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Tax Parcel Numbers: \_\_\_\_\_

**RECORDER'S NOTE: THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, AND JAMES CITY COUNTY, VIRGINIA, ARE EXEMPT FROM RECORDATION TAXES PURSUANT TO SECTION 58.1-811(E) OF THE CODE OF VIRGINIA OF 1950, AS AMENDED, AND CLERK'S FEES PURSUANT TO SECTION 17.1-266 OF THE CODE OF VIRGINIA OF 1950, AS AMENDED.**

**DEED AND AGREEMENT OF GROUND LEASE**

**THIS DEED AND AGREEMENT OF GROUND LEASE** dated as of \_\_\_\_\_, 2018 (the "Effective Date"), by and between the **BOARD OF SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA** (the "County Board"), on behalf of **JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), as lessor and a grantor for indexing purposes, and the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Authority"), as lessee and a grantee for indexing purposes, provides:

**WITNESSETH:**

**WHEREAS**, the Authority and Wilmington Trust, National Association (the "Trustee") have entered into an Agreement of Trust dated as of June 1, 2016 (the "Master Agreement of Trust"), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of \_\_\_\_\_, 2018 (the "Second Supplemental Trust Agreement" and together with the Master Agreement of Trust, the "Agreement of Trust"), between the Authority and the Trustee, to provide the terms for the issuance of the Authority's Series 2018 Bonds (as defined in the Second Supplemental Trust Agreement) to provide funds to finance and refinance the capital costs of certain capital improvements for governmental facilities; and

**WHEREAS**, pursuant to the terms of 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 Assignor and the County, the Authority has loaned the proceeds of the Series 2018 Bonds to the County and the County has agreed to repay such loan by making Basic Payments (as defined in the Financing Agreement), subject to appropriation by the County Board from time to time of sufficient moneys for such purpose; and

**WHEREAS**, the Authority desires to provide additional collateral security for the Series 2018 Bonds by acquiring a leasehold interest in certain real property located in James City County, Virginia, as more fully described in Exhibit A (the land and all of the improvements

now or hereafter existing thereon referred to as the "Premises" (but exclusive of any equipment, furnishings or other personal property located thereon)) and by assigning certain of the Authority's rights hereunder to the Trustee; and

**WHEREAS**, the County desires to lease the Premises to the Authority and then to sublease the Premises from the Authority pursuant to the Financing Lease; and

**WHEREAS**, the County acknowledges that the Authority will assign certain of its rights hereunder and under the Financing Lease to the Trustee as additional security for the Series 2018 Bonds;

**NOW, THEREFORE**, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the parties hereto covenant and agree as follows:

**Section 1. Lease of Property.** The County hereby demises and leases to the Authority, and the Authority hereby leases from the County, the Premises.

**Section 2. Term.** The term of this Ground Lease shall commence on the Effective Date and shall expire on \_\_\_\_ \_\_, 20\_\_, unless such term is terminated earlier as hereinafter provided.

**Section 3. Rental.** The Authority shall pay to the County, on the Effective Date, the sum of \$10.00 from the proceeds of the Series 2018 Bonds (receipt of which is hereby acknowledged by the County), such sum representing the full amount of rent to be paid for the term of this Ground Lease.

**Section 4. Purpose.** The Authority shall use the Premises solely for the purpose of leasing the Premises to the County pursuant to the Financing Lease, as well as for such purposes as may be incidental thereto; provided, however, that if any default by the County occurs under the Financing Lease and such default is not cured within any applicable notice and cure period, then the Authority and its assignees shall be entitled to use the Premises for any lawful use.

**Section 5. Title to Property.** The County represents and warrants that it is the owner in fee simple of the Premises as it exists on the date hereof. The Authority acknowledges and agrees that the County shall at all times retain fee simple title to the Premises and at no time shall fee simple title reside in the Authority.

**Section 6. Assignment and Sublease.** The Authority may assign its rights under this Ground Lease or sublet the Premises without the consent of the County only (a) in connection with any entering into, and assignment of its rights under, the Financing Lease or (b) if the Financing Lease is terminated because either an Event of Default or an Event of Non-Appropriation (within the meaning each term is assigned in the Financing Lease) has occurred and is continuing.

**Section 7. Fees and Expenses.** The County shall pay from legally available funds all reasonable expenses of the Authority arising out of the transactions contemplated by the Financing Lease and this Ground Lease.

**Section 8. Termination.** (a) Upon the earlier of (i) the payment of all outstanding Basic Rent and Additional Rent (as each term is defined and as provided for in the Financing Lease) and (ii) the expiration of the term hereof, the leasehold estate of the Authority hereunder shall terminate. The Authority agrees upon such termination to surrender the Premises to the County and, upon the request of the County, to execute appropriate instruments evidencing such termination.

