Whenever any Event of Default has happened and is continuing, any one or more of the following remedial actions may be taken to the extent that those actions are consistent with the Act and Article X of the Indenture, provided that either the Authority or the Trustee has given notice of the Event of Default to the City and the Event of Default has not been cured:

(i) The Authority may re-enter and take possession of all or any part of the Leased Premises without terminating this Financing Lease, exclude the City from possession of all or any part of the Leased Premises, and, for the account of the City, keep in force and effect all subleases entered into pursuant to Section 9.2 which then are outstanding and sublease all or any part of the Leased Premises which then is not already so subleased to one or more parties, in each case holding the City liable for the difference in the rent and other amounts paid by the sublessee in such subleasing and the Rental Payments and other amounts payable by the City under this Financing Lease. Upon taking this remedial action, the Authority's leasehold interest in the Leased Premises and the leasehold estate under this Financing Lease will not merge but will remain separate and distinct.

(ii) The Authority may terminate this Financing Lease as to all or any part of the Leased Premises, exclude the City from possession of all or any part of the Leased Premises, and lease all or any part of the Leased Premises for the account of the City to one or more parties, holding the City liable for all Rental Payments and other amounts due under this Financing Lease and not paid by the other party.

(iii) The Authority may have access to and inspect, examine and make copies of, the books, records and accounts of the City pertaining to the Leased Premises.

(iv) The Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation or agreement of the City under this Financing Lease.

(b) The Authority will give notice to the City of the exercise of any of its rights or remedies under this Section in the manner provided in Section 12.7 and by telephone or telecopy; provided, however, that failure to give notice by telephone or telecopy will not affect the validity of the exercise of any right or remedy under this Section.

(c) Any balance of the money collected pursuant to action taken under this Section remaining after payment of all costs and expenses of collection and amounts due as Additional Rent will be paid into the Bond Fund for application to the payment of the Bonds then Outstanding in accordance with the provisions of the Indenture, or, if Payment of the Bonds has occurred, to the City.

Section 10.3 Reinstatement. Notwithstanding the exercise of any remedy granted by Section 10.2, if all arrears of the principal of and interest on any Bonds that have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of such Bonds which by acceleration has become due and payable, have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses, including administrative expenses, of the Trustee and of the Owners of such Bonds (including reasonable attorneys' fees paid or incurred) and any acceleration under the Indenture is rescinded, then the Event of Default under this Financing Lease will be waived without further action by the Trustee or the Authority. Upon such payment and waiver,

this Financing Lease will be fully reinstated, as if it had never been terminated, and the City will be restored to the use, occupancy and possession of the Leased Premises, except any portion of the Leased Premises with respect to which the Authority has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

Section 10.4 No Remedy Exclusive. No remedy conferred upon or reserved to the Authority or the Trustee in this Financing Lease is intended to be exclusive of any other available remedy, but each remedy will be cumulative and will be in addition to every other remedy given under this Financing Lease or now or hereafter existing at law, in equity or by statute. No delay or omission in exercising any right or power accruing upon any Event of Default will impair or will be construed to be a waiver of any right or power, but any right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this Article, it will not be necessary to give any notice, other than such notice as may be expressly required under this Financing Lease.

Section 10.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Financing Lease should be breached by either party and thereafter waived by the other party, the waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under this Financing Lease.

Section 10.6 Attorneys' Fees and Other Expenses. The City will on demand pay to the Authority and the Trustee the reasonable fees of attorneys and other reasonable expenses incurred by any of them in the collection of Rental Payments, the enforcement of any other obligation of the City or in carrying out any of their respective obligations under this Financing Lease and will pay on demand legal expenses and fees properly incurred in connection with the issuance of the Bonds.

ARTICLE XI NON-APPROPRIATION

Section 11.1 Non-Appropriation by City; Right to Lease Leased Premises. If, as a result of a failure of the City to appropriate money for such purposes, the City is unable to pay when due the amounts required to be paid under this Financing Lease or the City is unable to observe and perform any covenant or agreement on its part to be observed or performed under this Financing Lease, the Authority, or the Trustee as assignee of the Authority, will have all the rights and remedies set forth in Section 10.2 (including the right to terminate this Financing Lease). In order to exercise the right to terminate this Financing Lease, the Authority shall give the City and the Trustee 30 days' notice of the exercise of such right and the date for such termination.

