

SECOND SUPPLEMENTAL AGREEMENT OF TRUST

between

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

Dated as of _____, 2018

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THIS SECOND SUPPLEMENTAL AGREEMENT OF TRUST dated as of _____, 2018, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the “Authority”), and **WILMINGTON TRUST, NATIONAL ASSOCIATION**, a national banking association, having a corporate trust office in Richmond, Virginia, as trustee (in such capacity, together with any successor in such capacity, herein called the “Trustee”), provides:

WHEREAS, the Authority and the Trustee have entered into an Agreement of Trust dated as of June 1, 2016 (the “Master Agreement of Trust”), pursuant to which the Authority has agreed to issue from time to time public facility revenue bonds or notes and use the proceeds thereof to finance and refinance costs incurred in connection with certain Projects (as hereinafter defined) for the benefit of James City County, Virginia (the “County”); and

WHEREAS, in compliance with the Master Agreement of Trust and pursuant to the terms of a First Supplemental Agreement of Trust dated as of June 1, 2016 (the “First Supplemental Trust Agreement”), the County requested the Authority to issue a series of public facility revenue bonds in the aggregate principal amount of \$26,750,000 (the “Series 2016 Bonds”) to finance the costs of the Series 2016 Project (as defined in the First Supplemental Trust Agreement); and

WHEREAS, at the request of the County, the Authority has determined to issue an additional Series of Bonds under the Master Agreement of Trust in the original aggregate principal amount of \$_____ (as further described herein, the “Series 2018 Bonds”), the proceeds of which will be loaned to the County (a) to refund the outstanding principal balance of the Series 2009 Bonds (as defined herein), (b) to finance the Series 2018 Project (as defined herein) and (c) to pay the financing and issuance costs related thereto; and

WHEREAS, the Authority has agreed to issue the Series 2018 Bonds, secured by a pledge of the revenues and receipts derived from a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018 (collectively, the “Financing Agreement”), between the Authority and the County, and the County has undertaken, subject to the appropriation by the County Board of Supervisors from time to time of sufficient amounts for such purposes, to make basic payments that will be sufficient to pay the principal of and premium, if any, and interest on the Series 2016 Bonds and the Series 2018 Bonds, as the same shall become due; and

WHEREAS, the Authority has determined to secure the Series 2018 Bonds in addition by an assignment of the Authority’s rights under (a) a Deed and Agreement of Ground Lease dated as of _____, 2018, between the County and the Authority and (b) a Deed and Agreement of Financing Lease dated as of _____, 2018, between the Authority and the County (except the rights to receive payment of the fees and expenses of the Authority, to receive indemnification and to receive notices), to the Trustee for the benefit of the Series 2018 Bondholders, all pursuant to the terms of an Assignment Agreement dated as of _____, 2018, between the Authority and the Trustee.

WHEREAS, the Authority has taken all necessary action to make the Series 2018 Bonds, when authenticated by the Trustee and issued by the Authority, valid and binding limited

obligations of the Authority and to constitute this Second Supplemental Trust Agreement a valid and binding agreement authorizing and providing for the details of the Series 2018 Bonds;

NOW THEREFORE, in consideration of the premises and the mutual covenants and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I

SECOND SUPPLEMENTAL TRUST AGREEMENT

Section 2.101 Authorization of Second Supplemental Trust Agreement.

This Second Supplemental Trust Agreement is authorized and executed by the Authority and delivered to the Trustee pursuant to and in accordance with Articles III and X of the Master Agreement of Trust. All terms, covenants, conditions and agreements of the Master Agreement of Trust shall apply with full force and effect to the Series 2018 Bonds and to the holders thereof, except as otherwise provided in this Second Supplemental Trust Agreement.

Section 2.102 Definitions.

Except as otherwise defined in this Second Supplemental Trust Agreement, words defined in the Master Agreement of Trust are used in this Second Supplemental Trust Agreement with the meanings assigned to them in the Master Agreement of Trust. In addition, the following words shall have the following meanings unless a different meaning clearly appears from the context:

“Closing Date” shall mean _____, 2018.

“Escrow Agent” shall mean Regions Bank, as escrow agent and as trustee for the Series 2009 Bonds pursuant to the terms of an Escrow Agreement dated _____, 2018, with the Authority.

“Escrow Fund” shall mean the Escrow Fund established pursuant to the terms of an Escrow Agreement dated _____, 2018, between the Authority and Regions Bank, as escrow agent and trustee for the Series 2009 Bonds.

