



Service Authority

Alexander I. Vanegas, Chairman
Paul E. Ruecker, Vice Chairman
Janice R. Carr, Secretary-Treasurer
Joyce P. Eagles, Member
Dr. K. Jack Kooyoomjian, Member
David A. Rutherford, Member
L. Ben Thompson, Member
Eric A. Young, Member

Dean E. Dickey, General Manager
Leslie A. Griffith, Deputy General Manager/CFO

MINUTES OF BOARD OF DIRECTORS MEETING OF MARCH 14, 2013

Board Members Present: Janice R. Carr, Joyce P. Eagles, K. Jack Kooyoomjian, Ph.D., Paul E. Ruecker, L. Ben Thompson, Alexander I. Vanegas, and Eric A. Young

Absent : David A. Rutherford

Staff : Dean E. Dickey, Leslie A. Griffith, Lyle Beefelt, Astrid Nelson, Theresa O'Quinn, Don Pannell, James Pflugshaupt, Keenan Howell, Evelyn Mahieu, Ph.D., Steve Bennett, Ron Tatariw, and Cheryl Leiby

Legal Counsel : Mark Viani

1. WATER ART INVITATIONAL

The winners of the 2013 Water Art Invitational were recognized in the lobby of the Raymond L. Spittle Building prior to the Board meeting.

2. GENERAL MATTERS

Chairman Vanegas called the meeting to order at 7:33 p.m.

a) Consideration of Approval of Minutes of February 14, 2013

Chairman Vanegas called for approval of the Minutes from the February 14, 2013 Board meeting.

Motion: Dr. Kooyoomjian
Second: Mrs. Carr
Ayes : Kooyoomjian, Carr, Eagles, Ruecker, Thompson, Vanegas, Young
Absent: Rutherford

Chairman Vanegas advised that the correction to the December 13, 2012 Minutes regarding the elimination of the words *and construct* from item 3. c) *Issuance of Task Order to Whitman Requardt & Associates (WRA) for Design of the Occoquan Forest Force Main, Water Main and Pumping Station* was not fitting since the words *and construct* were part of the resolution that was adopted. The original version of the December 13, 2012 Minutes prevails. Chairman Vanegas asked that the December 13, 2012 Minutes be amended by reinserting the

words *and construct* into the Minutes in item 3. c) *Issuance of Task Order to Whitman Requardt & Associates (WRA) for Design of the Occoquan Forest Force Main, Water Main and Pumping Station.*

Motion: Mr. Young moved to amend the December 13, 2012 Minutes back to the original version.
Second: Mr. Ruecker
Ayes : Young, Ruecker, Carr, Kooyoomjian, Thompson, Vanegas
Abstention: Eagles
Absent: Rutherford

b) Consideration of Announcements by Staff

Mr. Dickey advised that the Board material for the proposed lease for the Neabsco Treatment Plant Site Action Matter was sent late by email to the Board of Directors, and an Amended Agenda was at the Board Members places reflecting the addition of the Neabsco Treatment Plant Site to the March 14, 2013 agenda.

Chairman Vanegas called for a motion to approve the Amended Agenda for the March 14, 2013 Board meeting.

Motion: Mrs. Eagles moved to approve the Amended Agenda.
Second: Mr. Young
Ayes : Eagles, Young, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas
Absent: Rutherford

Mr. Dickey further advised that a hard copy of the Neabsco Treatment Plant Site Action Matter and a corrected page 2 of the cover memorandum for Action Matter 4. b) *Issuance of a Task Order for Construction Services in conjunction with the Gainesville Water Booster Pumping Station*, and an events flyer listing the Regional Science Fair on Saturday, March 16, 2013 at the Kelly Leadership Center at which the Service Authority will participate, and the Marumsco Creek Cleanup also on Saturday, March 16 was at the Board Members' places.

Mr. Dickey wished happy birthday to Dr. Kooyoomjian whose birthday is April 5.

c) Citizens' Time

No citizens wished to speak.

3. COMMENDATIONS

- a) Rapheal B. Caire
- b) Richard D. Visger

Messrs. Caire and Visger were not in attendance. Mr. Dickey asked the Board of Directors to approve the resolutions commending Messrs. Caire and Visger, respectively.

