

A G E N D A
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
August 17, 2021
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. Minutes for Approval - July 20, 2021

D. FINANCIAL REPORTS

1. Financial Reports - July 2021

E. CLOSED SESSION

F. NEW BUSINESS

1. Public Hearing: Williamsburg Landing, Inc. Revenue Bond Issuance

G. OLD BUSINESS

H. LIAISON REPORTS

I. DIRECTOR'S REPORT

1. Director's Report

J. UPCOMING DATES OF INTEREST

1. Jamestown Jams Concert Series at Jamestown Beach Event Park: August 27 and September 24

K. ADJOURNMENT

ITEM SUMMARY

DATE: 8/17/2021
TO: The Economic Development Authority
FROM: Christopher Johnson- EDA Secretary
SUBJECT: Minutes for Approval - July 20, 2021

ATTACHMENTS:

	Description	Type
☐	Minutes - July 20, 2021	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority Clerk	Sipes, Kate	Approved	8/13/2021 - 2:31 PM

MINUTES
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING

July 20, 2021
4:00 PM

A. CALL TO ORDER

Mr. Campana called the meeting to order at 4:07 p.m.

B. ROLL CALL

Vince Campana, Chair
Lynn Meredith, Vice Chair
Brandon Nice - joined at 4:17 p.m.
Joe Stanko
Carlton Stockton

Absent:

William Turner

Also Attending:

Christopher Johnson, Economic Development Authority (EDA) Secretary
Jeff Wiggins, EDA Fiscal Agent
Adam Kinsman, EDA Counsel
T.W. Bruno, McGwire Woods, LLP
Christopher P. Henderson, President/CEO, WindsorMeade Williamsburg
Kevin L. Salminen, CFO, WindsorMeade Williamsburg

C. APPROVAL OF MINUTES

1. Minutes Adoption - July 20, 2021

A motion to Approve was made by Carlton Stockton; motion Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Campana, Meredith, Stanko, Stockton

Absent: Nice, Turner

D. FINANCIAL REPORTS

1. June 2021 Financial Reports

A motion to Approve was made by Carleton Stockton; motion Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Campana, Meredith, Nice, Stanko, Stockton

Absent: Nice, Turner

Mr. Wiggins presented the revenue and expense reports for June 2021 noting the County's contribution of \$47,198.55, which was a reimbursement for the EDA performance agreement with Printpack.

Mr. Wiggins noted the cash balance on the EDA Balance Sheet was approximately \$545,000.

E. CLOSED SESSION

There was no Closed Session.

F. NEW BUSINESS

1. Virginia United Methodist Homes of Williamsburg, Inc. - Revenue Bond Issuance

A motion to Approve the Inducement Resolution entitled 'Resolution of the Economic Development Authority of James City County, Virginia, providing initial approval of the issuance of up to \$65,000,000 of revenue bonds for the benefit of Virginia United Methodist Homes of Williamsburg, Inc. was made by Lynn Meredith; motion Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Campana, Meredith, Stanko, Stockton

Absent: Nice, Turner

A motion to Approve the Bond Resolution entitled 'Resolution of the Economic Development Authority of James City County, Virginia, authorizing the issuance of revenue bonds in the amount of up to \$65,000,000 for the benefit of Virginia United Methodist Homes of Williamsburg, Inc.' was made by Lynn Meredith; motion Passed.

AYES: 4 NAYS: 0 ABSTAIN: 0 ABSENT: 2

Ayes: Campana, Meredith, Stanko, Stockton

Absent: Nice, Turner

Mr. Johnson stated that Virginia United Methodist Homes of Williamsburg, Inc. has requested approval of up to \$65,000,000 in revenue bonds to provide funds to refinance previously-issued conduit debt and to finance other capital projects at the WindsorMeade development noting that under State Law the bonds are not deemed to constitute a debt of the EDA or constitute a pledge of the faith and credit or taxing power of the EDA or the County. Mr. Johnson stated that all Directors had confirmed prior to the meeting that they meet the residency requirements of the IDA Act, were not affiliated with or have any financial conflicts of interest with the borrower (WindsorMeade), the bank lender (Sun Trust/BB&T/Truist), or the bond underwriters (Ziegler and Sims). He introduced Mr. T.W. Bruno of McGwire Woods LLP, who serves as bond counsel for Virginia United Methodist Homes, Inc.

Mr. Bruno stated that WindsorMeade was looking to take advantage of favorable conditions in the current bond market, low interest rates, and the improved credit profile for WindsorMeade by proposing a "Cinderella" refinancing structure in which the bonds would initially be issued as taxable bonds before converting to tax-exempt bonds in 2023. Mr. Bruno stated that WindsorMeade President and CEO Chris Henderson and CFO Kevin Salminen were also present and available to answer questions from the EDA.

Mr. Campana opened the Public Hearing. Hearing no comments, Mr. Campana closed the Public Hearing and opened the floor to questions from the EDA.

Mr. Stanko asked how the bonds are connected to the EDA.

Mr. Bruno stated that tax laws require bonds to be issued through a government entity such as the EDA. In order to receive a tax exemption, WindsorMeade must be registered as a 501(c) (3) organization.

Ms. Meredith requested clarification that the proposed bond issuance must first be approved by the EDA before being reviewed and approved by the Board of Supervisors.

Mr. Kinsman responded that the statement was correct.

Mr. Stockton asked how the EDA receives revenue from the issuance of bonds.

Mr. Johnson stated that the EDA receives an application fee of \$400 and either a one-time administrative fee paid at closing or an annual fee for the life of the bond. The administrative fees are selected by the applicant and represent a small percentage of the principal bond balance.

Mr. Wiggins asked the applicant if he would provide an amortization schedule at the time of closing to facilitate proper billing.

Mr. Bruno responded affirmatively.

Mr. Stanko asked whether WindsorMeade was increasing the amount of debt or whether any of the request would be used as operating capital.

Mr. Bruno stated that none of the debt would be used for operating capital and was intended to refinance existing debt and a small number of capital projects.

Mr. Stockton asked whether the EDA's bond counsel had reviewed the application.

Mr. Kinsman stated that the EDA's bond counsel, Mr. Chris Kulp with Hunton Andrews Kurth, LLP, has reviewed the request and found no liability to the EDA.

G. OLD BUSINESS

Mr. Nice arrived.

There was no Old Business.

H. LIAISON REPORTS

Mr. Campana asked if any of the EDA Directors had a Liaison Report to offer.

There were no reports.

I. DIRECTOR'S REPORT

Mr. Johnson referred to the Director's Report in the packet, noting the Greater Williamsburg Business Council's 2021 Early Stage Small Business of the Year award was presented to The Prescription Shoppe and 11 of 16 nominated businesses were located in James City County. Mr. Johnson noted upcoming ribbon cutting ceremonies for K'Bola Cuban Restaurant & Bar in New Town on July 22 and Allure Creperie & Café in Premium Outlets on August 4. The Running with Scissors Event in The Edge District will be held on Thursday, July 29 from 3-5 p.m., followed by a Business After Hours at the Virginia Beer Company.

J. UPCOMING DATES OF INTEREST

The dates for the Jamestown Jams Concert Series at Jamestown Beach Event Park are July 30 featuring Good Shot Judy, August 27 featuring The Deloreans and September 24 featuring J. Baxter & The Sauce.

K. ADJOURNMENT

A motion to Adjourn was made by Joe Stanko; motion Passed.
AYES: 5 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Campana, Meredith, Nice, Stanko, Stockton,
Absent: Turner

1. Adjourn until August 17, 2021

At approximately 4:33 p.m., Mr. Campana adjourned the Authority.

Christopher Johnson, Secretary
Economic Development Authority

Vince Campana, Chair
Economic Development Authority

ITEM SUMMARY

DATE: 8/17/2021
TO: The Economic Development Authority
FROM: Jeffrey Wiggins - EDA Fiscal Agent
SUBJECT: Financial Reports - July 2021

ATTACHMENTS:

	Description	Type
☐	Expenditure Report	Exhibit
☐	Revenue Report	Exhibit
☐	Balance Sheet	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority Clerk	Sipes, Kate	Approved	8/13/2021 - 2:31 PM

YEAR-TO-DATE BUDGET REPORT

FOR 2022 01

ACCOUNTS FOR: 300 EDA	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
259 EDA Operating							
300-259-0200-	550	Advertising 550	.00	.00	.00	550.00	.0%
300-259-0205-	46,500	Promotion 46,500	7,652.30	7,652.30	.00	38,847.70	16.5%
300-259-0220-	1,000	Travel And Training 1,000	.00	.00	.00	1,000.00	.0%
300-259-0222-	500	Local Travel 500	.00	.00	.00	500.00	.0%
300-259-0235-	10,750	Annual Audit 10,750	2,000.00	2,000.00	8,676.00	74.00	99.3%
300-259-0319-	200	Office Supplies 200	.00	.00	.00	200.00	.0%
300-259-0710-	6,000	Legal Services 6,000	500.00	500.00	.00	5,500.00	8.3%
300-259-5900-	34,500	Regional Econ Devel Support 34,500	.00	.00	.00	34,500.00	.0%
300-259-5902-	1,000	VA High Speed Rail 1,000	.00	.00	.00	1,000.00	.0%
300-259-5903-	14,800	James River Commerce Ctr-Ops 14,800	.00	.00	.00	14,800.00	.0%
300-259-5904-	100	Mainland Farm Oper Expenses 100	.00	.00	.00	100.00	.0%
300-259-5915-	101	Marina Property 101	.00	.00	.00	101.00	.0%
TOTAL EDA Operating	116,001	116,001	10,152.30	10,152.30	8,676.00	97,172.70	16.2%
TOTAL EDA	116,001	116,001	10,152.30	10,152.30	8,676.00	97,172.70	16.2%
TOTAL EXPENSES	116,001	116,001	10,152.30	10,152.30	8,676.00	97,172.70	

YEAR-TO-DATE BUDGET REPORT

FOR 2022 01

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	116,001	116,001	10,152.30	10,152.30	8,676.00	97,172.70	16.2%

** END OF REPORT - Generated by Jeffrey wiggins **

YEAR-TO-DATE BUDGET REPORT

FOR 2022 01

ACCOUNTS FOR: 300 EDA	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
305 Use Of Money & Property							
300-305-3511-		Interest Revenue					
	-3,500	-3,500	.00	.00	.00	-3,500.00	.0%
TOTAL Use Of Money & Property	-3,500	-3,500	.00	.00	.00	-3,500.00	.0%
308 Charges For Services							
300-308-3400-		Lease Income					
	-14,725	-14,725	.00	.00	.00	-14,725.00	.0%
TOTAL Charges For Services	-14,725	-14,725	.00	.00	.00	-14,725.00	.0%
309 Miscellaneous							
300-309-3970-		Marina Property					
	-75,239	-75,239	.00	.00	.00	-75,239.00	.0%
300-309-3972-		Bond Fee Revenue					
	-15,000	-15,000	.00	.00	.00	-15,000.00	.0%
TOTAL Miscellaneous	-90,239	-90,239	.00	.00	.00	-90,239.00	.0%
399 Fund Balance							
300-399-3100-		Fund Balance					
	-7,537	-7,537	.00	.00	.00	-7,537.00	.0%
TOTAL Fund Balance	-7,537	-7,537	.00	.00	.00	-7,537.00	.0%
TOTAL EDA	-116,001	-116,001	.00	.00	.00	-116,001.00	.0%
TOTAL REVENUES	-116,001	-116,001	.00	.00	.00	-116,001.00	

YEAR-TO-DATE BUDGET REPORT

FOR 2022 01

	ORIGINAL APPROP	REVISED BUDGET	YTD EXPENDED	MTD EXPENDED	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
GRAND TOTAL	-116,001	-116,001	.00	.00	.00	-116,001.00	.0%

** END OF REPORT - Generated by Jeffrey wiggins **

BALANCE SHEET FOR 2022 1

FUND: 300 EDA			NET CHANGE FOR PERIOD	ACCOUNT BALANCE
ASSETS				
300401	0000	General Cash	-8,152.30	537,254.73
	300-401-0000-			
300413	5921	Marina Property Rent Receivabl	.00	26,531.28
	300-413-5921-			
300413	8253	Loan Receivables	.00	20,711.42
	300-413-8253-			
300417	0916	Allowance-Doubtful Accts	.00	-73.42
	300-417-0916-			
300422	8012	Due From JCC-Enterprise Zone	.00	47,198.55
	300-422-8012-			
300451	0031	Construction in Progress	.00	166,509.76
	300-451-0031-			
300455	0820	Accum Deprec-Buildings	.00	-7,268.59
	300-455-0820-			
300455	0832	Accum Deprec-Infrastructure	.00	-6,252.23
	300-455-0832-			
300455	0837	Accum Deprec-Land Improvements	.00	-11,956.90
	300-455-0837-			
	TOTAL ASSETS		-8,152.30	772,654.60
LIABILITIES				
300502	6000	Accounts Payable	-2,000.00	-2,000.00
	300-502-6000-			
	TOTAL LIABILITIES		-2,000.00	-2,000.00
FUND BALANCE				
300601	6140	Net Pos - Net Invmnt Cap Assets	.00	-98,818.29
	300-601-6140-			
300601	6142	Net Pos - Unrestricted	.00	-681,988.61
	300-601-6142-			
300601	6151	Expenditures-Year To Date	10,152.30	10,152.30
	300-601-6151-			
300601	6152	Encumbrances-Year To Date	8,676.00	18,451.00
	300-601-6152-			
300601	6909	Bugetary FB Res for Encumbranc	-8,676.00	-18,451.00
	300-601-6909-			
	TOTAL FUND BALANCE		10,152.30	-770,654.60
	TOTAL LIABILITIES + FUND BALANCE		8,152.30	-772,654.60

** END OF REPORT - Generated by Jeffrey Wiggins **

ITEM SUMMARY

DATE: 8/17/2021

TO: The Economic Development Authority

FROM: Christopher Johnson- EDA Secretary

SUBJECT: Williamsburg Landing, Inc. Revenue Bond Issuance

Williamsburg Landing, Inc. is requesting up to \$85,000,000 in revenue bonds to provide funds to refinance existing debt and increase reserves for the Williamsburg Landing development. The bonds are not deemed to constitute a debt or pledge of faith and credit or taxing power of the EDA or the County. The EDA's bond counsel, Hunton Andrews Kurth, LLP, has reviewed the request and has indicated no legal issues result that are inconsistent with the EDA's role as a conduit issuer.