“First Supplemental Trust Agreement” shall mean the First Supplemental Agreement of Trust dated as of June 1, 2016, between the Authority and the Trustee, which supplements and amends the Master Agreement of Trust, including any supplements, amendments or modifications to the First Supplemental Trust Agreement as the parties may undertake.

“Letter of Representations” shall mean the Blanket Letter of Representations dated May 29, 2013, from the Authority to the Securities Depository and any amendments thereto or successor agreements between the Authority and any successor Securities Depository with respect to the Series 2018 Bonds. Notwithstanding any provision of the Master Agreement of Trust, including Article X regarding amendments, the Trustee may enter into any such amendment or successor agreement without the consent of Bondholders.

“Second Supplemental Trust Agreement” shall mean this Second Supplemental Agreement of Trust between the Authority and the Trustee, which supplements and amends the Master Agreement of Trust, including any supplements, amendments or modifications to the Second Supplemental Trust Agreement as the parties may undertake.

“Securities Depository” shall mean The Depository Trust Company, a corporation organized and existing under the laws of the State of New York, and any other securities depository for the Series 2018 Bonds appointed pursuant to Section 1.204, and their successors.

“Series 2009 Bonds” shall mean the Authority’s \$14,935,000 Taxable Lease Revenue Bonds (County Government Project), Series 2009 Build America Bonds.

“Series 2016 Bonds” shall mean the Authority’s \$26,750,000 Public Facility Revenue Bonds (James City County School Project), Series 2016, authorized to be issued pursuant to the First Supplemental Trust Agreement.

“Series 2018 Bonds” shall mean the Authority’s \$_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018, authorized to be issued pursuant to this Second Supplemental Trust Agreement.

“Series 2018 Project” shall have the meaning set forth in the First Supplemental Financing Agreement.

“Series 2018 Project Account” shall mean the Series 2018 Project Account established in Section 2.501 of this Second Supplemental Trust Agreement.

Section 2.103 Rules of Construction.

The following rules shall apply to the construction of this Second Supplemental Trust Agreement unless the context otherwise requires:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Words importing the redemption or calling for redemption of Series 2018 Bonds shall not be deemed to refer to or connote the payment of Series 2018 Bonds at their stated maturity.

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Second Supplemental Trust Agreement.

(d) The headings herein and Table of Contents to this Second Supplemental Trust Agreement herein are solely for convenience of reference and shall not constitute a part of this Second Supplemental Trust Agreement nor shall they affect its meaning, construction or effect.

(e) All references herein to payment of Series 2018 Bonds are references to payment of principal of and premium, if any, and interest on the Series 2018 Bonds.

ARTICLE II

AUTHORIZATION, DETAILS AND FORM OF SERIES 2018 BONDS

Section 2.201 Authorization of Series 2018 Bonds and Series 2018 Project.

There are hereby authorized to be issued the Series 2018 Bonds in an aggregate principal amount of \$_____ to (a) refund the outstanding principal balance of the Series 2009 Bonds, (b) finance the Cost of the Series 2018 Project and (c) pay financing and issuance costs related thereto, in accordance with Article IV hereof.

Section 2.202 Details of Series 2018 Bonds.

(a) The 2018 Bonds shall be designated “Public Facility Revenue and Refunding Bonds, Series 2018,” shall be dated the Closing Date, shall be issuable only as fully registered bonds in denominations of \$5,000 and integral multiples thereof and shall be numbered R-1 upward. The 2018 Bonds shall bear interest at rates, payable semiannually on each [June 15] and [December 15], beginning [June 15], 2019, and shall mature in installments on [June 15] in years and amounts, as follows:

Year	Amount	Rate	Year	Amount	Rate
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* Term Bond

(b) Each Series 2018 Bond shall bear interest (a) from its date, if such Series 2018 Bond is authenticated prior to the first interest payment date, or (b) otherwise from the interest payment date that is, or immediately precedes, the date on which such Series 2018 Bond is authenticated; provided, however, that if at the time of authentication of any Series 2018 Bond payment of interest is in default, such Series 2018 Bond shall bear interest from the date to which interest has been paid. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(c) Principal of the Series 2018 Bonds shall be payable to the registered holder(s) upon the surrender of Series 2018 Bonds at the designated corporate trust office of the Trustee in Richmond, Virginia, or such other office as the Trustee may designate in writing, from time to time. Interest on the Series 2018 Bonds shall be payable by check or draft mailed to the registered owners at their addresses as they appear on the registration books kept by the Trustee

on the first day of the month in which each interest payment date occurs; provided, however, if the Series 2018 Bonds are registered in the name of a Securities Depository or its nominee as registered holder or at the option of a registered holder(s) of at least \$1,000,000 of Series 2018 Bonds, payment shall be made by wire transfer pursuant to the wire instructions received by the Trustee from such registered holder(s). Principal and interest shall be payable in lawful money of the United States of America.