Motion: Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Rapheal B. Caire for his dedicated service to the customers of the Prince William County Service Authority and the citizens of Prince William County, and expresses best wishes for happiness in his retirement.

Mrs. Eagles also moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Richard D. Visger for his dedicated service to the customers of the Prince William County Service Authority and the citizens of Prince William County, and expresses best wishes for happiness in his retirement.

Second: Mr. Young

Ayes : Eagles, Young, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas
Absent: Rutherford

4. ACTION MATTERS

a) Approval of Construction Contract for the Gainesville Water Booster Pumping Station

Mr. Dickey asked that the Board of Directors consider Action Matter 4. b) at the same time as Action Matter 4. a) since they are both part of the same project.

Mr. Dickey requested that the Board of Directors approve the construction contract as this is a very critical project for the Service Authority and its customers in the western part of the County. Service Authority staff has been operating a temporary pump station there for several years. Mr. Dickey also asked the Board of Directors to approve the resolution for the construction administrative services for this project, noting that the construction administration costs are very reasonable.

Chairman Vanegas called for a motion to approve the construction contract for the Gainesville Water Booster Pumping Station.

Motion: Mrs. Eagles moved that the Prince William County Service Authority Board of Directors does hereby authorize the General Manager to execute an agreement with American Contracting & Environmental Services, Inc. of Clarksville, Maryland for construction of the Gainesville Water Booster Pumping Station in the amount of \$2,929,000, plus a 5 percent contingency, for a total authorization not to exceed \$3,075,450.

Second: Mrs. Carr

b) Issuance of Task Order for Construction Services in conjunction with the Gainesville Water Booster Pumping Station

Chairman Vanegas called for a motion to approve the Issuance of a Task Order for Construction Services in conjunction with the Gainesville Water Booster Pumping Station.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby authorize the General Manager to issue a Task Order to Hazen and Sawyer, P.C. for engineering services during construction of the Gainesville Tank Water Booster Pumping Station in the amount of \$285,000, plus a ten percent contingency of \$28,500, for a total authorization not to exceed \$313,500.

Second: Mrs. Carr

A discussion followed on the size of the water booster pumping station, how often a demand analysis is conducted, future projections, odd/even irrigation schedules, the involvement of a design/builder, and maintaining the integrity of the water storage tank.

Chairman Vanegas called for a vote to approve the construction contract for the Gainesville Water Booster Pumping Station.

Ayes: Eagles, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas, Young
Absent: Rutherford

Chairman Vanegas called for a vote to approve issuing a task order for construction services in conjunction with the construction of the Gainesville Water Booster Pumping Station.

Ayes : Ruecker, Carr, Eagles, Kooyoomjian, Thompson, Vanegas, Young
Absent: Rutherford

c) Refunding and Redemption of Service Authority Debt

Mr. Dickey introduced this Action Matter stating that the Service Authority has an opportunity to save money by refunding its 2005 bonds and redeeming its Series 2003 bonds. The refunding could save the Service Authority up to \$300,000 or more a year for the next 22 years. The redemption could save the Service Authority \$1.5 million per year.

Mr. Beefelt presented the rationale for the proposed bond refunding and redemption.

Mr. Dickey recommended the Board of Directors approve the resolution authorizing the refunding and redemption of a portion of the Service Authority's bonds and associated financing documents.

Motion: Mr. Ruecker moved that the Prince William County Service Authority Board of Directors does hereby 1) authorize the issuance, sale and award of up to \$55,000,000 of refunding revenue bonds of the Authority, 2) the refunding and redemption of all or a portion of certain outstanding bonds of the Authority and 3) setting forth the form, details and provisions for the payment thereof.

Second: Mrs. Eagles

A discussion was held on whether the new bonds would have coupons, when the bond sale is slated to occur, and the amount of the underwriting fee.

Ayes: Ruecker, Eagles, Carr, Kooyoomjian, Thompson, Vanegas, Young

Absent: Rutherford

d) Naming the North Wing Expansion

Mr. Dickey presented the matter of naming the North Wing Expansion to the Raymond L. Spittle Building in honor of Mr. John W. Sloper. Mr. Dickey requested that the Board of Directors approve the resolution before them naming the North Wing Expansion of the Raymond L. Spittle Building after Mr. Sloper, former general manager of the Service Authority.