(b) The County shall not have the right to exclude the Authority from the Premises or take possession of the Premises (other than pursuant to the Financing Lease) or to terminate this Ground Lease prior to the expiration of its term upon any default by the Authority of its obligations hereunder. However, in the event of a default by the Authority hereunder, the County may maintain an action for specific performance.

**Section 9. Quiet Enjoyment.** Subject to the provisions of this Ground Lease, the Authority at all times during the term of this Ground Lease shall peaceably and quietly have, hold and enjoy the entire leasehold estate created hereunder.

**Section 10. Amendments to Release Property.** In the event that the County elects to prepay Basic Rent from the Net Proceeds (as defined in the Financing Lease) received from (a) any insurance recovery obtained pursuant to Section 5.1 of the Financing Lease, or (b) any condemnation, eminent domain, or loss of title award obtained pursuant to Section 5.2 of the Financing Lease, Exhibit A hereto may be amended, at the option of the County, to release any portion of the Premises from the terms of this Ground Lease so long as the removal of such portion of the Premises leaves the Premises with a market value, as determined by a licensed real estate appraiser mutually acceptable to the Authority and the County, at least equal to the principal amount of the Series 2018 Bonds then outstanding (as defined in the Financing Lease).

**Section 11. Regular Amendments.** No modification, waiver, amendment, discharge or change of this Ground Lease shall be valid unless the same is in writing and consented to by the Authority, the County and the Trustee.

**Section 12. Notices.** All notices to be given under this Ground Lease shall be in writing and shall be deemed to have been given when delivered in person or when mailed by first class registered or certified mail, postage prepaid, addressed (a) if to the County, at 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784 (Attention: County Administrator); (b) if to the Authority, at 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23185 (Attention: Chairman); and (c) if to the Trustee, at 3951 Westerre Parkway, Ste. 300, Richmond, Virginia 23233 (Attention: Corporate Trust Administration). The County and the Authority may, by notice given hereunder, designate any future or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention the same shall be directed.

**Section 13. Severability.** If any provision of this Ground Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

**Section 14. Liability of Authority.** Notwithstanding any provision of this Ground Lease to the contrary, the obligations of the Authority under this Ground Lease are not general obligations of the Authority, but are limited obligations payable solely from proceeds of the Series 2018 Bonds. No director or officer of the Authority shall be personally liable on any of the Authority's obligations hereunder.

**Section 15. Successors and Assigns.** This Ground Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

**Section 16. Counterparts.** This Ground Lease may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall constitute but one and the same Ground Lease.

**Section 17. Governing Law.** This Ground Lease shall be governed by the laws of the Commonwealth of Virginia.

**Section 18. No Merger.** The reversionary and leasehold estates in and to the Premises created by this Ground Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the County, any lessee or any third party, unless the person holding both of such estates shall expressly elect in writing for them to merge.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;  
SIGNATURES APPEAR ON THE FOLLOWING PAGES]

**IN WITNESS WHEREOF**, the parties have caused this Ground Lease to be duly executed as of the date first written above by their duly authorized representatives.

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

By \_\_\_\_\_  
County Administrator

COMMONWEALTH OF VIRGINIA       )  
\_\_\_\_\_)

The undersigned Notary Public, in and for the jurisdiction aforesaid, hereby certifies that the individual, whose name is signed to the foregoing as the County Administrator of James City County, Virginia, appeared before me and personally acknowledged the same in my jurisdiction aforesaid. Such person is personally known to me or has presented satisfactory evidence of identification.

GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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

My commission expires: \_\_\_\_\_

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

By \_\_\_\_\_  
Chairman

COMMONWEALTH OF VIRGINIA       )  
\_\_\_\_\_) )

The undersigned Notary Public, in and for the jurisdiction aforesaid, hereby certifies that the individual, whose name is signed to the foregoing as the Chairman of the Economic Development Authority of James City County, Virginia, appeared before me and personally acknowledged the same in my jurisdiction aforesaid. Such person is personally known to me or has presented satisfactory evidence of identification.

GIVEN under my hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

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

My commission expires: \_\_\_\_\_

**Description of the Premises**

[Police Station – The parcel known as 4600 Opportunity Way, Williamsburg, Virginia 23188, and further identified as James City County Real Estate Tax Map No. 3210100016, as shown on the attached drawing.]

[Fire Administration and Training – The parcel known as 5807 John Tyler Highway, Williamsburg, Virginia 23185, and further identified as James City County Real Estate Tax Map No. 4721500001, as shown on the attached drawing.]

[Attach drawings.]