Section 2.203 Form of Series 2018 Bonds.

The Series 2018 Bonds shall be in substantially the form set forth in **Exhibit A**, with such appropriate variations, omissions and insertions as are permitted or required by the Master Agreement of Trust and this Second Supplemental Trust Agreement.

Section 2.204 Securities Depository Provisions.

Initially, one certificate for each maturity of the Series 2018 Bonds will be issued and registered to the Securities Depository, or its nominee. The Authority shall enter into a Letter of Representations relating to a book-entry system to be maintained by the Securities Depository with respect to the Series 2018 Bonds.

In the event that (a) the Securities Depository determines not to continue to act as a securities depository for the Series 2018 Bonds by giving notice to the Trustee and the Authority discharging its responsibilities hereunder or (b) the Authority, at the direction of the County, determines (1) that beneficial owners of Series 2018 Bonds shall be able to obtain certificated Series 2018 Bonds or (2) to select a new Securities Depository, then the Trustee shall, at the direction of the Authority, attempt to locate another qualified securities depository to serve as Securities Depository or authenticate and deliver certificated Series 2018 Bonds to the beneficial owners or to the Securities Depository participants on behalf of beneficial owners substantially in the form provided for in **Exhibit A**; provided, however, that such form shall provide for interest on the Series 2018 Bonds to be payable (i) from the Closing Date, if it is authenticated prior to [June 15], 2019, or (ii) otherwise from the [June 15] or [December 15] that is, or immediately precedes, the date on which it is authenticated (unless payment of interest thereon is in default, in which case interest on such Series 2018 Bonds shall be payable from the date to which interest has been paid). In delivering certificated Series 2018 Bonds, the Trustee shall be entitled to rely conclusively on the records of the Securities Depository as to the beneficial owners or the records of the Securities Depository participants acting on behalf of beneficial owners. Such certificated Series 2018 Bonds will be registrable, transferable and exchangeable as set forth in Sections 204 and 205 of the Master Agreement of Trust.

So long as there is a Securities Depository for the Series 2018 Bonds (A) it or its nominee shall be the registered holder(s) of the Series 2018 Bonds, (B) notwithstanding anything to the contrary in this Agreement, determinations of persons entitled to payment of principal and interest, transfers of ownership and exchanges and receipt of notices shall be the responsibility of the Securities Depository and shall be effected pursuant to rules and procedures established by such Securities Depository, (C) the Authority and the Trustee shall not be responsible or liable for maintaining, supervising or reviewing the records maintained by the Securities Depository, its participants or persons acting through such participants, (D) references in this Agreement to

registered holder(s) of the Series 2018 Bonds shall mean such Securities Depository or its nominee and shall not mean the beneficial owners of the Series 2018 Bonds and (E) in the event of any inconsistency between the provisions of this Agreement, other than those set forth in this paragraph and the preceding paragraph, and the provisions of the Letter of Representations such provisions of the Letter of Representations shall control.

Section 2.205 Delivery of Series 2018 Bonds.

The Trustee shall authenticate and deliver the Series 2018 Bonds when there have been filed with or delivered to it all items required by Section 303 of the Master Agreement of Trust.

ARTICLE III

REDEMPTION OF SERIES 2018 BONDS

Section 2.301 Redemption Date and Price.

The Series 2018 Bonds may not be called for redemption by the Authority except as follows:

(a) Optional Redemption. The Series 2018 Bonds maturing on and before [June 15], ____, will not be subject to redemption prior to maturity. The Series 2018 Bonds maturing on and after [June 15], ____, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, on or after [June 15], ____, in whole or in part (in \$5,000 integrals) at any time, upon payment of [100]% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

(b) Mandatory Redemption. The Series 2018 Bonds maturing on [June 15], ____, are required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on [June 15] in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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* Final maturity.