Motion: Mrs. Eagles moved that in commemoration of Mr. Sloper's long and distinguished career, his dedicated service and significant contributions to the Service Authority, its customers, and the citizens of Prince William County, the Prince William County Service Authority Board of Directors does hereby name the North Wing Expansion to the Raymond L. Spittle Building, *the John W. Sloper Wing*.

Second: Mrs. Carr

A discussion was held. Mr. Dickey advised he will invite Mr. Sloper to a future Board meeting and dinner with the Board of Directors, followed by a small ceremony.

Ayes : Eagles, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas, Young

Absent: Rutherford

e) Approval of Lease Agreement between Prince William County Service Authority and Prince William County for the Neabsco Treatment Plant Site

Mr. Dickey asked that the Board of Directors approve the proposed lease for the Neabsco Treatment Plant property between the Prince William County Service Authority and Prince William County. Mr. Dickey advised that the lease is beneficial to both parties and that it is a way to use the Service Authority's property to benefit the citizens of the County. The current lease expires at the end of June. Mr. Dickey will sign the lease upon approval by the Board of Directors.

- Motion: Mr. Young moved that the Prince William County Service Authority Board of Directors does hereby approve the attached Deed of Lease made and entered into as of July 1, 2013, by and between the Prince William County Service Authority and the Prince William County Board of Supervisors and authorizes the General Manager to execute the lease on behalf of the Service Authority.
- Second: Mrs. Eagles

A discussion was held about Parcel C. Mr. Dickey advised that the lease expires in 20 years except for Parcel C which may be needed sooner for Service Authority use. Further discussion followed concerning the timeframe of future needs and reminding the County that the Service Authority may need Parcel C at a future date.

- Ayes : Young, Eagles, Carr, Kooyoomjian, Ruecker, Thompson, Vanegas
Absent: Rutherford

4. GENERAL MANAGER'S REPORT

a) Water Art Invitational (Invitational)—Mr. Dickey thanked everyone involved with the Water Art Invitational, especially the sponsors. There were more sponsors this year than ever before; no Service Authority funds were used for this event. Mr. Dickey thanked Mrs. Amy Brush and everyone who assisted in making this year's Water Art Invitational a success.

b) Plant Tours—Mr. Dickey advised that the Board of Directors requested a tour of the H. L. Mooney Advanced Water Reclamation Facility (AWRF) and the Frederick P. Griffith, Jr. Water Treatment Plant. Mr. Dickey advised that both plants could be toured on the same day with lunch in between the tours. Mr. Dickey further advised that a tour of the H. L. Mooney AWRP could be scheduled with Mr. Steve Bennett and his staff for anyone who would not be available to take the tour with the rest of the Board Members.

Mr. Dickey provided several potential dates for a tour. After some discussion it was decided that Friday, March 29 would be the best day to tour both plants.

c) Occoquan Forest Comprehensive Plan Amendment—Mr. Dickey advised the Board Members that it is necessary to request a Comprehensive Plan Amendment for the Occoquan Forest Water Reclamation Facility property to replan the site to change it from PL, Public Land to SRR, Suburban Residential Rural and ER, Environmental Resource. Mr. Dickey would like to send the Comprehensive Plan Amendment request for the Occoquan Forest Water Reclamation Facility property to the County after the Service Authority's April Board meeting.

Mr. Dickey advised he would provide the draft application to the Board of Directors to be considered for approval at the April Board meeting.

d) Collecting Customer Deposits—Mr. Dickey advised that the Board of Directors by resolution approved the taking of deposits and giving the General Manager authority to make changes as he deemed appropriate. The Service Authority currently collects a three-month deposit for tenant accounts. Staff has conducted an analysis and the deposits collected cover the cost of the liens. Mr. Dickey stated that curtailing the collection of the Owner Authorization Forms would save the Authority administrative costs and substantially reduce customer inconvenience. Mr. Dickey stated that the Service Authority would have the ability to return to exercising its lien rights should it need to reinstate the requirement of the Owner Authorization Forms.

A discussion was held and the consensus of the Board of Directors was that staff would just collect deposits for a year and not require signed Owner Authorization Forms for tenant accounts. At the end of the year, an analysis would be conducted and staff would report to the Board of Directors on the outcomes.

Further discussion was held about the number of outstanding/unsigned Owner Authorization Forms and how the Service Authority staff pursues the receipt of the signed Owner Authorization Forms.