Section 11.2 Reinstatement. Notwithstanding any termination of this Financing Lease, if all arrears of the principal of and interest on the Bonds which have become due and payable otherwise than by acceleration, and all other sums payable under the Indenture, except the principal of such Bonds which by any acceleration has become due and payable, have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses, including administrative expenses, of the Trustee and of the Owners of such Bonds (including reasonable attorneys' fees paid or incurred) and any acceleration under the Indenture is rescinded, and if the City has agreed to pay or provide for the payment of amounts

under this Financing Lease and if the City observes or performs or agrees to observe or perform all covenants or agreements on its part to be observed or performed under this Financing Lease, this Financing Lease will be fully reinstated, and the City will be restored to the use, occupancy and possession of the Leased Premises, except any portion of the Leased Premises with respect to which the Authority has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

ARTICLE XII MISCELLANEOUS

Section 12.1 Successors and Assigns. This Financing Lease is binding upon, inures to the benefit of and is enforceable by the parties and their respective successors and assigns, subject, however, to compliance with the provisions of Section 9.1 and 9.2.

Section 12.2 Severability. If any provision of this Financing Lease is held invalid by any court of competent jurisdiction, the holding will not invalidate any other provision.

Section 12.3 Amendments. This Financing Lease may not be amended before Payment of the Bonds except as provided in Article XIII of the Indenture.

Section 12.4 Amounts Remaining Under Indenture. It is agreed by the parties to this Financing Lease that any amount with respect to the Bonds remaining in any fund or account created under the Indenture will, after Payment of the Bonds and the fees, charges and expenses of the Trustee, the Deed of Trust Trustees and the Authority in accordance with the Indenture, belong and be paid to the City.

Section 12.5 Governing Law. This Financing Lease will be governed by the laws of the Commonwealth.

Section 12.6 Counterparts. This Financing Lease may be simultaneously executed in several counterparts, each of which will be an original and all of which taken together will constitute one and the same instrument.

Section 12.7 Notices. Unless otherwise provided in this Financing Lease, all demands, notices, approvals, consents, requests, opinions and other communications under this Financing Lease must be in writing and will be deemed to have been given when delivered in person, or by Federal Express or a comparable express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (i) if to the City, at One Park Center Court, Manassas Park, Virginia 20111, (Attention: City Manager), or (ii) if to the Authority, at One Park Center Court, Manassas Park, Virginia 20111 (Attention: Chairman) or (iii) if to the Trustee, at 1021 East Cary Street, Suite 1850, Richmond, Virginia 23219 (Attention: Corporate Trust). A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given under this Financing Lease by the Authority or the City to the other will also be given to the Trustee. The Authority, the City, and the Trustee may, by notice given under this Financing Lease, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests, opinions or other communications are to be sent. Any party may provide notice by Electronic Means with Digital Signatures, as provided in Section 15.5 of the Indenture.

Section 12.8 Liability of Authority. Notwithstanding any provision of the Bonds or the Basic Documents to the contrary, the obligations of the Authority under the Bonds and the Basic Documents are not general obligations of the Authority, but are limited obligations payable solely from the revenues which are specifically pledged for such purpose. Neither the Bonds nor the Basic Documents will be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the City, and neither the Commonwealth nor any political subdivision thereof, including the Authority, is obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the special funds pledged therefor and the property pledged or mortgaged therefor.

Section 12.9 Attorney's Fees. Except as may be otherwise set forth herein, attorneys' fees shall not necessarily be recoverable by the prevailing party in the event this Financing Lease is subject to litigation.

Section 12.10 Trustee as Third Party Beneficiary. To the extent that this Financing Lease confers upon or gives or grants to the Trustee any right, remedy or claim under or by reason of this Financing Lease, the Trustee is recognized as a third party beneficiary of this Financing Lease and may enforce any such right, remedy or claim conferred, given or granted hereunder.

[Signature Page Follows]

EXHIBIT A

Description of Real Estate

[TO BE PROVIDED]

EXHIBIT B

Plat Showing Building B

[TO BE PROVIDED]