(c) Extraordinary Redemption. The Series 2018 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date for which notice of redemption can be given at the direction of the County, to the extent the County and the School Board elect to apply Net Proceeds to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, pursuant to Section 5.1(b)(2) and Section 5.2(b)(2) of the Financing Lease. In the event of a partial extraordinary optional redemption, an Authorized County Representative may direct the Trustee to redeem as directed by the County, the Series 2018 Bonds (a) from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of Series 2018 Bonds of such maturity bears to the total principal amount of all Series 2018 Bonds issued under this Second

Supplemental Trust Agreement and then outstanding or (b) in inverse order of maturity, and the Trustee shall redeem in accordance with such instructions.

Section 2.302 Selection of Series 2018 Bonds for Redemption.

If less than all of the Series 2018 Bonds are called for optional redemption, the maturities of the Series 2018 Bonds (or portions thereof) to be redeemed shall be selected by the County. If less than all of the Series 2018 Bonds of a maturity are called for optional redemption, the particular Series 2018 Bonds within each maturity to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any Series 2018 Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof. In selecting Series 2018 Bonds for redemption, each Series 2018 Bond shall be considered as representing that number of Series 2018 Bonds which is obtained by dividing the principal amount of such Series 2018 Bond by \$5,000. If a portion of a Series 2018 Bond shall be called for redemption, a new Series 2018 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

Section 2.303 Notice of Redemption.

Notice of redemption of Series 2018 Bonds shall be given in the manner set forth in Section 402 of the Master Agreement of Trust.

ARTICLE IV

APPLICATION OF PROCEEDS OF SERIES 2018 BONDS

Section 2.401 Application of Proceeds of Series 2018 Bonds.

The net proceeds of the Series 2018 Bonds (\$_____) shall be paid as follows: (a) \$_____ to the Trustee for deposit in the Series 2018 Project Account in the Project Fund and (b) to the Escrow Agent for deposit to the Escrow Fund to refund and defease the outstanding principal balance of the Series 2009 Bonds.

ARTICLE V

ESTABLISHMENT OF ACCOUNTS

Section 2.501 Series 2018 Project Account.

There shall be established within the Project Fund a special account entitled "Series 2018 Project Account." The portion of the proceeds of the Series 2018 Bonds specified in Section 2.401(a) shall be deposited in the Series 2018 Project Account. Money in the Series 2018 Project Account shall be used in accordance with the provisions of Section 503 of the Master Agreement of Trust to pay Costs of the Series 2018 Project.

Section 2.502 Debt Service Reserve Fund; No Series Account.

No Series account shall be established in the Debt Service Reserve Fund in connection with the Series 2018 Bonds and no monies in the Debt Service Reserve Fund (if later funded in connection with the issuance of Additional Bonds) shall secure the Series 2018 Bonds.

ARTICLE VI

SECURITY FOR SERIES 2018 BONDS

Section 2.601 Security for Series 2018 Bonds.

(a) The Series 2018 Bonds shall be equally and ratably secured under the Master Agreement of Trust with the outstanding principal balance of the Series 2016 Bonds and any other series issued pursuant to Article III of the Master Agreement of Trust, without preference, priority or distinction of any Bonds over any other Bonds, except as provided in the Master Agreement of Trust.

(b) The Series 2018 Bonds (but not the Series 2016 Bonds) shall be further secured by an assignment of the Authority's rights under (a) a Deed and Agreement of Ground Lease dated as of _____, 2018, between the County and the Authority and (b) a Deed and Agreement of Financing Lease dated as of _____, 2018, between the Authority and the County (except the rights to receive payment of the fees and expenses of the Authority, to receive indemnification and to receive notices), to the Trustee for the benefit of the Series 2018 Bondholders, all pursuant to the terms of an Assignment Agreement dated as of _____, 2018, between the Authority and the Trustee.

(c) The Ground Lease, the Financing Lease and the Assignment Agreement may be amended pursuant to their terms to provide additional security for one or more series of Additional Bonds; provided, however, that such documents may be amended for such purpose only if prior to the issuance of such Additional Bonds, the Trustee receives confirmation that the rating on the Series 2018 Bonds will not be withdrawn, suspended or reduced as a result of such documents being amended to secure such Additional Bonds as well as the Series 2018 Bonds. The Ground Lease, the Financing Lease and the Assignment Agreement may also be amended in the same manner that the Financing Agreement may be amended in accordance with Article X of the Master Agreement of Trust; provided, however, that any consents required of Bondholders by the terms of Section 1004 shall for purposes of the Ground Lease, the Financing Lease and the Assignment Agreement require the consent only of the applicable percentage of the Bondholders whose Bonds are secured by such documents.