Mr. Viani verified that there are no legal implications if the Service Authority chooses not to use the Owner Authorization Form.

Mr. Dickey commended Ms. Griffith, Mrs. Nelson and Mr. Beefelt for the tremendous work they have done preparing the necessary documents and information for the refunding and redemption of the bonds.

5. ATTORNEY'S TIME

Mr. Viani stated that the Water Art Invitational was a great event.

6. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Chairman Vanegas thanked Mr. Viani for encouraging his firm to increase its contribution to the Water Art Invitational this year.

Chairman Vanegas also thanked Ms. Griffith, Mrs. Nelson and Mr. Beefelt for their work on the refunding and redemption of the bonds.

Chairman Vanegas thanked Mr. Howell, his staff, and the Board Members who helped make this year's Water Art Invitational a success.

Dr. Kooyoomjian was very complimentary of this year's Water Art Invitational and thanked everyone involved.

Dr. Kooyoomjian advised that he is serving as an organizational judge for the Federal Water Quality Association at the Prince William-Manassas Regional Science Fair on Saturday, March 16. Dr. Kooyoomjian thanked and complimented Mr. Ron Tatariw for his presentation at the Occoquan Town Council meeting recently regarding the generator for the new sewage pump station.

Dr. Kooyoomjian also thanked staff for their assistance with the Gazebo Court customer issue and their professionalism in working with the customer. Also, Dr. Kooyoomjian complimented Mr. Steve Clark and Mr. Andy Higginbotham for their presentation at the Virginia Water Environment Association's Northern Virginia Regional Committee (NVRC) meeting recently; it was well done. Dr. Kooyoomjian provided flyers for the next NVRC meeting and the Federal Water Quality Association March luncheon. (These flyers were sent to senior staff members after the Board meeting.)

Dr. Kooyoomjian added that the Occoquan Forest Owners Association is interested in the plant site becoming open space.

Mr. Thompson was complimentary of the Water Art Invitational and thanked everyone involved.

Mrs. Eagles thanked Mrs. Amy Brush and Mr. Keenan Howell for the Water Art Invitational and stated it was a pleasure to work with them.

Mrs. Eagles added that a Request for Proposal (RFP) is being sent out tomorrow for a new auditor.

Mrs. Carr commended Mrs. Brush and Mr. Howell for the very successful Water Art Invitational.

Mr. Ruecker commended Mr. Howell for advertising the Marumsco Creek Cleanup. He stated that Supervisor Principi and the Conservation Committee thanked the Service Authority for the advertising.

Mr. Ruecker thanked Ms. Griffith, Mrs. Nelson and Mr. Beefelt for their hard work in compiling the refunding/redemption package.

Mr. Ruecker asked about the status of the Supervisory Control and Data Acquisition (SCADA) contract. Mr. Dickey advised that staff is in the process of selecting a design/builder. The Service Authority plans to make a selection by June and begin negotiating the contract in June.

Mr. Dickey provided an update on the rate study. He advised that once a rate study contract is approved by the Board of Directors, staff would like input from the Board of Directors relative to the commercial customers.

Mr. Young commended staff for the work they had accomplished regarding the bond refunding and redemption, and thanked them for capitalizing on the opportunity.

Mr. Young advised that the Occoquan River Cleanup is April 13, 2013, hosted by the Prince William Trails and Streams Coalition. Mr. Young invited all those interested to join him on April 13.

Chairman Vanegas reported that he recently had the pleasure of attending a leadership class with Service Authority staff. The Service Authority was well represented. Ms. Griffith noted that the Service Authority is planning to have that training at the Service Authority's training center in October. A discussion was held concerning the length of the training and inviting Board Members to attend.

7. ADMINISTRATIVE REPORTS

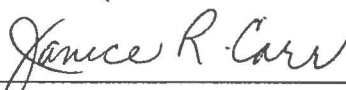
Chairman Vanegas asked that any Board Member who may have questions on the Administrative Reports, to please provide that information to Mr. Dickey for dissemination to the appropriate staff member.

8. CLOSED MEETING

There was no need for a closed meeting.