ATTACHMENTS:

	Description	Type
☐	Application to the EDA	Exhibit
☐	Inducement Resolution	Resolution
☐	Bond Resolution	Resolution
☐	Bond Trust Indenture	Exhibit
☐	Loan Agreement	Exhibit
☐	Loan Agreement Note	Exhibit
☐	Bond Purchase Agreement	Exhibit
☐	Preliminary Official Statement	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority Clerk	Sipes, Kate	Approved	8/13/2021 - 2:32 PM

ECONOMIC DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY

APPLICATION STATEMENT

A. APPLICANT:

1. Legal name of applicant, type of entity and state of incorporation/organization:

Williamsburg Landing, Inc. (Virginia nonstock corporation)

2. Address and location of principal office:

***5700 Williamsburg Landing Drive
Williamsburg, Virginia 23185***

3. Telephone number and email address:

***800-554-5517
gstorer@williamsburglanding.com***

4. Names and addresses of primary corporate officers:

***Gregory T. Storer, President/Chief Executive Officer
Michael Williams, Chief Operating Officer
Juanita Parks, Chief Financial Officer***

5. Primary contact to whom correspondence should be directed:

Juanita Parks, Chief Financial Officer

6. Name and address of legal counsel for applicant:

***Paul Gerhardt, Esq.
Kaufman & Canoles, P.C.
4801 Courthouse Street
Suite 300
Williamsburg, Virginia 23188***

7. Indicate name, type of entity, state of incorporation/organization and relationship of all direct or indirect parent companies of applicant.

N/A

B. STATEMENT OF BENEFITS TO JAMES CITY COUNTY AND THE COMMONWEALTH OF VIRGINIA FROM THIS PROJECT:

1. State what new employment opportunities will be created or retained as a result of this project, including number, types of jobs and estimated payroll.

This project is a refinancing of existing debt, while it will not directly relate to additional jobs, it will promote the financial health of the Landing, which will enhance the current employment opportunities.

2. Estimate all local taxes by type and amount projected to be paid to James City County as a result of this project.

This project is a refinancing, so no new taxes are anticipated. The Landing paid approximately \$998,783 in taxes to the County in its most recently completed fiscal year.

3. Specifically, state other potential benefits which will accrue to the inhabitants of James City County and the State of Virginia, including economic, social, or other non-monetary benefits.

This refinancing will help improve the financial position of the Landing, which will allow it to continue to fulfill its mission of serving the aged population of James City County and the Commonwealth of Virginia.

C. IDENTIFICATION AND DESCRIPTION OF PROPOSED PROJECT:

1. General location of proposed project in James City County.

N/A - refinancing

2. Describe the type of facility which you are applying for financing. What operations will be conducted at the facility?

Life Plan Community

3. Are you applying for pollution control bonds? If so, please state the types of pollution generated by your facility and briefly describe the type of equipment which you propose to meet your pollution problems.

No

4. Describe the proposed arrangement to finance the cost of construction or acquisition of the project. Briefly detail a projected time schedule.

N/A – refinancing of existing debt.

5. If the applicant currently owns the project site, indicate:

- (a) Date of purchase 12/1985

- (b) Purchase price total \$103,000,000

- (c) Balance of existing mortgage or other financing *See financial statements for outstanding debt.*

- (d) Holder of mortgage or other financing: U.S. Bank National Association, as master trustee

6. If the applicant is not the owner of the project site, does the applicant have an option to purchase the site and any buildings on the site? If yes, indicate: *N/A*

- (a) Date option agreement signed with owner

- (b) Purchase price under option

- (c) Expiration date of option

7. Has the applicant entered into a contract to purchase the site? If yes, indicate: *N/A*

- (a) Date signed

- (b) Purchase price

- (c) Expected settlement date

8. Who is the present owner of the project site, and what is the relationship between the

present legal owner and the applicant?

The Landing is the owner.

9. If pollution control bonds are issued, please indicate: *N/A*

- (a) Whether the total project is designed for any significant purpose other than the control of pollution, i.e., does the project result in an increase in production or capacity, or in a material extension of the useful life of a manufacturing or production facility or a part thereof.
- (b) Estimated incremental cost of the project if the project is for the purpose of controlling pollution and for a significant purpose other than controlling pollution.

10. Status of plans for the project. Please indicate architect, engineer, general contractor and major subcontractors, as applicable.

N/A - refinancing

11. Has construction work on this project begun? If yes, complete the following: ***N/A - refinancing***

- (a) Site clearance ____ yes ____ no ____% complete
- (b) Foundation ____ yes ____ no ____% complete
- (c) Footings ____ yes ____ no ____% complete
- (d) Steel ____ yes ____ no ____% complete
- (e) Masonry work ____ yes ____ no ____% complete
- (f) Other (describe below) ____ yes ____ no ____% complete

12. List principal items or categories of equipment to be acquired as part of the project.

N/A - refinancing

13. Has any of the above equipment been ordered or purchased? If yes, indicate: *N/A - refinancing*

<u>Item</u>	<u>Date ordered</u>	<u>Delivery date</u>	<u>Price</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

14. State the proposed uses of bond proceeds.

Description of Cost

Land

Buildings

Equipment

Engineering

Architecture

Interest during construction

Original Issue Bond Discount

Costs of issuance \$2,700,000

Reserves \$5,500,000

Other (please explain) Refinance \$73,000,000

Face amount of issue \$81,200,000

15. Have any of the above expenditures already been made by the applicant? If yes, indicate particulars:

N/A - refinancing

16. Have any of the above expenditures been incurred but not paid by the applicant? If

yes, indicate particulars:

N/A - refinancing

17. Are costs of working capital, moving expenses, work in process, or stock in trade included in the proposed uses of bond proceeds?

No

18. Will any of the funds to be borrowed through the Authority be used to repay or refinance an existing mortgage or outstanding loan?

Yes

19. If any space in the project is to be leased to third parties, indicate total square footage of the project, amount to be leased to each tenant, and proposed use by each tenant.

N/A

20. Type and amount of outstanding debt incurred by applicant. In addition, separately state the type and amount of outstanding bonds or other obligations, if any, on the present facilities. Include full debt service schedule for each separate obligation.

Please see the enclosed financial statements for reference to the existing debt of the Landing.

21. Brief description of existing facilities:

- (a) Describe the location and type of existing facilities (including, if applicable, pollution abatement equipment now provided, its design, capacity, and year constructed). Indicate if the existing facilities are to be abandoned or will continue in use as part of the proposed new facility.

The Landing is located on 137 acres anchored at the address indicated above and provides residence and care to seniors at its Life Plan Community.

- (b) Estimated first year annual operation and maintenance cost of any existing facility and the proposed facility.

N/A – existing operations

- (c) Age and condition of existing buildings, if any improvements included within this project are to be made thereto, and whether owned in fee or leased.

N/A – refinancing

22. Will the construction, occupation, operation or use of the project involve the creation of any pollutants or other emissions, or the use or manufacture of any toxic or hazardous substances? Will operation of the project involve consumption or use of large amounts of electricity, water, gas or other services as products customarily furnished by utilities? Will construction or operation of the project have any impact upon local businesses or residents, such as emission of odors, traffic in and out of the project, or storage of large amounts of materials at the project site? Please provide particulars.

N/A – refinancing

D. FINANCIAL:

1. Commercial banking connections and for how long a period.
Towne Bank, Williamsburg VA – since 2007
Chesapeake Bank, Williamsburg VA – since 2005
2. Attach to application the following proof of financial responsibility for the preceding 3 years: *See attached*
 - (a) Financial statements, including the audit, review or compilation report from a certified public accounting firm
 - (b) Tax returns

If the applicant does not have an annual audit, review or compilation, submit internal financial statements. If the applicant is a new or recently formed business entity, without recent financial statements, the applicant should furnish the financial information required by the application for each principal shareholder, partner or other principal of the applicant. If the applicant is a subsidiary corporation without its own financial statements, financial statements of the parent corporation or consolidated financial statements may be submitted. If the obligations of the applicant will be guaranteed by any person or business entity, then financial statements of such guarantor should also be included with the application. Pro forma financial statements, if available, should be submitted with the application. Because this application will become a part of the public records of the Authority, in the event the applicant does not desire financial records not otherwise available to the public to be included in the public record, please so indicate on the records so that such records may be returned to the applicant.

3. Has the applicant, any proposed guarantor, or any of their principal partners or shareholders ever declared bankruptcy or been involved in any bankruptcy or insolvency proceeding, whether voluntary or involuntary? If so, describe particulars.

No

4. Has any underwriter, broker or investment banker been retained by applicant in connection with this proposed bond issue? If so, who?

Yes, Ziegler

5. Please indicate the person or institution to whom the bonds will be sold or any persons or institutions which have indicated an interest in purchasing or underwriting the bonds.

Ziegler

E. MISCELLANEOUS:

1. Is the applicant or any major shareholder or partner presently involved in any litigation, investigation or proceeding? If so, please describe.

No

2. Is the applicant or any major shareholder or partner of the applicant, or any other person working for the applicant in this proposed financing subject to any order, decree or judgment of any court or administrative or other governmental agency or body? If so, please describe.

No

3. Is the applicant, or any of its shareholders or partners, or any guarantor, or any other person representing applicant in connection with this proposed financing, involved in any investigation, litigation or proceeding relating to the issuance or sale of securities or any applicable banking laws or regulations? Have any of the foregoing persons ever been involved in any such investigation, litigation or proceeding? If so, please describe details in full.

No

4. Is the applicant subject to any regulatory sanction (other than in the ordinary course of business) by any Federal or State administrative agencies or bodies? If so, please provide details.

No

F. AGREEMENT:

To induce the Economic Development Authority of the County of James City to consider this application, it is understood and agreed that the applicant is required:

1. To pay all cost and expenses incurred by the Authority in connection with this application, either from the proceeds of Industrial Revenue Bonds which might be approved for the project by the Authority or in the event such assistance is not approved or forthcoming or the proceeds are not sufficient, to pay all cost and expenses from its own resources.
2. To pay, in addition to all cost and expenses incurred by the Authority, a nonrefundable applicant fee to the Authority of \$400.00, to be paid at the time of submittal of this application.
3. To pay, in addition to all costs, expenses, and application fee, an administrative fee of either (check one):

$\frac{1}{2}$ of 1% of the bond amount up to \$5 million, plus $\frac{1}{10}$ of 1% of the bond amount over \$5 million, with a total minimum fee of \$1,250, said fee to be paid at closing; or

$\frac{1}{8}$ of 1% of the declining principle bond balance annually at the end of each calendar year for the life of the bond, said fee to be guaranteed by a binding promissory note at closing.

Administrative fees may be paid from bond proceeds to the extent permitted by law.

4. To comply with the Authority's Rules and Procedures, a copy of which has been received by the applicant.
5. To certify that all statements and information furnished with this application or on supporting papers are true and correct to its best knowledge and belief.
6. To advise the Authority in writing immediately of any material changes to the information contained in this application.
7. To certify that it understands the conditions of this application, and that there is no guarantee of approval of this application by the Authority.