(d) Any payments of Basic Rent received by the Trustee pursuant to the terms of the Assignment Agreement shall be deposited to the Bond Fund as a credit against principal of and interest due on the Series 2018 Bonds and any additional Series secured by the Authority's rights under the Assignment Agreement.

ARTICLE VII

MISCELLANEOUS

Section 2.701 Limitations on Use of Proceeds.

The Authority intends that interest on the Series 2018 Bonds shall be excluded from gross income for Federal income tax purposes. The Authority covenants with the holders of the Series 2018 Bonds not to take any action that would adversely affect, and to take all action within its power necessary to maintain, the exclusion of interest on all Series 2018 Bonds from gross income for Federal income taxation purposes.

Section 2.702 Limitation of Rights.

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Second Supplemental Trust Agreement or the Series 2018 Bonds is intended or shall be construed to give to any person other than the parties hereto and the holders of Series 2018 Bonds any legal or equitable right, remedy or claim under or in respect to this Second Supplemental Trust Agreement or any covenants, conditions and agreements herein contained since this Second Supplemental Trust Agreement and all of the covenants, conditions and agreements hereof are intended to be and are for the sole and exclusive benefit of the parties hereto and the holders of Bonds as herein provided.

Section 2.703 Severability.

If any provision of this Second Supplemental Trust Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof and this Second Supplemental Trust Agreement shall be construed and enforced as if such illegal provision had not been contained herein.

Section 2.704 Successors and Assigns.

This Second Supplemental Trust Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 2.705 Applicable Law.

This Second Supplemental Trust Agreement shall be governed by the applicable laws of the Commonwealth of Virginia.

Section 2.706 Counterparts.

This Second Supplemental Trust Agreement may be executed in several counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 2.707 Freedom Act Requirements.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. For a non-individual person such as a business entity, a charity, a trust, or other legal entity, the Trustee may ask for documentation to verify such non-individual person's formation and existence as a legal entity. The Trustee may also ask to see financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Second Supplemental Trust Agreement to be executed in their respective corporate names as of the date first above written.

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

By _____
Chairman

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

By _____
Title _____

Acknowledged and Consented To:

**BOARD OF SUPERVISORS OF
JAMES CITY COUNTY, VIRGINIA,
on behalf of JAMES CITY COUNTY,
VIRGINIA**

By: _____
County Administrator

EXHIBIT A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the issuer or its agent for registration of transfer, exchange, or payment, and any certificate is registered in the name of Cede & Co., or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

REGISTERED

REGISTERED

R-1

\$ _____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

**Public Facility Revenue and Refunding Bond
(County Government Projects),
Series 2018**

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	[June 15], _____	_____, 2018	47030T _____
REGISTERED OWNER: CEDE & CO.			

PRINCIPAL AMOUNT: _____ DOLLARS

The Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), for value received, hereby promises to pay upon surrender hereof at the designated corporate trust office of Wilmington Trust, National Association, Richmond, Virginia, as trustee, or its successor in trust (the "Trustee"), under the Agreement of Trust (as hereinafter defined) solely from the source and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum stated above on the maturity date stated above, subject to prior redemption as hereinafter provided, and to pay, solely from such source, interest hereon on each [June 15] and [December 15], beginning [June 15], 2019, at the annual rate stated above, calculated on the basis of a 360-day year of twelve 30-day months. Interest is payable (a) from the Dated Date, if this bond is authenticated prior to [June 15], 2019, or (b) otherwise from the [June 15] or [December 15] that is, or immediately precedes, the date on which this bond is authenticated (unless payment of interest hereon is in default, in which case this bond shall bear interest from the date to which interest has been paid). Interest is payable by check or draft mailed to the

registered owner hereof at its address as it appears on the 1st day of the month in which an interest payment date occurs on registration books kept by the Trustee; provided, however, that at the option of a registered owner of at least \$1,000,000 of Bonds (as hereinafter defined), payment will be made by wire transfer pursuant to the most recent wire instructions received by the Trustee from such registered owner. If such interest payment date is not a Business Day (as defined in the Agreement of Trust), such payment shall be made on the next succeeding Business Day with the same effect as if made on the day such payment was due and no interest shall accrue hereon. Principal and interest are payable in lawful money of the United States of America.