9. ADJOURNMENT

Motion: Mr. Ruecker moved to adjourn the meeting at 8:35 p.m.
Second: Mrs. Carr



Janice R. Carr
Secretary-Treasurer

DEED OF LEASE

THIS DEED OF LEASE made and entered into as of this 1st day of July, 2013, by and between the PRINCE WILLIAM COUNTY SERVICE AUTHORITY, a body corporate and politic, its successors and assigns (the "Lessor"), and the PRINCE WILLIAM COUNTY BOARD OF SUPERVISORS, a body corporate and politic, its successors and assigns (the "Lessee").

WITNESSETH

- A. PREMISES.** In consideration of the rents hereinafter reserved, and all of the terms, conditions, covenants and agreements hereinafter contained, Lessor does hereby lease and demise to Lessee, and Lessee hereby hires and takes from Lessor, that certain piece or parcel of land, located in Prince William County, Virginia, containing approximately 14.2 acres (the "Premises"), as more particularly described as "Lot/Parcel A, C, and D" (as identified on the map attached as Exhibit A).
- B. TERM.** Parcels A and D are demised for a term of twenty (20) years commencing July 1, 2013 and continuing through June 30, 2033 (the "Initial Parcels A and D Term"). Upon written agreement by the Lessor and Lessee, executed not less than one (1) year prior to the expiration of the Initial Parcel A and D Term, Lessee may extend its lease of Parcels A and D for an additional twenty (20) year term, commencing immediately after the expiration of the Initial Parcels A and D Term (the "Additional Parcel A and D term"). Parcel C is demised for a term of one (1) year commencing July 1, 2013 and continuing through June 30, 2014 (the "Parcel C Term"). The Parcel C Term will automatically renew annually for another one year term unless terminated by either party, in writing, delivered to the other party any time prior to seven (7) days before the expiration of the then current term. If not otherwise terminated earlier, the Parcel C Term will automatically terminate on June 30, 2033. Lessee may not sublet or assign its leasehold in the Premises, or any portion thereof, without Lessor's prior written approval.
- C. RENT.** Lessee shall pay to Lessor a fixed annual rent of One Dollar (\$1.00) payable due on the first day of the Initial Parcel A and D term, the Additional Parcel A and D Term or the Parcel C Term, as applicable, and on the first day of each subsequent applicable term. All payments of rent shall be made payable to Lessor and mailed to Lessor at: Prince William County Service Authority, Attention: Deputy General Manager, P.O. Box 2266 Woodbridge, Virginia 22195-2266, or delivered to Lessor at 4 County Complex Court, Prince William, Virginia.
- D. USE OF PREMISES.** The Premises shall be used by Lessee solely for active and passive recreational facilities, including football, baseball, basketball, softball, volleyball and soccer games, trails, nature walks, kite-flying and bicycling, and other purposes as approved by the Lessor, in writing. Lessor will cooperate, at no cost to itself, with Lessee in obtaining any permits necessary to construct such recreational facilities or to permit the Premises to be used for the uses set forth above. Motorcycles, all-terrain vehicles, off-road vehicles, and any other types of motorized vehicles are strictly prohibited, except for maintenance of the area.