This application is approved and submitted by the Chief Financial Officer
(Authorized Agent)

of Williamsburg Landing, Inc.
on this 16th day of July 2021

TITLE: /s/ Juantia Parks, CFO

DATE: July 16, 2021

(SEAL)

FISCAL IMPACT STATEMENT
FOR PROPOSED INDUSTRIAL REVENUE BOND FINANCING

Date: July 16, 2021

To the Board of Supervisors of
James City County, Virginia

Applicant: Williamsburg Landing Inc.
Facility: Williamsburg Landing

1.	Maximum amount of financing sought	\$85,000,000
2.	Estimated taxable value of the facility's real property to be constructed in the locality	N/A
3.	Estimated real property tax per year using present tax rates	N/A
4.	Estimated personal property tax per Year using present tax rates	N/A
5.	Estimated merchants' capital tax per year using present tax rates	N/A
6.a.	Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality	N/A
b.	Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality	N/A
c.	Estimated dollar value per year of services that will be purchased from Virginia companies within the locality	N/A
d.	Estimated dollar value per year of services that will be purchased from non-Virginia companies within the locality	N/A
7.	Estimated number of regular employees on year round basis	340
8.	Average annual salary per employee	\$39,750

Chairman, Economic Development Authority of
James City County, Virginia

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, PROVIDING INITIAL APPROVAL OF THE ISSUANCE OF UP TO \$85,000,000 OF REVENUE BONDS FOR THE BENEFIT OF WILLIAMSBURG LANDING, INC.

A. The Economic Development Authority of James City County, Virginia (the "Authority"), is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance or refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia;

B. The Authority has received a request from Williamsburg Landing, Inc., a Virginia nonstock corporation (the "Borrower"), to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to provide funds to make a loan to the Borrower:

- (1) to refinance the Borrower's obligations related to the following:
 - a. Economic Development Authority of the City of Williamsburg, Virginia Revenue Bond (Williamsburg Landing Project), Series 2007;
 - b. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing Project), Series 2007;
 - c. Industrial Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing Project), Series 2011A;
 - d. Industrial Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing Project), Series 2011B;
 - e. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012A;
 - f. Industrial Development Authority of Essex County Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012B;
 - g. Economic Development Authority of the City of Williamsburg, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012C;
 - h. Economic Development Authority of Gloucester County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012D;
 - i. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2013A;
 - j. Authority's Revenue Bond (Williamsburg Landing, Inc.), Series 2013B;

- k. Joint Industrial Development Authority of Northampton County and its Incorporated Towns Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2015A;
- l. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2015B;
- m. Economic Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016A;
- n. Economic Development Authority of Lancaster County, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016B;
- o. Economic Development Authority of the City of Williamsburg, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016C;
- p. Joint Industrial Development Authority of Northampton County and its Incorporated Towns Revenue Bond (Williamsburg Landing, Inc.), Series 2016D; and
- q. Interest Rate Swap Transactions with Manufactures and Traders Trust Company.

The above (a) through (q) assisted the Borrower in financing and refinancing costs of constructing, equipping, renovating and improving of the Borrower's senior living community (the "Community") located in and around 5700 Williamsburg Landing Drive, Williamsburg, Virginia 23185.

(2) to finance other capital projects at the Community all within the existing structures or existing parking facilities located at the Community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

Items (1) and (2) above are collectively referred to as the "Plan of Finance".

C. Preliminary plans for the Plan of Finance have been described to the Authority and a public hearing has been held as required by Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended; and

D. The Borrower has represented that the estimated cost of undertaking the Plan of Finance will require an issue of Bonds, in one or more series at one time or from time to time, in the aggregate principal amount not to exceed \$85,000,000.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA:

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the

Commonwealth of Virginia, James City County, Virginia (the "County"), and their citizens and in particular will promote the providing of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The Authority hereby agrees to assist the Borrower in undertaking the Plan of Finance by issuing its Bonds, in one or more series at one time or from time to time, in an aggregate principal amount not to exceed \$85,000,000 upon terms and conditions mutually agreeable to the Authority and the Borrower. The Bonds will be issued pursuant to documents satisfactory to the Authority. The Bonds may be issued in one or more series at one time or from time to time.

3. It having been represented to the Authority that it is necessary to proceed immediately with the Plan of Finance, and the planning therefor, the Authority agrees that the Borrower may proceed with the Plan of Finance, enter into contracts for land, construction, materials and equipment for the Plan of Finance, and take such other steps as it may deem appropriate in connection with the Plan of Finance, provided, however, that nothing in this resolution shall be deemed to authorize the Borrower to obligate the Authority without its consent in each instance to the payment of any moneys or the performance of any acts in connection with the Plan of Finance. The Authority agrees that the Borrower may be reimbursed from the proceeds of the Bonds for all expenditures and costs so incurred by it, provided such expenditures and costs are properly reimbursable under the Act and applicable federal laws.

4. At the request of the Borrower, the Authority approves McGuireWoods LLP, Richmond, Virginia, as Bond Counsel in connection with the issuance of the Bonds.

5. The Bonds shall provide that neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the obligations under the Bonds except from the revenues, receipts and payments pledged thereof, and that 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 such obligations.

6. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason such bonds are not issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

7. The Authority recommends that the governing body of the County approve the issuance of the Bonds for the purpose of undertaking the Plan of Finance.

8. No Bonds may be issued pursuant to this resolution until such time as the issuance of the Bonds has been approved by the governing body of the County.

9. This resolution shall be effective immediately.

10. The authorizations granted in this resolution shall continue in full force and effect for a period of one year after adoption, unless specifically extended by the Authority.

[Remainder of Page Intentionally Left Blank]

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of James City County, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on August 17, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of August 17, 2021.

Secretary, Economic Development Authority of
James City County, Virginia

**RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF
JAMES CITY COUNTY, VIRGINIA, AUTHORIZING THE ISSUANCE OF
REVENUE BONDS IN AN AMOUNT UP TO \$85,000,000 FOR THE
BENEFIT OF WILLIAMSBURG LANDING, INC.**

A. The Economic Development Authority of James City County, Virginia (the "Authority") is empowered by the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), to issue its revenue bonds to finance or refinance the construction and equipping of facilities for the residence or care of the aged to protect and promote the health and welfare of the inhabitants of the Commonwealth of Virginia.

B. The Authority has received a request from Williamsburg Landing, Inc., a Virginia nonstock corporation (the "Borrower"), to issue its revenue bonds (the "Bonds"), in one or more series at one time or from time to time, to provide funds to make a loan to the Borrower:

- (1) to refinance the:
 - a. Economic Development Authority of the City of Williamsburg, Virginia Revenue Bond (Williamsburg Landing Project), Series 2007;
 - b. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing Project), Series 2007;
 - c. Industrial Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing Project), Series 2011A;
 - d. Industrial Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing Project), Series 2011B;
 - e. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012A;
 - f. Industrial Development Authority of Essex County Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012B;
 - g. Economic Development Authority of the City of Williamsburg, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012C;
 - h. Economic Development Authority of Gloucester County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2012D;
 - i. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2013A;
 - j. Authority's Revenue Bond (Williamsburg Landing, Inc.), Series 2013B;

- k. Joint Industrial Development Authority of Northampton County and its Incorporated Towns Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2015A;
- l. Industrial Development Authority of Mathews County, Virginia Revenue and Refunding Bond (Williamsburg Landing, Inc.), Series 2015B;
- m. Economic Development Authority of Mathews County, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016A;
- n. Economic Development Authority of Lancaster County, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016B;
- o. Economic Development Authority of the City of Williamsburg, Virginia Revenue Bond (Williamsburg Landing, Inc.), Series 2016C;
- p. Joint Industrial Development Authority of Northampton County and its Incorporated Towns Revenue Bond (Williamsburg Landing, Inc.), Series 2016D; and
- q. Interest Rate Swap Transactions with Manufactures and Traders Trust Company. The above (a) through (p) financed and refinanced costs of constructing, equipping, renovating and improving of the Borrower's senior living community the community (the "Community") located in and around 5700 Williamsburg Landing Drive, Williamsburg, Virginia 23185.

(2) to finance other capital projects at the Community all within the existing structures or existing parking facilities located at the Community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

Items (1) through (2) above are collectively referred to as the "Plan of Finance".

C. The Authority may issue one or more series of Bonds under one or more Bond Trust Indentures (each a "Bond Indenture"), between the Authority and a bond trustee to be selected by the Borrower (the "Bond Trustee"). The Authority will loan the proceeds of the Bonds to the Borrower under one or more Loan Agreements (each a "Loan Agreement"), between the Authority and the Borrower.

D. To evidence the Borrower's obligations under the Loan Agreements, the Borrower will execute and deliver one or more promissory notes to secure the applicable series of Bonds (each a "Note"). The Authority will assign each Note to the applicable Bond Trustee under the applicable Bond Indenture.

E. The Bonds are expected to be offered for sale by B.C. Ziegler and Company ("Ziegler"), or a group of underwriters managed by such firm (collectively the "Underwriters"), under one or more Bond Purchase Agreements (each a "Bond Purchase Agreement") dated the

date of its execution and delivery, among the Authority, the Borrower and Ziegler on behalf of itself or as a representative for the Underwriters.

F. The Bonds offered for sale by the Underwriters will be accompanied by a disclosure document in the form of an official statement in preliminary form to be dated the date of its delivery (the "Preliminary Official Statement"), prepared under the direction of the Borrower in connection with the offering and sale of those series of Bonds.

G. The Bonds are expected to be sold to the Underwriters pursuant to the terms of the Bond Purchase Agreements; provided that (1) the aggregate principal amount of the Bonds shall not exceed \$85,000,000, (2) the final maturity of the Bonds is not later than December 31, 2061, (3) the Bonds may bear interest at variable or fixed rates (as directed by the Borrower), (4) the interest rate on any fixed rate Bonds shall not exceed 6.00% per annum and (5) the initial rate on any variable rate Bonds shall not exceed 6.00% per annum (collectively, the "Bond Terms").

H. There have been presented to this meeting the preliminary forms of the following instruments, which the Authority, if a party thereto, proposes to execute to carry out the transactions described above, copies of which have been filed with the records of the Authority:

- (a) Bond Indenture, including the forms of the Bonds;
- (b) Loan Agreement;
- (c) Note, with the Authority's assignment thereof;
- (d) Bond Purchase Agreement; and
- (e) Preliminary Official Statement.

I. The documents listed in (H) are referred to below as the "Authority Documents."

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA:

1. It is hereby found and determined that the Plan of Finance will be in the public interest and will promote the commerce, safety, health, welfare, convenience or prosperity of the Commonwealth of Virginia, James City County, Virginia (the "County") and their citizens and in particular will promote the provision of health care facilities and other facilities for the residence and care of the aged in accordance with their special needs.

2. The issuance of the Bonds, in one or more series, for the purpose of undertaking the Plan of Finance is hereby approved. The Bonds shall be in substantially the form attached to the Bond Indenture.

3. The Bonds and the Authority Documents are hereby approved in substantially the forms submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes of the dates thereof) consistent with the Bond Terms as may be approved by

the Chairman or the Vice Chairman of the Authority (either of whom may act), whose approval will be evidenced conclusively by the execution and delivery of the Bonds.

4. The Chairman and Vice Chairman of the Authority (either of whom may act) are each hereby authorized and directed to execute and deliver the Bonds in accordance with the Authority Documents upon approval of their final form, terms and conditions consistent with the Bond Terms. The Chairman and the Vice Chairman of the Authority (either of whom may act) are each authorized to approve the number of series, interest rates, maturities, redemption provisions, put provisions and other terms of the Bonds, consistent with the Bond Terms, with the inclusion of such terms in the Bond Purchase Agreements being conclusive evidence of such approval. The sale of the Bonds to the Underwriters pursuant to the Bond Purchase Agreements is hereby approved and authorized provided such sale shall be consistent with the Bond Terms.

5. The use and distribution by the Underwriters of the Preliminary Official Statement in the form on file with the Authority are in all respects authorized, ratified and approved. For purposes of Rule 15c2-12 of the Securities and Exchange Commission, the Chairman or Vice Chairman of the Authority, either of whom may act, are authorized to deem the Preliminary Official Statement relating to the Bonds final except for information permitted to be omitted under paragraph (b)(1) of such Rule. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized and directed to execute and deliver the Authority's approval of the final official statement (the "Official Statement") upon approval of its form, terms and conditions. Such officer's execution shall constitute conclusive evidence of his approval of such form, terms and conditions. Execution of the final Official Statement shall constitute conclusive evidence that the Official Statement has been deemed final within the meaning of Rule 15c2-12.