Notwithstanding any other provision hereof, this bond is subject to book-entry form maintained by The Depository Trust Company ("DTC"), and the payment of principal and interest, the providing of notices and other matters shall be made as described in the Authority's Letter of Representations to DTC.

This bond is one of an issue of \$_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "2018 Bonds"), authorized and issued pursuant to the Virginia Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. The 2018 Bonds are issued under and secured by an Agreement of Trust dated as of June 1, 2016, between the Authority and the Trustee, as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____, 2018 (collectively, the "Agreement of Trust"). [add parity provisions, if necessary] The Agreement of Trust assigns to the Trustee, as security for the 2018 Bonds, (a) the revenues and receipts derived from a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018 (together, the "Financing Agreement"), between the Authority and James City County, Virginia (the "County"), and (b) the Authority's rights under the Financing Agreement (except for the Authority's rights under the Financing Agreement to the payment of certain fees and expenses and the rights to notices).

The 2018 Bonds are also secured by an assignment of the Authority's rights under (i) a Deed and Agreement of Ground Lease dated as of _____, 2018, between the County and the Authority and (ii) a Deed and Agreement of Financing Lease dated as of _____, 2018, between the Authority and the County (except the rights to receive payment of the fees and expenses of the Authority, to receive indemnification and to receive notices), to the Trustee for the benefit of the 2018 Bondholders, all pursuant to the terms of an Assignment Agreement dated as of _____, 2018, between the Authority and the Trustee.

Reference is hereby made to the Agreement of Trust for a description of the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority and the Trustee, the rights of the holders of the 2018 Bonds and the terms upon which the 2018 Bonds are issued and secured. Additional bonds secured by a pledge of revenues and receipts derived from the County under the Financing Agreement on a parity with the 2018 Bonds may be issued under the terms and conditions set forth in the Agreement of Trust. Terms not otherwise defined herein shall have the meaning assigned such terms in the Agreement of Trust.

The 2018 Bonds are issued to (a) refund the outstanding principal balance of the Authority's \$14,935,000 Taxable Lease Revenue Bonds (County Government Project), Series 2009 Build America Bonds, (b) finance [the Series 2018 Project], and (c) pay financing and issuance costs related thereto. Under the Financing Agreement and the Lease Agreement, the County has agreed to make payments that will be sufficient to pay the principal of and interest on the 2018 Bonds as the same shall become due in accordance with their terms and the provisions and the terms of the Agreement of Trust; provided, however, that the obligation of the County to make such payments constitutes a current expense of the County that is subject to appropriation by the County Board of Supervisors from time to time of sufficient monies for such purposes. The obligation of the County to make payments under the Financing Agreement or the Lease Agreement does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments.

THE 2018 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND RECEIPTS DERIVED FROM THE COUNTY RECEIVED BY THE AUTHORITY UNDER THE FINANCING AGREEMENT AND THE LEASE AGREEMENT, AND FROM CERTAIN FUNDS, AND THE INVESTMENT INCOME THEREON, HELD UNDER THE AGREEMENT OF TRUST, WHICH REVENUES, RECEIPTS AND FUNDS HAVE BEEN PLEDGED AND ASSIGNED TO SECURE PAYMENT THEREOF. THE 2018 BONDS AND INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED AND ASSIGNED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE 2018 BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

No covenant, condition or agreement contained herein shall be deemed to be a covenant, agreement or obligation of any present or future director, officer, employee or agent of the Authority in his individual capacity, and neither the Chairman of the Authority nor any officer thereof executing this bond shall be liable personally on the 2018 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The 2018 Bonds may not be called for redemption by the Authority except as provided herein and in the Agreement of Trust.

Optional Redemption. The 2018 Bonds maturing on and before [June 15], ____, will not be subject to redemption prior to maturity. The 2018 Bonds maturing on and after [June 15],

____, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, on or after [June 15], ____, in whole or in part (in \$5,000 integrals) at any time, upon payment of [100]% of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

The 2018 Bonds maturing on [June 15], ____, are required to be redeemed prior to maturity in part upon payment of 100% of the principal amount thereof plus interest accrued to the redemption date on [June 15] in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
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* Final maturity.