- E. LESSOR'S RESERVATIONS.** In addition to its other rights, Lessor reserves the right (i) to dedicate, grant and/or convey any portion(s) of the Premises for right-of-way for road improvements, conveyance of permanent or temporary utility easements, or other public improvements, (ii) to install, erect, use, maintain and repair mains, pipes, conduits and other such facilities on or under the Premises which serve the Lessor's Property and facilities; and (iii) to utilize the maintenance roads running along both sides of Parcels C and D to the rear of Parcel B. Further, Lessor reserves the right to utilize the Premises or a portion thereof, as necessary, for the construction, reconstruction, expansion, relocation, inspection, maintenance and repair of the Neabsco Pumping Station. However, Lessor will work with Lessee so that any such conveyances or improvements which may be necessary will have the least possible impact on Lessee's use of the Premises and to minimize interference with the use of facilities which have been constructed by Lessee on the Premises prior to such conveyances or improvements. If Lessor's activities (pursuant to this Section E) are likely to materially or detrimentally impact Lessee's intended use of the Premises, Lessor shall notify Lessee in writing ninety (90) days prior to exercising its rights hereunder. If, within thirty (30) days of the date of Lessor's notice, Lessee, in its sole discretion, determines that the actions for which Lessor provided notice will materially or detrimentally impact Lessee's use of the Premises or unacceptably increase Lessee's potential liability, Lessee shall have the right to terminate this Lease by delivery of a notice of termination to the Lessor not later than sixty (60) days after the date of Lessor's notice and not earlier than 25 days before Lessee's intended date of termination. Alternatively, the parties may amend this Lease, in writing, to provide for the Lessee's continued use of the Premises or a portion thereof under such revised arrangements as the parties may agree. If the Lessor, in its sole reasonable discretion, determines that an emergency exists, it may immediately use the Premises or a portion thereof for a public use related to the emergency, and the above-noted advance written notice requirement shall not apply. In this case, Lessor shall take reasonable steps to provide notice of its actions to Lessee.
- F. IMPROVEMENTS BY LESSEE.** Subject to Lessor's prior written approval, Lessee, at its sole expense, may make improvements to the Premises throughout the term of this Lease, provided the same do not impair the value of the Premises or the operation of Lessor's facilities and such improvements are limited to grading, seeding, and the installation of fencing, lighting, gravel and/or pavement, and other similar items appropriate for Lessee's intended purposes. All improvements made by Lessee shall be made in compliance with all applicable laws, ordinances and governmental regulations. Lessee shall discharge any mechanic's liens filed against the Premises as a result of labor or materials provided to Lessee for improvements to the Premises within thirty (30) days after Lessee shall receive notice of such lien.
- G. LESSEE'S PERSONAL PROPERTY.** Lessee shall remove all fencing, lights, fixtures, and other personal property which it owns or has installed on the Premises within ninety (90) days of the termination of this Lease. Subject to Lessor's written approval, any pavement or other improvement installed by Lessee need not be removed.
- H. UTILITIES.** Lessee shall be solely responsible for all costs associated with the installation, delivery, use and termination and removal of electricity and any other utilities furnished to

the Premises and utilized by Lessee. Lessor shall reasonably cooperate in the granting of any easement which may be reasonably necessary to permit the delivery of utility service to the Premises, the location of such easements to be subject to Lessor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed.

I. INSURANCE. Lessee acknowledges that it has general liability insurance of up to Five Hundred Thousand Dollars (\$500,000.00) in combined limit coverage through the Prince William Self-Insurance Group and that it has excess general liability coverage of up to Five Million Dollars (\$5,000,000.00) in combined limit coverage. Lessor shall be named as an additional insured on both policies to the extent of any and all vicarious liability but not for independent negligent acts or omissions of Lessor. Certificates of insurance shall be provided by Lessee. From time to time, Lessor may reasonably require Lessee to increase its amount and scope of its insurance coverage.

J. MAINTENANCE. Lessee shall repair and maintain the Premises and all improvements on the Premises in good and safe condition; such responsibilities include, but are not limited to, regular mowing of all fields and land areas, provision of trash receptacles and refuse removal, removal of fallen branches and trees.

K. NOTICES. Notices required to be sent pursuant to the provisions hereof shall be in writing and shall be deemed duly given if delivered in person or upon receipt or refusal by registered or certified U.S. Mail, return receipt requested, first class, postage prepaid, and addressed as follows:

1. To Lessor: If in person:
Prince William County Service Authority
Attn: Deputy General Manager
4 County Complex Court,
Prince William, Virginia, 22192

If by registered or certified US Mail:
Prince William County Service Authority
Attn: Deputy General Manager
P.O. Box 2266
Woodbridge, Virginia 22195-2266

With a copy to: McGuire Woods, LLP Attn: Mark M. Viani, Esq.
1750 Tysons Boulevard, Suite 1800
McLean, Virginia 22102