6. The Official Statement and its use and distribution by the Underwriters is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement submitted to this meeting, which is hereby approved, with such completions, omissions, insertions and changes as may be approved by the Chairman or Vice Chairman, whose execution thereof shall constitute conclusive evidence of his approval of such form, terms and conditions.

7. The Chairman and the Vice Chairman of the Authority (either of whom may act) are each hereby authorized to execute on behalf of the Authority the Bonds and the Authority Documents to which the Authority is a party, and the Secretary and the Assistant Secretary of the Authority are each hereby authorized to affix the seal of the Authority to the Bonds and, if required, the Authority Documents and to attest such seal. The signatures of the Chairman, the Vice Chairman, the Secretary and the Assistant Secretary and the seal of the Authority may be by facsimile. Each officer of the Authority is hereby authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates and to do and perform such things and acts, as he or she deems necessary or appropriate to carry out the transactions authorized by this Resolution or contemplated by the Bonds, the Authority Documents or such instruments, documents or certificates, and all of the foregoing, previously done or performed by such officers of the Authority, are in all respects approved, ratified and confirmed.

8. The Bonds and the Authority Documents shall provide that neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the

County, shall be obligated to pay the obligations under the Bonds and the Authority Documents except from the revenues, receipts and payments pledged thereof, and that 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 such obligations.

9. All costs and expenses in connection with the undertaking of the Plan of Finance, including the fees and expenses of Bond Counsel and Authority Counsel, shall be paid by the Borrower or, to the extent permitted by applicable law, from the proceeds of the Bonds. If for any reason no bond is issued, it is understood that all such expenses shall be paid by the Borrower and that the Authority shall have no responsibility therefor.

10. At the request of the Borrower, the Authority hereby approves McGuireWoods LLP, as bond counsel in connection with the issuance of each series of Bonds.

11. This resolution shall be effective immediately.

12. The authorizations granted in this resolution shall continue in full force and effect for a period of one year after adoption, unless specifically extended by the Authority.

[Signature Page Follows]

CERTIFICATE

The undersigned Secretary of the Economic Development Authority of James City County, Virginia (the "Authority"), hereby certifies that the foregoing is a true, correct and complete copy of a resolution adopted by a majority of the Directors of the Authority at a meeting duly called and held on August 17, 2021, in accordance with law, and that such resolution has not been repealed, revoked, rescinded or amended but is in full force and effect on the date hereof.

WITNESS the following signature and seal of the Authority as of August 17, 2021.

Secretary, Economic Development Authority of
James City County, Virginia

BOND TRUST INDENTURE

between

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

and

_____,
as Bond Trustee

_____, 2021

Relating to

**\$ _____
Economic Development Authority of James City County, Virginia
Residential Care Facility Revenue Refunding Bonds
(Williamsburg Landing)
Series 2021**

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EXHIBIT A - Form of Series 2021 Bonds
EXHIBIT B - Form of Requisition

This **BOND TRUST INDENTURE** is dated as of _____, 2021, and is between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (as more particularly defined below, the "Authority"), and _____, a national banking association, as trustee (in such capacity and as more particularly defined below, the "Bond Trustee");

WHEREAS, the Authority is empowered by the Act (as hereinafter defined) to issue its revenue bonds to protect and promote the health and welfare of the inhabitants of the Commonwealth (as defined below) by assisting in the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities and facilities for the residence and care of the aged in order to provide modern and efficient medical services to the inhabitants of the Commonwealth and care of the aged of the Commonwealth in accordance with their special needs and also by assisting in the financing of medical facilities and facilities for the residence or care of the aged owned and operated by organizations which are exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code of 1954, as amended, in order to reduce the costs of residents of the Commonwealth utilizing such facilities; and further authorizes any such authority to issue its revenue bonds for the purpose of carrying out its powers;

WHEREAS, to further the purposes of the Act, the Authority has determined to issue its Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (as more particularly defined below, the "Series 2021 Bonds") in an aggregate principal amount of \$ _____ and use the proceeds thereof to make a loan to Williamsburg Landing, Inc., a Virginia nonstock corporation (as more particularly defined below, the "Borrower") under the terms of a Loan Agreement dated as of the date hereof (as more particularly defined below, the "Loan Agreement"), between the Authority and the Borrower;

WHEREAS, the Borrower will use the proceeds of the Series 2021 Bonds to (1) to refinance the Borrower's obligations related to the Refunded Debt (as defined below) and (2) to finance other capital projects at the Borrower's community all within the existing structures or existing parking facilities located at the community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds (collectively (1) and (2), the "Plan of Finance").

WHEREAS, simultaneously with the issuance of the Series 2021 Bonds, the Borrower will execute and deliver to the Authority Obligation No. 1 (as defined below);

WHEREAS, the Authority is entering into this Bond Indenture for the purpose of authorizing the Series 2021 Bonds and securing the payment thereof by assigning its rights as registered owner of Obligation No. 1 and certain of its rights under the Loan Agreement to the Bond Trustee;

WHEREAS, the Series 2021 Bonds and the Bond Trustee's certificate of authentication thereon are to be in substantially the form attached hereto as Exhibit A, with appropriate variations, omissions and insertions as permitted or required by this Bond Indenture; and

WHEREAS, all things necessary to make the Series 2021 Bonds, when authenticated by the Bond Trustee and issued as provided in this Bond Indenture, valid, binding and legal limited

obligations of the Authority and to constitute this Bond Indenture a valid and binding agreement securing the payment of the principal of and premium, if any, and interest on all Series 2021 Bonds issued and to be issued hereunder have been done and performed, and the execution and delivery of this Bond Indenture and the execution and issuance of the Series 2021 Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, THIS BOND INDENTURE FURTHER WITNESSETH:

That, as security for payment of the principal of, premium, if any, and interest on the Series 2021 Bonds when due, and for the funds which may be advanced by the Bond Trustee pursuant hereto, the Authority does hereby pledge and assign to, and grant a security interest to the Bond Trustee in, the following described property:

A. Obligation No. 1, and all rights, title and interest of the Authority under, in and to the Loan Agreement, Obligation No. 1, the Master Indenture and the Deed of Trust, and all revenues and receipts receivable by the Authority therefrom and the security therefor including the Deed of Trust (except the Authority's Unassigned Rights, as hereinafter defined), but excluding the payments made directly to the Authority under Section 4.1 and 5.6 of the Loan Agreement.

B. The funds, including moneys, investment income and investments therein, held by the Bond Trustee under the terms of this Bond Indenture.

C. All other property of any kind mortgaged, pledged or hypothecated at any time as and for additional security hereunder by the Authority or by anyone properly authorized on its behalf or with its written consent in favor of the Bond Trustee, which is hereby authorized to receive all such property at any time and to hold and apply it subject to the terms hereof.

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Bond Trustee and its assigns forever.

IN TRUST, however, for the equal and proportionate benefit and security of the holders from time to time of the Series 2021 Bonds issued under and secured by this Bond Indenture, without privilege, priority or distinction as to the lien or otherwise of any of the Series 2021 Bonds over any of the others except as on the terms and conditions hereinafter stated.

The Authority hereby covenants and agrees with the Bond Trustee and with the respective registered owners, from time to time, of the Series 2021 Bonds as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 101. Definitions. Unless otherwise required by the context, all words and terms defined in the Loan Agreement and the Master Indenture shall have the same meaning in this Bond Indenture. In addition, the following words and terms shall have the following meanings in this Bond Indenture unless the context otherwise requires:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Authority" means the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia, including any successors or assigns.

"Authority Representative" means the Chairman or Vice Chairman of the Authority or any other officer designated by certificate signed by the Chairman or Vice Chairman of the Authority and the designated officer, which certificate is filed with the Bond Trustee.

"Authorized Representative of the Borrower" means the President and Chief Executive Officer of the Borrower or any other person or persons designated to act on behalf of the Borrower by certificate signed by the President and Chief Executive Officer of the Borrower and the designated person, which certificate is filed with the Authority and the Bond Trustee.

"Bond Counsel" means an attorney or firm of attorneys nationally recognized on the subject of municipal bonds and reasonably acceptable to the Bond Trustee and the Authority.

"Bond Fund" means the Series 2021 Bond Fund established by Section 601.

"Bond Indenture" means this Bond Trust Indenture, as the same may be altered, amended, modified, or supplemented from time to time.

"Bond Trustee" means the Bond Trustee at the time serving as such under this Bond Indenture, whether the original or successor trustee.

"Bondholder" means the registered owner of any Series 2021 Bond.

"Borrower" means Williamsburg Landing, Inc., a Virginia nonstock corporation, including any successors or assigns.

"Business Day" means any day other than a Saturday, Sunday or day on which banking institutions are authorized or obligated by law to close in the Commonwealth of Virginia or at the place where the designated corporate trust office of the Bond Trustee is located.

"Code" means the Internal Revenue Code of 1986, as amended, and all regulations promulgated thereunder.

"Cost of Issuance Fund" means the Series 2021 Cost of Issuance Fund established by Section 501.

"Costs of Issuance" has the meaning assigned to it in the Tax Agreement.

"Deed of Trust" means the Amended and Restated Deed of Trust and Security Agreement dated as of _____, 2021, between the Borrower and certain deed of trust trustees named therein for the benefit of the Master Trustee.

"Defeasance Obligations" means (i) cash; (ii) United States Treasury Certificates, Notes and Bonds (including State and Local Government Series ("SLGS")); (iii) direct obligations of the United States Treasury that have been stripped by the Treasury itself, CATS, TIGRS and similar purchase certificates or other instruments evidencing an undivided ownership in payments of the principal of or interest on direct obligations of the United States Treasury.

"DTC" has the meaning assigned to it in Section 213.

"Electronic Means" means the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Bond Trustee, or another method or system specified by the Bond Trustee as available for use in connection with its services hereunder.

"Event of Default" means any of the events enumerated in Section 901.

"Facilities" has the meaning assigned to it in the Master Indenture.

"Fitch" means Fitch Ratings or its successors in the business of providing investment rating services, provided that if neither Fitch nor any successor is then in such business, the references to Fitch and ratings thereof shall no longer be requirements of the financing documents for the Series 2021 Bonds.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

"Instructions" has the meaning assigned to it in Section 1001(o) herein.

"Interest Account" means the Interest Account established in the Bond Fund.

"Interest Payment Date" has the meaning given to it in Section 202 herein.

"Letter of Representations" means the Blanket Letter of Representations dated _____, _____, from the Authority to DTC and any amendments thereto or successor agreements between the Authority and any successor of DTC, relating to a book-entry system to be maintained by DTC with respect to the Series 2021 Bonds. Notwithstanding any provision of this Bond Indenture including Article XI regarding amendments, the Bond Trustee may enter into any such amendment or successor agreement without the consent of Bondholders.

"Loan Agreement" means the Loan Agreement dated as of the date hereof, between the Authority and the Borrower, as the same may be altered, amended, modified, or supplemented from time to time.

"Master Indenture" means the Master Trust Indenture dated as of _____, 2021, between the Borrower and the Master Trustee, as the same may be altered, amended, modified, or supplemented from time to time.

"Master Trustee" means _____, as Master Trustee under the Master Indenture, and successors thereto.

"Members of the Obligated Group" has the meaning assigned to it in the Master Indenture.

"Moody's" means Moody's Investors Service, Inc. or its successors in the business of providing investment rating services, provided that if neither Moody's nor any successor is then in such business the reference to Moody's and ratings thereof shall no longer be requirements of the financing documents for the Series 2021 Bonds.

"Mortgaged Premises" has the meaning assigned to it in the Master Indenture.

"Obligated Group" has the meaning assigned to it in the Master Indenture.

"Obligation No. 1" means the Borrower's Promissory Note Constituting Obligation No. 1 in the initial principal amount of \$ _____ dated the date hereof, issued under the Master Indenture and delivered to the Authority under the Loan Agreement, as the same may be altered, amended, modified, or supplemented from time to time.

"Opinion of Bond Counsel" means an opinion in writing signed by Bond Counsel.

"Opinion of Counsel" means an opinion in writing signed by an attorney or firm of attorneys who may be counsel for the Authority or the Members of the Obligated Group or other counsel.

"Outstanding" means all Series 2021 Bonds that have been authenticated and delivered by the Bond Trustee under this Bond Indenture, except the following:

(a) Series 2021 Bonds canceled or purchased by or delivered to the Bond Trustee for cancellation under the provisions of this Bond Indenture;

(b) Series 2021 Bonds that have become due (at maturity or on redemption, acceleration or otherwise) and for the payment, including interest accrued to the due date, of which sufficient moneys are held by the Bond Trustee;

(c) Series 2021 Bonds deemed paid under Section 801 of this Bond Indenture;
and

(d) Series 2021 Bonds that have been authenticated under Section 208 of this Bond Indenture (relating to registration and exchange of Series 2021 Bonds) or Section 211 of this Bond Indenture (relating to mutilated, lost, stolen, destroyed or undelivered Series 2021 Bonds) in lieu of other Series 2021 Bonds.