Extraordinary Redemption. The 2018 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date for which notice of redemption can be given at the direction of the County, to the extent the County and the School Board elect to apply Net Proceeds to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, pursuant to Section 5.1(b)(2) and Section 5.2(b)(2) of the Financing Lease. In the event of a partial extraordinary optional redemption, an Authorized County Representative may direct the Trustee to redeem as directed by the County, the 2018 Bonds (a) from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of 2018 Bonds of such maturity bears to the total principal amount of all 2018 Bonds issued under this Second Supplemental Trust Agreement and then outstanding or (b) in inverse order of maturity, and the Trustee shall redeem in accordance with such instructions.

If less than all of the 2018 Bonds are called for optional redemption, the maturities of the 2018 Bonds (or portions thereof) to be redeemed shall be selected by the County. If less than all of the 2018 Bonds of a maturity are called for optional redemption, the particular 2018 Bonds within each maturity to be redeemed shall be selected by the Securities Depository or any successor securities depository pursuant to its rules and procedures or, if the book-entry system is discontinued, shall be selected by the Trustee by lot in such manner as the Trustee in its discretion may determine. The portion of any 2018 Bond to be redeemed shall be in the principal amount of \$5,000 or some integral multiple thereof. In selecting 2018 Bonds for redemption, each 2018 Bond shall be considered as representing that number of 2018 Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

If any of the 2018 Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the 2018 Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of the 2018 Bonds. Such notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such

moneys are not so deposited or if the notice is rescinded. Provided funds for their redemption are on deposit at the place of payment on the redemption date, all Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Agreement of Trust and shall not be deemed to be Outstanding under the provisions of the Agreement of Trust. If a portion of this bond shall be called for redemption, a new bond in principal amount equal to the unredeemed portion hereof will be issued to DTC or its nominee upon surrender hereof, or if the book-entry system is discontinued, to the registered owners of the 2018 Bonds.

The registered owner of this bond shall have no right to enforce the provisions of the Agreement of Trust or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Agreement of Trust or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Agreement of Trust. Modifications or alterations of the Agreement of Trust or the Financing Agreement, or of any supplement thereto, may be made only to the extent and in the circumstances permitted by the Agreement of Trust.

The 2018 Bonds are issuable as registered bonds in the denomination of \$5,000 and integral multiples thereof. Upon surrender for transfer or exchange of this bond at the designated corporate trust office of the Trustee in Richmond, Virginia, together with an assignment duly executed by the registered owner or its duly authorized attorney or legal representative in such form as shall be satisfactory to the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver in exchange, a new bond or bonds in the manner and subject to the limitations and conditions provided in the Agreement of Trust, having an equal aggregate principal amount, in authorized denominations, of the same series, form and maturity, bearing interest at the same rate and registered in the name or names as requested by the then registered owner hereof or its duly authorized attorney or legal representative. Any such exchange shall be at the expense of the Authority, except that the Trustee may charge the person requesting such exchange the amount of any tax or other governmental charge required to be paid with respect thereto.

The Trustee shall treat the registered owner as the person exclusively entitled to payment of principal and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person shown as holder on the first day of the month in which each interest payment date occurs.

All acts, conditions and things required to happen, exist or be performed precedent to and in the issuance of this bond have happened, exist and have been performed.

This bond shall not become obligatory for any purpose or be entitled to any security or benefit under the Agreement of Trust or be valid until the Trustee shall have executed the Certificate of Authentication appearing hereon and inserted the date of authentication hereon.

IN WITNESS WHEREOF, the Economic Development Authority of James City County, Virginia, has caused this bond to be signed by its Chairman, its seal to be imprinted hereon and attested by its Secretary, and this bond to be dated the Dated Date.

**ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA**

(SEAL)

By _____
Chairman

Attest:

Secretary

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

This bond is one of the 2018 Bonds described in the within mentioned Agreement of Trust.

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

(please print or typewrite name and address, including zip code, of Transferee)

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFeree

:
:
:
:
:
:

the within Bond and all rights thereunder, hereby irrevocably constituting and appointing

_____, Attorney, to transfer said Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

NOTICE: Signature(s) must be guaranteed by an Eligible Guarantor Institution such as a Commercial Bank, Trust Company, Securities Broker/Dealer, Credit Union, or Savings Association who is a member of a medallion program approved by The Securities Transfer Association, Inc.

(Signature of Registered Owner

NOTICE: The signature above must correspond with the name of the registered owner as it appears on the front of this bond in every particular, without alteration or enlargement or any change whatsoever.