2. To Lessee: Prince William County Parks and Recreation
Attn: Director
14420 Bristow Road
Manassas, Virginia 20112

- L. INDEMNITY.** To the extent permitted by law, Lessee shall protect, indemnify, defend and hold harmless Lessor from and against all losses, costs, damages, penalties, judgments, expenses and liabilities, including, without limitation, reasonable attorney's fees, which Lessor may incur or pay out by reason of (i) any accidents, damages or injuries to persons or property occurring in, on or about the Premises during the term of this Lease, as a result of any act, omission or negligence on the part of the Lessee and/or its employees, agents, contractors, guests and/or invitees, (ii) any accidents, damages or injuries to persons or property occurring in, on or about the Lessor's Property, as a result of any act, omission or negligence on the part of the Lessee and/or invitees, during the term of this Lease, (iii) any breach or default hereunder on Lessee's part, (iv) any work done on or to the Premises by or at the direction of Lessee during the term of this Lease, or (v) any act, omission or negligence on the part of Lessee and/or its employees, agents, contractors, guests, and/or invitees, or any person claiming through or under Lessee during the term of this Lease. Notwithstanding the foregoing, Lessee shall not be obligated to indemnify and hold harmless Lessor from any losses, costs, damages, penalties, judgments, expenses or liabilities to the extent such matter arises out of or results from the negligent acts or omissions or willful misconduct of Lessor, its employees, agents, contractors, guests or invitees. Lessee acknowledges that Lessor has no responsibility for and no supervision of Lessee's activities on the Premises or Property.
- M. CONDEMNATION.** If the Premises, or so much of such land that Lessee cannot reasonably continue to use the Premises, shall be taken or condemned for public use under the exercise or threat of the exercise of the power of eminent domain, then Lessee shall have the right to terminate this Lease by giving written notice to Lessor, effective on the date of transfer of title to the condemning authority. Regardless of whether or not this Lease is terminated by Lessee as a result of condemnation or taking, any and all condemnation award(s) shall be paid to Lessor.
- N. DEFAULT.** If Lessee (a) shall fail to pay the rent when due and shall fail to pay the same within ten (10) days after receipt of written notice thereof from Lessor, or (b) shall fail promptly to perform any of the other covenants and agreements in this Lease on its part to be done and performed, and shall fail to cure the same after ten (10) days' notice in writing to Lessee by Lessor, or if such breach cannot reasonably be cured within such period, if Lessee shall fail to commence and diligently pursue the cure of such breach within such ten (10) day period, then Lessee shall be in default and this Lease may, at the option of Lessor, be terminated as though it were the end of the term by issuance of a notice of termination to the Lessee and Lessor shall have the right at any time thereafter, after issuance of such notice of termination, to re-enter and possess the Premises.
- O. NON-DISTURBANCE.** Lessor shall request, from any lender currently having a lien against the Premises, a nondisturbance agreement in form and substance reasonably acceptable to Lessee to the effect that so long as Lessee is not in default hereunder, after the expiration of all applicable cure periods, the Liens shall not disturb this Lease, or Lessee's use or occupancy hereunder. Lessee shall subordinate this Lease to the lien of any deed of trust subsequent to this Lease, upon condition that the Lessor shall request that the party secured by such deed of trust shall provide a non-disturbance agreement as described above.

- P. BINDING EFFECT.** The provisions contained in this Lease shall bind and inure to the benefit of the Lessor, Lessee and their respective successors and assigns.
- Q. INVALIDITY OF PARTICULAR PROVISIONS.** If any provisions of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such provision to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected thereby, and each provision of this Lease shall be valid and be enforced to the full extent permitted by law.
- R. HEADINGS.** Captions and headings are for convenience of reference only.
- S. RECORDATION OF LEASE.** Lessee shall, at the request of Lessor, execute and deliver a memorandum of lease in recordable form. Lessee shall not record such a memorandum or this Lease without Lessor's written consent. If Lessee requests recordation of a memorandum of this Lease, Lessee shall be obligated to pay all costs, fees and taxes, if any, associated with such recordation.
- T. GOVERNING LAW.** This Lease and the performance thereof shall be interpreted and governed by the laws of the Commonwealth of Virginia.
- U. ENTIRE AGREEMENT.** This Lease contains the entire agreement between the parties. No oral statement or prior agreement shall have any effect. This Lease shall not be modified or amended except by writing signed by all the parties.

IN WITNESS WHEREOF, the parties have hereunto, in Duplicate Original, set their hands and seals as of the date set forth above.