"Plan of Finance" has the meaning assigned to it in the recitals.

"Principal Account" means the Principal Account established in the Bond Fund.

"Prior Bond Redemption Fund" means the Series 2021 Prior Bond Redemption Fund established by Section 501.

"Refunded Debt" means the obligations of the Borrower related to the bonds and other debt listed on Exhibit C.

"Reserve Fund" has the meaning assigned to it in Supplemental Indenture for Obligation No. 1.

"Requisition" means a requisition in substantially the form of Exhibit B.

"Series 2021 Bonds" means the Authority's Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 in the aggregate principal amount of \$_____ authorized to be issued under Section 201, as the same may be altered, amended, modified, or supplemented from time to time.

"S&P" means S&P Global Ratings, or its successors in the business of providing investment rating services, provided that if neither S&P nor any successor is then in such business the references to S&P and ratings thereof shall no longer be requirements of the financing documents for the Series 2021 Bonds.

"Supplemental Indenture for Obligation No. 1" means the Supplemental Indenture for Obligation No. 1 dated the date hereof, among the Borrower and the Master Trustee, as altered, amended, modified, or supplemented from time to time.

"Tax Agreement" means the Tax Certificate and Agreement dated _____, 2021, between the Authority and the Borrower.

"Term Bonds" means the Series 2021 Bonds maturing on June 1, 20____, 20____, 20____, 20____, 20____ and 20____.

"Unassigned Rights" means the rights of the Authority under the Loan Agreement to payment of fees and expenses, indemnification and receipt of notices.

Section 102. Rules of Construction. The following rules shall apply to the construction of this Bond Indenture unless the context otherwise requires:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of Series 2021 Bonds shall not be deemed to refer to or connote the payment of Series 2021 Bonds at their stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Bond Indenture.

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

(e) All references herein to the payment of Series 2021 Bonds are references to payment of principal of, premium, if any, and interest on Series 2021 Bonds.

(f) All accounting terms used herein which are not otherwise expressly defined in this Bond Indenture have the meanings respectively given to them in accordance with accounting principles generally accepted in the United States (GAAP). Except as otherwise expressly provided herein, all financial computations made under this Bond Indenture shall be made in accordance with GAAP and all balance sheets and other financial statements shall be prepared in accordance with GAAP.

(g) Unless otherwise specified, the interest rate applicable to all Series 2021 Bonds shall be a rate per year consisting of 360 days, with computations of interest over any period of less than 360 days to be made on the basis of twelve 30-day months.

ARTICLE II

AUTHORIZATION, EXECUTION, AUTHENTICATION, REGISTRATION AND DELIVERY OF SERIES 2021 BONDS

Section 201. Authorization of Series 2021 Bonds. The Authority hereby authorizes the issuance of its Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021, in the aggregate principal amount of \$ _____.

Section 202. Details of Series 2021 Bonds. (a) The Series 2021 Bonds shall be issuable as registered bonds in the denominations of \$5,000 and multiples thereof ("Authorized Denominations"), shall be dated the date of their delivery, shall be numbered appropriately, shall bear interest payable semiannually commencing on _____, 20____, and on each _____ 1 and December 1 thereafter (each an "Interest Payment Date") at rates, and shall mature on _____ 1 in years and amounts, as follows:

<u>Year</u>	<u>Amount</u>	<u>Rate</u>
	\$	%

(b) Each Series 2021 Bond shall bear interest (i) from the date of its delivery if it is authenticated prior to _____ 1, 2021, and (ii) otherwise from the Interest Payment Date that is, or immediately precedes, the date on which such Series 2021 Bond is authenticated; provided,

however, that if at the time of authentication of any Series 2021 Bonds interest is in default, such Series 2021 Bond shall bear interest from the date to which interest has been paid.

Principal of, premium, if any, and interest on the Series 2021 Bonds shall be payable in lawful money of the United States of America, but only from the revenues and receipts derived from the Borrower and the security therefor and pledged to the payment thereof as hereinafter provided. Principal of and premium of Series 2021 Bonds shall be payable upon presentation and surrender of the Series 2021 Bonds as they become due at the designated corporate trust office of the Bond Trustee; provided that, for so long as Cede & Co. or other nominee of DTC is the sole Bondholder, principal of and premium, if any, on the Series 2021 Bonds shall be payable as provided in the Letter of Representations. Interest on Series 2021 Bonds shall be payable to the registered owners by wire transfer, check or draft mailed to such owners at their addresses as they appear on registration books kept by the Bond Trustee as bond registrar, as of the 15th day of the month preceding the Interest Payment Date.

If any principal of or premium, if any, or interest on any Series 2021 Bond is not paid when due (whether at maturity, upon acceleration or call for redemption or otherwise), then the overdue installments of principal and, to the extent permitted by law, interest shall bear interest until paid at the same rate set forth in such Series 2021 Bond.

Nothing herein shall be construed as prohibiting the Authority from issuing the Series 2021 Bonds as one fully registered bond for the purpose of qualifying the Series 2021 Bonds for book entry registration by a securities depository or any similar arrangement whereby investors may hold a participation interest in such Series 2021 Bonds.

Section 203. Execution of Series 2021 Bonds. The Series 2021 Bonds shall be signed by the manual or facsimile signature of the Chairman or the Vice Chairman of the Authority, and a manual or facsimile of its seal shall be printed thereon and attested by the manual or facsimile signature of the Secretary or the Assistant Secretary of the Authority. In case any officer whose signature or a facsimile of whose signature shall appear on any Series 2021 Bond shall cease to be such officer before the delivery of the Series 2021 Bonds, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained in office until such delivery. Any Series 2021 Bond may bear the facsimile signature of such persons as at the actual time of the execution thereof shall be the proper officers to sign such Series 2021 Bond although at the date of delivery of such Series 2021 Bond such persons may not have been such officers.

Section 204. Authentication of Series 2021 Bonds. The Series 2021 Bonds shall bear a certificate of authentication, substantially in the form set forth in Exhibit A, duly executed by the Bond Trustee. The Bond Trustee shall authenticate each Series 2021 Bonds with the signature of an authorized representative of the Bond Trustee, but it shall not be necessary for the same representative to authenticate all of the Series 2021 Bonds. Only such authenticated Series 2021 Bonds shall be entitled to any right or benefit under this Bond Indenture, and such certificate on any Series 2021 Bond issued hereunder shall be conclusive evidence that the Series 2021 Bond has been duly issued and is secured by the provisions hereof.

Section 205. Form of Series 2021 Bonds. The Series 2021 Bonds shall be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as permitted or required by this Bond Indenture.

Section 206. Delivery of Series 2021 Bonds. (a) The Bond Trustee shall authenticate and deliver the Series 2021 Bonds when there have been filed with it the following:

(1) A certified copy of a resolution or resolutions of the Authority authorizing (A) the execution and delivery of the Loan Agreement and the assignment of Obligation No. 1, (B) the execution and delivery of this Bond Indenture, and (C) the issuance, sale, execution and delivery of the Series 2021 Bonds.

(2) An original executed counterpart of this Bond Indenture.

(3) An original executed counterpart of the Loan Agreement.

(4) The original executed Obligation No. 1, assigned by the Authority, without recourse, to the Bond Trustee.

(5) An original executed counterpart of the Supplemental Indenture for Obligation No. 1;

(6) An original executed counterpart of the Deed of Trust.

(7) An endorsement to the mortgagee title insurance policy on the Mortgaged Premises, such that the aggregate amount insured is at least in the aggregate amount of the Series 2021 Bonds and the maximum principal amount of the Obligations Outstanding (as that term is defined in the Master Indenture), and designating the Master Trustee as the insured named in Schedule A thereto.

(8) An Opinion of Kaufman & Canoles, PC, Counsel to the Borrower, to the effect that the Borrower is (A) a "501(c)(3) organization" within the meaning of Section 145 of the Code, and (B) not a private foundation within the meaning of Section 509(a) of the Code and also to the effect that (C) the Loan Agreement, the Obligation No. 1, the Master Indenture and the Deed of Trust have been duly authorized, executed and delivered by the Borrower and are enforceable against the Borrower, subject to bankruptcy and equitable principles.

(9) Internal Revenue Service form 8038 completed by the Authority with respect to the Series 2021 Bonds together with a certificate of the Borrower with respect to the information contained therein.

(10) An opinion of McGuireWoods LLP, Bond Counsel, that the interest on the Series 2021 Bonds is excludable from gross income for federal income tax purposes under existing law and is exempt from taxation by the Commonwealth of Virginia and also to the effect that the issuance of the Series 2021 Bonds has been duly authorized by the Authority.

(11) An opinion of McGuireWoods LLP, Bond Counsel, to the Bond Trustee to the effect that registration of the Series 2021 Bonds under the Securities Act of 1933, as amended, and qualification of this Bond Indenture under the Trust Indenture Act of 1939, as amended, is not required.

(12) A request and authorization of the Authority, signed by its Chairman or Vice Chairman, to the Bond Trustee to authenticate and deliver the Series 2021 Bonds to such person or persons named therein upon payment to the Bond Trustee for the account of the Authority of a specified sum plus accrued interest to the date of delivery.

(b) Simultaneously with the delivery of the Series 2021 Bonds, the Bond Trustee shall apply, or arrange for the application of, the proceeds thereof, in the amount of \$ _____ (equal to the par amount of the Series 2021 Bonds of \$ _____ plus the net original issue premium of \$ _____ less the underwriter's discount of \$ _____) as follows:

- Fund;
- (1) To the Master Trustee \$ _____ for deposit in the Reserve
 - (2) To the Prior Bond Redemption Fund \$ _____; and
 - (3) To the Cost of Issuance Fund \$ _____.

Section 207. Exchange of Series 2021 Bonds; Persons Treated as Owners. The Bond Trustee shall maintain registration books for the registration of exchange of Series 2021 Bonds. Upon surrender of any Series 2021 Bond at the designated corporate trust office of the Bond Trustee, together with an assignment duly executed by the registered owner or his duly authorized attorney or legal representative in such form as shall be satisfactory to the Bond Trustee, such Series 2021 Bond may be exchanged for an equal aggregate principal amount of Series 2021 Bonds of authorized denominations, of the same series, form and maturity, bearing interest at the same rate as the Series 2021 Bonds surrendered and registered in the name or names requested by the then registered owner. The Authority shall execute and the Bond Trustee shall authenticate any Series 2021 Bonds necessary to provide for exchange of Series 2021 Bonds under this section. The transferor shall also provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Prior to due presentment for registration of transfer of any Series 2021 Bond, the Bond Trustee shall treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that interest payments shall be made to the person registered on the 15th day of the month preceding the Interest Payment Date as owner on the registration books maintained by the Bond Trustee.

Section 208. Charges for Exchange of Series 2021 Bonds. Any exchange of Series 2021 Bonds shall be at the expense of the Borrower, except that the Bond Trustee as bond registrar shall make a charge to any Series 2021 Bondholder requesting such exchange in the amount of any tax or other governmental charge required to be paid with respect thereto.

Section 209. Temporary Series 2021 Bonds. Prior to the preparation of Series 2021 Bonds in definitive form the Authority may issue temporary Series 2021 Bonds in such denominations as the Authority may determine, but otherwise in substantially the form hereinabove set forth with appropriate variations, omissions and insertions. The Authority shall promptly prepare, execute and deliver to the Bond Trustee before the first Interest Payment Date Series 2021 Bonds in definitive form and thereupon, upon presentation and surrender of Series 2021 Bonds in temporary form, the Bond Trustee shall authenticate and deliver in exchange therefor Series 2021 Bonds in definitive form of the same series and maturity for the same aggregate principal amount. Until exchanged for Series 2021 Bonds in definitive form, Series 2021 Bonds in temporary form shall be entitled to the lien and benefit of this Bond Indenture. Notwithstanding the foregoing, so long as the Series 2021 Bonds are held in book-entry-only form they may be typewritten.

Section 210. Mutilated, Lost or Destroyed Series 2021 Bonds. If any Series 2021 Bond has been mutilated, lost or destroyed, the Authority shall execute, and the Bond Trustee shall authenticate and deliver, a new Series 2021 Bond of like date and tenor in exchange and substitution for, and upon cancellation of, such mutilated Series 2021 Bond or in lieu of and in substitution for such lost or destroyed Series 2021 Bond; provided, however, that the Authority and the Bond Trustee shall so execute, authenticate and deliver such new Series 2021 Bond only if the holder has paid the reasonable expenses and charges of the Authority and the Bond Trustee in connection therewith and, in the case of a lost or destroyed Series 2021 Bond, (a) has filed with the Authority and the Bond Trustee evidence satisfactory to them that such Series 2021 Bond was lost or destroyed and that the holder was the owner thereof and (b) has furnished to the Authority and the Bond Trustee indemnity satisfactory to them. If any such Series 2021 Bond has matured, instead of issuing a new Series 2021 Bond the Bond Trustee may pay the same without surrender thereof, upon receipt of the evidence and indemnity described above.

Section 211. Cancellation and Disposition of Series 2021 Bonds. All Series 2021 Bonds that have been paid (whether at maturity, upon acceleration or call for redemption or otherwise) or delivered to the Bond Trustee by the Borrower for cancellation shall not be reissued, and the Bond Trustee shall, unless otherwise directed by the Authority, cremate, shred or otherwise dispose of such Series 2021 Bonds in accordance with the standard procedures of the Bond Trustee. The Bond Trustee shall deliver to the Authority a certificate of any such cremation, shredding or other disposition.

Section 212. Book Entry Provisions. (a) The Series 2021 Bonds will be registered in the name of Cede & Co., a nominee of The Depository Trust Company, New York, New York ("DTC"), and immobilized in DTC's custody, or in the custody of the Bond Trustee as "FAST" agent for DTC. One Series 2021 Bond for the original principal amount of each maturity will be registered to Cede & Co. Beneficial owners of the Series 2021 Bonds will not receive physical delivery of the Series 2021 Bonds. Individual purchases of the Series 2021 Bonds may be made in book-entry form only in original principal amounts of \$5,000 and integral multiples of \$5,000. Payments of principal of and premium, if any, and interest on the Series 2021 Bonds will be made to DTC or its nominee as the sole Series 2021 Bondholder on the applicable payment date.

DTC is responsible for the transfer of the payments of the principal of and premium, if any, and interest on the Series 2021 Bonds to its participants, which include securities brokers and

dealers, banks, trust companies, clearing corporations and certain other organizations (the "Participants") and selection of Series 2021 Bonds to be redeemed in the case of a partial redemption. Transfer of the payments of the principal of and premium, if any, and interest on the Series 2021 Bonds to beneficial owners of the Series 2021 Bonds is the responsibility of the Participants and other nominees of such beneficial owners.

Transfer of the beneficial ownership interests in the Series 2021 Bonds shall be made by DTC and its Participants, acting as nominees of the beneficial owners of the Series 2021 Bonds, in accordance with rules specified by DTC and its Participants. Neither the Authority nor the Series 2021 Bond Trustee makes any assurances that DTC, its Participants or other nominees of the beneficial owners of the Series 2021 Bonds will act in accordance with such rules or on a timely basis.

The Authority and the Bond Trustee disclaim any responsibility or obligation to the Participants or the beneficial owners with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC to any Participant or by any Participant to any beneficial owner of any amount due to any beneficial owner in respect of the principal of and premium, if any, and interest on the Series 2021 Bonds, (iii) the delivery by DTC to any Participant or by any Participant to any beneficial owner of any notice to any beneficial owner which is required or permitted under the terms of this Bond Indenture to be given to Bondholders, (iv) the selection of the beneficial owners to receive payment in any partial redemption of the Series 2021 Bonds, or (v) any other action taken by DTC as Bondholder.

So long as Cede & Co., as nominee of DTC, is the sole Bondholder, references in this Bond Indenture to the Bondholders, holders or registered owners of the Series 2021 Bonds means Cede & Co. and not the beneficial owners of the Series 2021 Bonds. Any notice to or consent requested of Bondholders under this Bond Indenture shall be given to or requested of Cede & Co.

(b) Replacement Series 2021 Bonds (the "Replacement Bonds") will be registered in the name of and be issued directly to beneficial owners of the Series 2021 Bonds rather than to DTC, or its nominee, but only if:

(1) DTC determines not to continue to act as securities depository for the Series 2021 Bonds; or

(2) The Bond Trustee or the Authority has advised DTC of the Bond Trustee's or the Authority's determination that DTC is incapable of discharging its duties or that it is otherwise in the best interests of the beneficial owners of the Series 2021 Bonds to discontinue the book-entry system of transfer.

Upon the occurrence of an event described in clause (1) or (2) (and the Bond Trustee and the Authority undertake no obligation to make any investigation regarding the matters described in clause (2)), the Authority may attempt to locate another qualified securities depository. If the Authority fails to locate another qualified securities depository to replace DTC, the Authority shall execute and the Bond Trustee shall authenticate and deliver to the Participants the Replacement Bonds (substantially in the form set forth in Exhibit A, with such appropriate variations, omissions

and insertions as are permitted or required by this Bond Indenture) to which the Participants are entitled for delivery to the beneficial owners of the Series 2021 Bonds. The Bond Trustee shall be entitled to rely on the records provided by DTC as to the Participants entitled to receive Replacement Bonds. The holders of the Replacement Bonds shall be entitled to the lien and benefits of this Bond Indenture.

In connection with any proposed transfer outside DTC's system, the Authority, the Borrower or DTC shall provide or cause to be provided to the Bond Trustee all information necessary to allow the Bond Trustee to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Section 6045 of the Code. The Bond Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

ARTICLE III

REDEMPTION OF SERIES 2021 BONDS

Section 301. Redemption Dates and Prices. The Series 2021 Bonds may not be called for redemption by the Authority except as provided below:

(a) Extraordinary Optional Redemption. The Series 2021 Bonds are subject to redemption, in whole or in part, at a redemption price equal to 100% of the principal amount thereof, without premium, plus accrued interest to, but not including, the redemption date, without premium, on the earliest date for which notice of redemption can be given at the direction of the Borrower, to the extent the Borrower makes a prepayment on Obligation No. 1 under the circumstances permitted by Section 7.1 of the Loan Agreement and Section 3.05 of the Master Indenture. In the circumstance contemplated by Section 7.1(c) of the Loan Agreement, the Series 2021 Bonds shall be subject to extraordinary optional redemption in an amount that bears the same pro rata relationship to the aggregate principal amount of the Series 2021 Bonds then outstanding as that portion of the Mortgaged Premises financed or refinanced with the proceeds of the Series 2021 Bonds (the "Bond Financed Property") with respect to which the insurance proceeds have been received bears to all Bond Financed Property. In the event of a partial extraordinary optional redemption, an Authorized Representative of the Borrower may direct the Bond Trustee to redeem as directed in writing by the Borrower, the Series 2021 Bonds from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of Series 2021 Bonds of such maturity bears to the total principal amount of all Series 2021 Bonds issued under this Bond Indenture and then outstanding or in inverse order of maturity, and the Bond Trustee shall redeem in accordance with such Instructions.

(b) Optional Redemption. The Series 2021 Bonds will be subject to redemption by the Authority, at the written direction of the Borrower, prior to maturity in whole, or in part by lot, at any time, on and after _____ 1. 20____, at the following redemption prices (expressed as a percentage of the principal amount of the Series 2021 Bonds to be redeemed) plus accrued interest thereon, if any, to the redemption date in the event the Borrower exercises its option to prepay all or a portion of the amounts available under Obligation No. 1 under Sections 7.2 or 7.3 of the Loan Agreement:

Redemption Period:

Price

%

(c) The Term Bonds are required to be redeemed in part under the terms of the sinking fund requirement provided in Section 303 at a redemption price of 100% of the principal amount thereof plus accrued interest thereon to the redemption date.

(d) Except as provided in paragraph (a), if less than all of the Series 2021 Bonds of any maturity are called for redemption, the Series 2021 Bonds to be redeemed shall be selected by DTC in accordance with its procedures, or if DTC is not the securities depository, then by lot in such manner as the Bond Trustee in its discretion may determine, each portion of \$5,000 principal amount being counted as one Series 2021 Bond for such purposes. If a portion of a Series 2021 Bond having a principal amount of more than \$5,000 shall be called for redemption, a new registered Series 2021 Bond in principal amount equal to the unredeemed portion thereof shall be issued to the registered owner upon the surrender thereof.

(e) If the Borrower exercises any option to prepay Obligation No. 1 under Article VII of the Loan Agreement or requests any redemption of Series 2021 Bonds permitted hereunder and sufficient amounts are in the funds created herein, the Bond Trustee shall, in the name of the Authority, redeem Series 2021 Bonds as then permitted or required at the earliest practicable date permitted hereunder.

Section 302. Notice of Redemption. The Bond Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of the call for any such redemption identifying the Series 2021 Bonds to be redeemed to be sent by first class mail not less than 30 nor more than 60 days prior to the redemption date to the owner of each Series 2021 Bond to be redeemed at his address as it appears on the registration books. Failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Series 2021 Bond with respect to which no such failure or defect has occurred.

Any notice of redemption mailed as specified in this section shall be deemed to have been duly given when mailed by the Bond Trustee. Any such notice shall be given in the Authority's name, identify the Series 2021 Bonds to be redeemed by name, certificate number, CUSIP number, interest rate, maturity date and any other descriptive information determined by the Bond Trustee to be needed to identify the Series 2021 Bonds. All such notices shall also state that on the redemption date the Series 2021 Bonds called for redemption will be payable at the Bond Trustee's designated corporate trust office and that from that date interest will cease to accrue.

In the case of an optional redemption under Section 301(c), the notice may state that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Bond Trustee no later than the redemption date.

On or before the date fixed for redemption, funds shall be deposited with the Bond Trustee to pay the principal of, premium, if any, and interest accrued thereon to the redemption date on the

Series 2021 Bonds called for redemption. Upon the happening of the above conditions, the Series 2021 Bonds or portions thereof thus called for redemption shall cease to bear interest from and after the redemption date, shall no longer be entitled to the benefits provided by this Bond Indenture and shall not be deemed to be Outstanding under the provisions of this Bond Indenture.

Section 303. Mandatory Sinking Fund. As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____
1, 20_____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal
amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption
date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____
1, 20_____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal
amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption
date, as follows:

<u>Year</u>	<u>Amount</u>
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\$

The Authority shall receive a credit against payments required to be made on any mandatory sinking fund redemption date specified by an Authorized Representative of the Borrower for the Series 2021 Bonds of the same series and maturity, in an amount equal to the principal amount of such Series 2021 Bonds that have been redeemed (otherwise than by mandatory sinking fund redemption) before the mandatory sinking fund redemption date or purchased by the Authority or the Borrower and delivered to the Bond Trustee for cancellation at least sixty (60) days before the mandatory sinking fund redemption date, provided the principal amount of such Series 2021 Bonds have not previously been applied as a credit against any other mandatory sinking fund redemption payment.

Section 304. Purchase in Lieu of Redemption. The Authority and, by their acceptance of the Series 2021 Bonds, the owners of the Series 2021 Bonds, irrevocably grant to the Borrower the option to purchase, at any time and from time to time, any Series 2021 Bond which has been called for redemption under the provisions of this Bond Indenture at a price equal to the principal amount thereof, plus any applicable premium, and plus the interest accrued on the principal amount to be redeemed to the date fixed for redemption. To exercise such option, the Borrower shall give the Bond Trustee a written request exercising such option within the time period specified herein as though such written request were a written request of the Authority for redemption, and the Bond Trustee shall thereupon give notice of such purchase in the manner

specified herein as though such purchase were a redemption, and the purchase of such Series 2021 Bonds shall be mandatory and enforceable against the owners of any such Series 2021 Bonds. On the date fixed for purchase under any exercise of such option, the Borrower shall pay the purchase price of the Series 2021 Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the registered owner against delivery thereof. Following such purchase, the Bond Trustee shall cause such Series 2021 Bonds to be registered in the name of the Borrower or its nominee and shall deliver them to the Borrower or its nominee. In the case of the purchase of less than all of the Series 2021 Bonds, the particular Series 2021 Bonds to be purchased shall be selected in accordance with the provisions of Section 302 hereof. No purchase of the Series 2021 Bonds under this provision shall operate to extinguish the indebtedness of the Authority evidenced thereby.

ARTICLE IV

GENERAL COVENANTS AND PROVISIONS

Section 401. Payment of Series 2021 Bonds. The Authority shall promptly pay when due the principal of (whether at maturity, upon acceleration or call for redemption or otherwise) and premium, if any, and interest on the Series 2021 Bonds at the places, on the dates and in the manner provided herein and in the Series 2021 Bonds; provided, however, that such obligations are not general obligations of the Authority but are limited obligations payable solely from the revenues and receipts derived from the trust estate granted in the granting clauses at the beginning of this Bond Indenture, which revenues and receipts are hereby specifically pledged to such purposes in the manner and to the extent provided herein. Neither the directors of the Authority nor any persons executing the Series 2021 Bonds shall be liable personally on the Series 2021 Bonds by reason of the issuance thereof. The Series 2021 Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit of the Authority, the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County of James City, Virginia. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and the County of James City, Virginia, shall be liable for the Series 2021 Bonds or obligated to pay the principal, premium, if any, or the interest thereon or other costs incident thereto except from the revenues and receipts pledged 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 of James City, Virginia, is pledged to the payment of the principal of or the premium, if any, or the interest on the Series 2021 Bonds or other costs incident thereto.