LESSOR:

PRINCE WILLIAM COUNTY SERVICE AUTHORITY

By:

Name: _____

Title: General Manager

LESSEE:

PRINCE WILLIAM COUNTY BOARD OF SUPERVISORS

By:

Name: _____

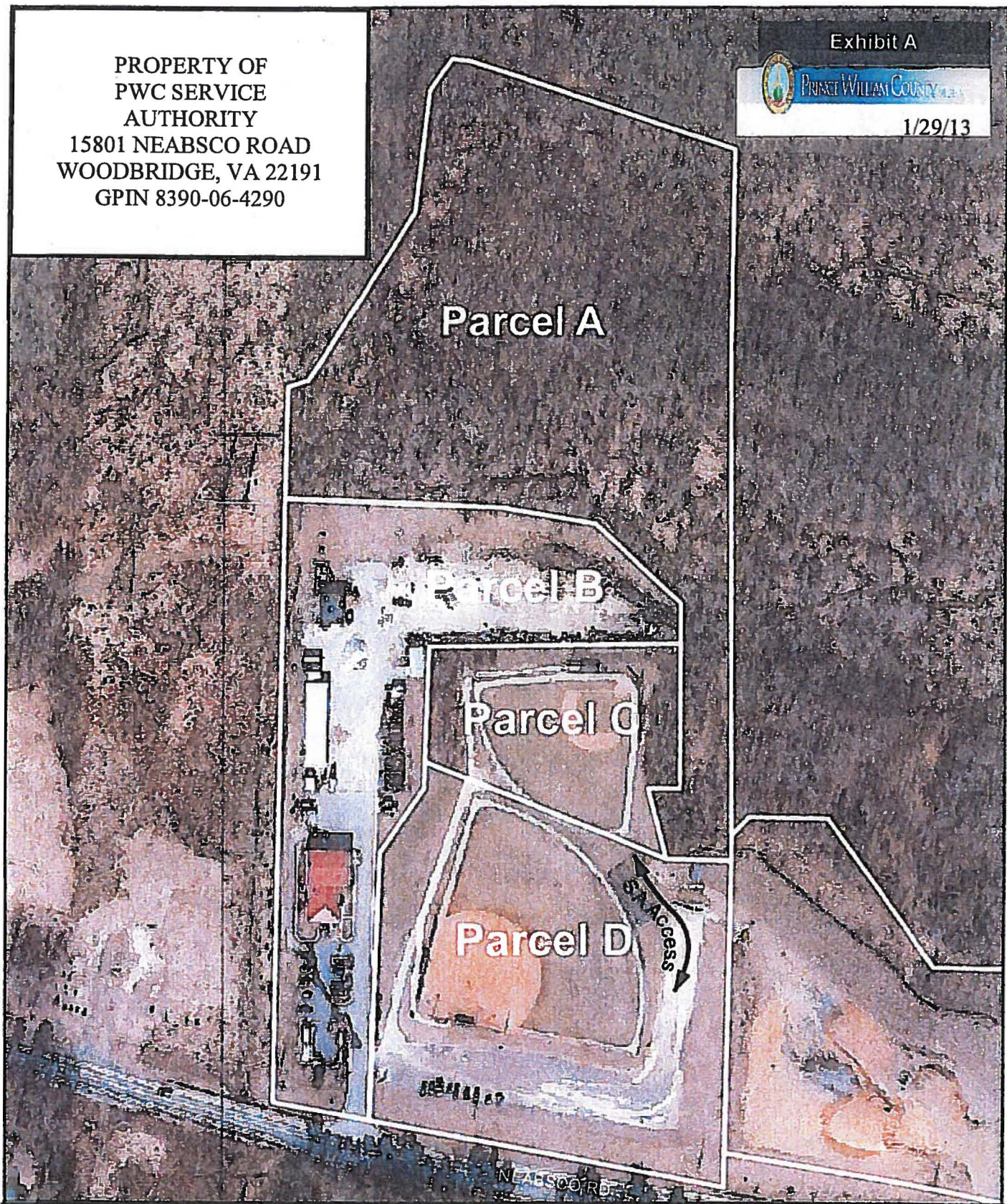
Title: Chairman

PROPERTY OF
 PWC SERVICE
 AUTHORITY
 15801 NEABSCO ROAD
 WOODBRIDGE, VA 22191
 GPIN 8390-06-4290

Exhibit A



1/29/13



Parcel A Proposed PWC Lease Area Acres: 7.6	Parcel B Existing SA Facilities Acres: 4.4	Parcel C Future SA Facilities 1 Year Term Acres: 1.6	Parcel D Proposed PWC Area 20 Year Term Acres: 5.0
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