Section 402. Covenants and Representations of Authority. The Authority shall observe and perform all covenants, conditions and agreements on its part contained in this Bond Indenture, in every Series 2021 Bond executed, authenticated and delivered hereunder and in all its proceedings pertaining thereto; provided, however that the liability of the Authority under any such covenant, condition or agreement for any breach or default by the Authority thereof or thereunder shall be limited solely to the revenues and receipts derived from the trust estate. The Authority represents that it is duly authorized under the Constitution and laws of the Commonwealth of Virginia, including particularly and without limitation the Act, to issue the Series 2021 Bonds authorized hereby and to execute this Bond Indenture, to execute and assign the Loan Agreement, to assign Obligation No. 1 and to pledge the revenues, receipts and funds in the manner and to the extent herein set forth; that all action on its part for the issuance of the Series

2021 Bonds and the execution and delivery of this Bond Indenture has been duly and effectively taken; and that the Series 2021 Bonds in the hands of the holders thereof are and will be valid and enforceable obligations of the Authority according to the terms thereof except as limited by bankruptcy laws and usual equity principles.

Section 403. Instruments of Further Assurance. The Authority shall do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, conveying, pledging and assigning to the Bond Trustee of all the rights assigned hereby and the revenues and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Series 2021 Bonds. The Authority shall cooperate with the Bond Trustee and with the Bondholders in protecting the rights and security of the Bondholders.

Section 404. Inspection of Books of Facilities. All books and documents in the Authority's possession relating to the Loan Agreement and Obligation No. 1 and the revenues derived therefrom shall at all reasonable times and after reasonable notice be open to inspection by such agents as the Bond Trustee or the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding may from time to time designate.

Section 405. Rights under Agreement, Obligation No. 1 and Deed of Trust. The Bond Trustee in its own name or in the name of the Authority may enforce all rights of the Authority, except the Authority's Unassigned Rights, and all obligations of the Borrower under the Loan Agreement, Obligation No. 1 and the Deed of Trust for and on behalf of the Bondholders, whether or not the Authority is in default hereunder.

Section 406. Prohibited Activities, Arbitrage Covenant, Tax Covenant. The Authority shall not knowingly engage in any activities or take any action that might result in the income of the Authority derived from the Borrower becoming taxable to it.

The Authority covenants for the benefit of the Bondholders of the Series 2021 Bonds that it will, to the extent within its control, take no action to cause the proceeds of the Series 2021 Bonds, the earnings on those proceeds or any moneys on deposit in any fund or account maintained with respect to the Series 2021 Bonds (whether such moneys were derived from the proceeds of the sale of the Series 2021 Bonds or from other sources) to be used in a manner that will cause the Series 2021 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code (including but not limited to ensuring compliance with the ongoing requirements of Section 148 of the Code concerning the rebate and non-purpose investment rules) all in accordance with the Tax Agreement. This covenant shall survive the defeasance or payment in full of the Series 2021 Bonds, notwithstanding any other provision of this Bond Indenture until requirements for payment of any rebate amounts pursuant to Section 148(f) of the Code have been satisfied.

The Authority covenants for the benefit of the Bondholders of the Series 2021 Bonds that it will, to the extent within its control, take no action to cause or permit no action to be taken that would cause the interest on the Series 2021 Bonds to be includable in gross income for federal income tax purposes. This covenant shall survive the defeasance or payment in full of the Series

2021 Bonds notwithstanding any other provision of this Bond Indenture until the requirements for payment of any rebate amounts pursuant to Section 148(f) of the Code have been fully satisfied.

Section 407. Reports by Bond Trustee. The Bond Trustee shall make monthly reports to the Borrower of all moneys received and expended by it under this Bond Indenture, and the Bond Trustee shall make annual reports no later than 30 days following the end of each Fiscal Year to the Authority of all moneys received and expended by it under this Bond Indenture. The Bond Trustee shall not be required to provide a report for any month in which there is no activity in any of the funds established under this Bond Indenture.

Section 408. Letter of Representations. The Authority and the Bond Trustee agree that, so long as Cede & Co. or some other nominee of DTC is the sole Bondholder, they each will give notices, make payments and establish record dates for consents and similar purposes with respect to the Series 2021 Bonds and select Series 2021 Bonds for redemption as set forth in the Letter of Representations.

Section 409. Loan to Finance the Plan of Finance. Subject to the provisions of Section 401 and under the Loan Agreement, the Authority shall make a loan to the Borrower with the proceeds of the Series 2021 Bonds so that it can finance the Plan of Finance. The Authority shall not create or knowingly suffer to be created any lien or security interest in the Mortgaged Premises or the Facilities except Permitted Liens (as defined in the Master Indenture), or any lien on the revenues with respect to the loan to the Borrower, except the pledge made under this Bond Indenture.

ARTICLE V

CUSTODY AND APPLICATION OF SERIES 2021 BOND PROCEEDS

Section 501. Creation of Cost of Issuance Fund and Prior Bond Redemption Fund. (a) There is hereby established with the Bond Trustee a trust fund designated "Economic Development Authority of James City County, Virginia, Series 2021 Cost of Issuance Fund: WindsorMeade Project."

(b) There is hereby established with the Bond Trustee a trust fund designated the "Economic Development Authority of James City County, Virginia, Series 2021 Prior Bond Redemption Fund: WindsorMeade Project."

Section 502. Limit on Investments. In any event, beginning on the date of the third anniversary of the issuance of the Series 2021 Bonds, the Bond Trustee shall invest moneys in the Cost of Issuance Fund or transferred therefrom to any other fund only in accordance with written direction from the Borrower, which must be accompanied by an Opinion of Bond Counsel.

Section 503. Cost of Issuance Fund.

(a) All investment earnings on amounts held in the Cost of Issuance Fund shall be transferred to the Interest Account Fund.

(b) The Bond Trustee shall disburse amounts in the Cost of Issuance Fund at and in accordance with the written direction of the Borrower (as provided in a Requisition) for payment of Costs of Issuance.

(c) Before any payment shall be made from the Cost of Issuance Fund there shall be filed with the Bond Trustee a Requisition.

Upon receipt of each such Requisition the Bond Trustee shall within two Business Days, make payment from the Cost of Issuance Fund in accordance with such requisition; provided, however, that if any Event of Default exists, the Bond Trustee shall not be required to make, but may, subject to Article X, make, such payment if it determines that such payment is in the interest of the holders of the Series 2021 Bonds. All such payments shall be made by check or draft payable either (i) directly to the person, firm or corporation to be paid, (ii) to both the Borrower and such person, firm or corporation, or (iii) upon receipt of evidence that the Borrower have previously paid such amount, to the Borrower.

(d) At the earlier of 180 days after the issuance of the Series 2021 Bonds or when the Bond Trustee shall have received a certificate of the Borrower signed by an Authorized Representative of the Borrower, stating that all Costs of Issuance have been paid, the balance of any moneys remaining in the Cost of Issuance Fund shall be transferred, at the written direction of the Borrower, to the Interest Account.

Section 504. Prior Bond Redemption Fund. Once the Bond Trustee makes the deposits required under Section 206(b), the Bond Trustee shall then immediately transfer such amount, along with any other funds provided to the Bond Trustee for such purpose, in accordance with separate Instructions provided by the Borrower to refund, redeem and defease as applicable, the Refunded Debt. Notwithstanding any provision to the contrary herein, amounts in the Prior Bond Redemption Fund shall be held in cash and not be invested. Upon the transfer described above, the Bond Trustee shall close the Prior Bond Redemption Fund. If any amounts transferred from the Prior Bond Redemption Fund are returned to the Bond Trustee because those amounts are not needed to refund, redeem and defease as applicable, the Refunded Debt, the amount returned to the Bond Trustee shall be applied by the Bond Trustee only in accordance with a written direction signed by an Authorized Representative of the Borrower, which is accompanied by an Opinion of Bond Counsel approving such written direction of the Borrower.

ARTICLE VI

REVENUES AND FUNDS

Section 601. Establishment of Funds. The following trust fund, to be held by the Bond Trustee, is hereby established under this Bond Indenture:

Economic Development Authority of James City County, Virginia, Series 2021 Bond Fund: WindsorMeade Project, in which there shall be established the following subaccounts:

(a) the Interest Account; and

(b) the Principal Account.

Section 602. Funds Received. (a) The Bond Trustee on the tenth day of the month shall deposit all payments and receipts derived from Obligation No. 1, the Loan Agreement, or the security therefor, in the following order, subject to credits as provided in this Article VI:

(1) To the Interest Account of the Bond Fund commencing on _____, 20____, and continuing to _____, 20____, inclusive, an amount equal to one-half of the amount remaining after the interest to become due on the Series 2021 Bonds on _____, 20____, is reduced by the sum of the amount deposited in the Interest Account representing funded interest allocable to such Interest Payment Date, if any, on the Series 2021 Bonds; and commencing on _____, 2021, and continuing on the tenth day of each month thereafter, an amount equal to one-sixth of the amount of interest due on the Series 2021 Bonds on the next Interest Payment Date (after first applying as a credit any excess amounts transferred to the Interest Account under Sections 504 or from the Reserve Fund), or such lesser amount that, together with amounts already on deposit in the Interest Account, but subject to the provisions of Section 603(a), will be sufficient to pay interest on the Series 2021 Bonds to become due on the following Interest Payment Date.

(2) To the Principal Account of the Bond Fund, commencing on _____, 20____, and continuing on the tenth day of each month thereafter an amount equal to one-twelfth of the amount of principal that will become due on the Series 2021 Bonds on the following _____ 1 or will be payable on such _____ 1 under Section 303 or such lesser amount that, together with amounts already on deposit in the Principal Account, will be sufficient to pay principal of the Series 2021 Bonds to become due or be paid at redemption on such _____.

(b) If on the tenth day of any month sufficient funds are not received by the Bond Trustee to make the deposits to the Bond Fund required on such date, the Bond Trustee shall within three Business Days notify the Borrower (with a copy to the Authority) and the Master Trustee of such by telephone or facsimile with receipt confirmed in writing, by first class registered or certified mail, and the Bond Trustee shall request the Master Trustee withdraw funds (if needed) from the Reserve Fund.

Section 603. Bond Fund.

(a) Interest Account. The Bond Trustee shall use moneys in the Interest Account solely to pay interest on the Series 2021 Bonds as the same becomes due. The Bond Trustee shall use amounts deposited in the Interest Account as funded interest on the Series 2021 Bonds to pay each interest payment thereon until such amount is depleted. If the Bond Trustee is purchasing Series 2021 Bonds under Section 603(b)(1), amounts in the Interest Account may be used to pay the portion of the purchase price consisting of accrued interest to the date of purchase.

In the event the balance in the Interest Account on the tenth (10th) day of the month next preceding an Interest Payment Date or date upon which the Series 2021 Bonds are to be redeemed is insufficient for the payment of interest becoming due on the Series 2021 Bonds on the next ensuing Interest Payment Date or date upon which the Series 2021 Bonds are to be redeemed, the

Bond Trustee shall within three Business Days notify the Borrower of the amount of the deficiency. Upon notification, the Borrower shall immediately deliver to the Bond Trustee an amount sufficient to cure the same. If the amount so delivered is not sufficient to cure the deficiency in the Interest Account, the Bond Trustee shall, not later than the Business Day next preceding the Interest Payment Date, deliver a written notice to the Master Trustee to the effect that the amount available to the Bond Trustee to pay interest on the Series 2021 Bonds is less than the amount of interest becoming due, specifying the amount of such deficiency and requesting the transfer of such amount necessary to cure such deficiency from the Reserve Fund. The Bond Trustee shall deposit into the Interest Account all amounts received from the Reserve Fund to cure such deficiency.

(b) Principal Account. The Bond Trustee shall use moneys in the Principal Account solely to pay the principal of and premium, if any, on the Series 2021 Bonds whether at maturity, by acceleration, call for redemption or otherwise. The Bond Trustee shall provide for redemption of Series 2021 Bonds in accordance with the mandatory sinking fund redemption schedule set forth in Section 303; provided, however, that on or before the 70th day next preceding any such sinking fund payment date the Authority, or the Authorized Representative of the Borrower on behalf of the Authority, may:

(1) pay to the Bond Trustee for deposit in the Principal Account as an advance payment on Obligation No. 1 such amount as the Borrower may determine, accompanied by a certificate signed by an Authorized Representative of the Borrower directing the Bond Trustee to apply such amount on or before such 70th day to the purchase of Series 2021 Bonds required to be redeemed on such sinking fund payment date, and the Bond Trustee shall thereupon use all reasonable efforts to expend such funds as nearly as may be practicable in the purchase of such Series 2021 Bonds at a price agreed to by the Borrower (including accrued interest to the date of settlement) not exceeding the principal amount thereof plus accrued interest to such sinking fund redemption date;

(2) deliver to the Bond Trustee for cancellation Series 2021 Bonds required to be redeemed on such sinking fund payment date in any aggregate principal amount desired; or

(3) instruct the Bond Trustee to apply a credit against the Authority's sinking fund redemption obligation for any such Series 2021 Bonds that previously have been redeemed (other than through the operation of the sinking fund) and cancelled by the Bond Trustee and not previously applied as a credit against any sinking fund redemption obligation.

Each Series 2021 Bond so purchased, delivered or previously redeemed shall be credited by the Bond Trustee at 100% of the principal amount thereof against amounts required to be transferred to the Principal Account on account of such Series 2021 Bonds and the principal amount of Series 2021 Bonds to be redeemed on such sinking fund payment date shall be reduced by the amount of Series 2021 Bonds so purchased, delivered or previously redeemed. Any principal amount of such Series 2021 Bonds in excess of the principal amount required to be redeemed on such sinking fund payment date shall be similarly credited in chronological order against future transfers to the Principal Account and shall similarly reduce the principal amount of Series 2021 Bonds to be

redeemed on the next sinking fund payment date. In the event the balance in the Principal Account on any _____ 10 is insufficient for the payment of the principal becoming due on the next ensuing _____ 1, the Bond Trustee shall within three Business Days notify the Borrower of the amount of the deficiency. Upon notification, the Borrower shall immediately deliver to the Bond Trustee an amount sufficient to cure the same. If the amount so delivered is not sufficient to cure the deficiency in the Principal Account, the Bond Trustee shall, not later than the Business Day next preceding _____, deliver a written notice to the Master Trustee to the effect that the amount available to the Bond Trustee to pay interest on the Series 2021 Bonds is less than the amount of principal becoming due, specifying the amount of such deficiency and requesting the transfer of such amount necessary to cure such deficiency from the Reserve Fund. The Bond Trustee shall deposit into the Principal Account all amounts received from the Reserve Fund to cure such deficiency.

(c) Investment earnings on amounts in the Interest Account shall be retained in the Interest Account. If the balance in the Interest Account on any Interest Payment Date (before the transfers to be made to such account on such date) shall exceed the amount payable on account of interest payable on the Series 2021 Bonds on such date, the excess shall be retained in the Interest Account and used as a credit against required transfers to the Interest Account during the following months preceding the next Interest Payment Date. Investment earnings on amounts in the Principal Account shall be credited thereto as earned. In the event the balance in the Principal Account on any _____ 1 (prior to the transfers to be made to such account on such date) shall exceed the amount necessary on such date to pay principal of the Series 2021 Bonds at maturity, the excess shall be retained therein and used to pay principal of the Series 2021 Bonds due and to the extent not so used, credited against required transfers thereto.

(d) When the balances in the Interest Account and Principal Account of the Bond Fund and the Reserve Fund are sufficient to redeem or pay at maturity all Series 2021 Bonds then Outstanding and to pay all interest to accrue thereon prior to redemption or maturity, at the request of the Borrower the balance in the Bond Fund shall be held for redemption or payment of the Series 2021 Bonds at the earliest practicable date and the payment of interest thereon and for no other purpose.

Section 604. Accounts within Funds. The Bond Trustee shall at the written direction of the Borrower create accounts within any fund established by this Bond Indenture and shall deposit amounts transferred to such fund in accounts therein and invest the same as directed by the Borrower. In making transfers from any such fund, the Bond Trustee shall draw on accounts therein as directed by the Borrower so long as required transfers can be made consistent with such directions.

Section 605. Non-Presentation of Series 2021 Bonds. If any Series 2021 Bond is not presented for payment when the principal thereof becomes due (whether at maturity, upon acceleration or call for redemption or otherwise), all liability of the Authority to the holder thereof for the payment of such Series 2021 Bond shall forthwith cease, determine and be completely discharged if funds sufficient to pay such Series 2021 Bond and interest due thereon shall be held by the Bond Trustee for the benefit of the holder thereof, and thereupon it shall be the duty of the Bond Trustee to hold such funds, without liability for interest thereon, for the benefit of the holder of such Series 2021 Bond, who shall thereafter be restricted exclusively to such funds for any claim

of whatever nature on his part under this Bond Indenture or on, or with respect to, such Series 2021 Bond.

Any moneys that have been set aside by the Bond Trustee for the payment of the principal of and premium, if any, and interest on the Series 2021 Bonds and that shall remain unclaimed by the registered owner of any of the Series 2021 Bonds for a period of four years after the date on which such principal and interest on the Series 2021 Bonds shall have become payable, shall, unless otherwise required by law, be paid to the Borrower, and thereafter the registered owners of such Series 2021 Bonds shall look only to the Borrower as unsecured creditors for the payment thereof and then only to the extent of the amount so received, without any interest thereon, and the Authority and the Bond Trustee shall have no responsibility with respect to such moneys.

Section 606. Bond Trustee's and Authority's Fees, Costs and Expenses. The initial administrative and acceptance fees and expenses of the Bond Trustee relating to the Series 2021 Bonds, including the reasonable fees and expenses of its legal counsel, shall be paid from the Cost of Issuance Fund as and when the same shall become due, unless such payment would, together with other Costs of Issuance paid from the proceeds of the Series 2021 Bonds, exceed 2% of the proceeds of the Series 2021 Bonds. In such case such fees and expenses shall be paid by the Borrower from its own funds. All other reasonable fees and expenses of the Bond Trustee (including such reasonable fees and expenses not incurred in the ordinary course of business) and the fees, if any, and reasonable costs and expenses of the Authority directly related to the Series 2021 Bonds and the issuance of the Series 2021 Bonds are to be paid by the Borrower from payments made under Section 4.1(b) of the Loan Agreement.

Section 607. Moneys to Be Held in Trust. All moneys required to be deposited with or paid to the Bond Trustee for the account of any of the funds created by this Bond Indenture shall be held by the Bond Trustee in trust, and except for moneys deposited with or paid to the Bond Trustee for the redemption of Series 2021 Bonds, notice of the redemption of which has been duly given, shall, while held by the Bond Trustee, constitute part of the trust estate and be subject to the lien hereof.

Section 608. Repayment to the Borrower from Funds. All amounts remaining in any of the funds created by this Bond Indenture shall be paid to the Borrower after payment in full of the Series 2021 Bonds and the fees, charges and expenses of the Bond Trustee and its agents and counsel, any other paying agent and the deed of trust trustee and other amounts required to be paid hereunder, and the fees, charges and expenses of the Authority and any other amounts required to be paid by the Borrower under Obligation No. 1 or the Loan Agreement.

ARTICLE VII

INVESTMENTS

Section 701. Investment of Funds. The Bond Trustee shall separately invest and reinvest any moneys held in the funds at and in accordance with the written direction of an Authorized Representative of the Borrower in:

- (a) Government Obligations;

(b) Obligations of the Federal National Mortgage Association, Governmental National Mortgage Association, Federal Farm Credit Banks, Federal Intermediate Credit Banks, Federal Banks for Cooperatives, Federal Land Banks and Federal Home Loan Banks;

(c) Bonds, notes and other evidences of indebtedness unconditionally guaranteed as to payment of principal and interest by the Commonwealth of Virginia or any city, county or town therein;

(d) Savings accounts, time deposits and certificates of deposit in any bank, including the Bond Trustee, or any affiliate thereof, (1) within the Commonwealth of Virginia, provided that such funds are secured in the manner required by the Virginia Security for Public Deposits Act or any successor provision of law, or (2) within or without the Commonwealth of Virginia having a combined capital, surplus and undivided profits of not less than \$50,000,000, or (3) demand deposits, including U.S. dollar denominated deposit accounts, interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Bond Trustee and the Authority, or bankers acceptances of depository institutions, including the Bond Trustee or any of its affiliates;

(e) Savings accounts and certificates of

(1) savings and loan associations that are under supervision of the Commonwealth of Virginia; and

(2) Federal associations organized under the laws of the United States of America and under federal supervision, but only to the extent that such accounts and certificates are fully insured by the Federal Savings and Loan Insurance Company or any successor federal agency;

(f) "Prime quality" commercial paper, with a maturity of 270 days or less, of issuing corporations organized under the laws of the United States, or of any state thereof, including paper issued by banks and bank holding companies. "Prime quality" shall be as rated by Moody's within its ratings of P-1 or P-2 or by S&P within its ratings of A-1 or A-2;

(g) Bankers' acceptances guaranteed by any bank having a combined capital, surplus and undivided profits of not less than \$50,000,000;

(h) Investments in money market funds restricted to Government Obligations and funds rated in the highest rating category by either Moody's, S&P or Fitch including any such fund administered by the Bond Trustee or for which the Bond Trustee, its affiliates or subsidiaries provide investment advisory or other management services;

(i) Investment agreements with any bank, registered broker/dealer, insurance company or any other financial institution or corporation, or any subsidiary thereof, with a senior unsecured credit rating of, or claims paying ability of, at least "Aa3" by Moody's or "AA-" by S&P or "AA-" by Fitch. The credit rating may be at either the parent or subsidiary level; and

(j) Such other investments as may be directed in writing by an Authorized Representative of the Borrower that are permitted by law. The Bond Trustee shall be authorized to rely on such direction as to the suitability, legality and permissibility of the directed investment.

Any bonds, notes or other evidences of indebtedness listed in subsections (a), (b) and (c) above may be purchased by the Bond Trustee under a repurchase agreement with any bank or investment bank, including an affiliate of the Bond Trustee, within or without the Commonwealth of Virginia having a combined capital, surplus and undivided profits of not less than \$50,000,000, provided the obligation of the bank or investment bank to repurchase is within the time limitation established for investments as set forth below. A repurchase agreement for securities described in subsections (a), (b) and (c) above shall be considered a purchase of such securities even if title and/or possession of such securities is not transferred to the Bond Trustee so long as (i) the repurchase obligation of the bank or investment bank is collateralized by the securities themselves, (ii) the securities have on the date of the repurchase agreement a fair market value equal to at least 100% of the amount of the repurchase obligation of the bank or investment bank, (iii) the securities are held by a third party and segregated from securities owned generally by the bank or investment bank, (iv) a perfected security interest in such securities is created for the benefit of the holders of the Series 2021 Bonds, under the Uniform Commercial Code of Virginia or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq., and (v) if the repurchase agreement is with the bank serving as Bond Trustee or any related party, the third party holding such securities holds them as agent for the Bond Trustee as fiduciary for the holders of the Series 2021 Bonds and not as agent for the bank serving as Bond Trustee in its commercial capacity or any other party.

If the Borrower fails to provide investment direction to the Bond Trustee, the Bond Trustee shall hold all moneys on deposit with it un-invested. All such investments shall be held by or under the control of the Bond Trustee and while so held shall be deemed a part of the fund in which such moneys were originally held, except as otherwise provided herein. The interest accruing from such investment and any profit realized therefrom shall be credited to such funds and any loss resulting from such investments shall be charged to such funds, except as otherwise provided herein. The Bond Trustee shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund is insufficient for the purposes thereof. So long as all investment restrictions applicable to each fund or account created hereunder are complied with, the Bond Trustee may commingle the funds and accounts held by it hereunder for purposes of investing amounts held therein.

The Bond Trustee shall, to the extent consistent with other provisions of this section, make any investment requested in writing by the Borrower. At the request of the Borrower, but no more than monthly, the Bond Trustee shall provide the Borrower with reports in reasonable detail regarding the investment of the funds held by the Bond Trustee, which reports may be included in the reports required under Section 407. Confirmations of investments made in accordance with this Section are not required to be issued by the Bond Trustee for each month for which a monthly statement is issued. No statement or report under Section 407 or this paragraph need be received for any fund or account if no activity occurred in such fund or account during such month.

Moneys held in the following funds shall be invested in securities and obligations maturing not later than the following dates:

(A) Bond Fund -- not later than the dates on which such moneys will be needed to pay principal of (whether at maturity or by mandatory sinking fund redemption) or interest on the Series 2021 Bonds.

For the purposes of this section investments shall be considered as maturing on the date on which they are redeemable without penalty at the option of the holder or the date on which the Bond Trustee may require their repurchase, under a repurchase agreement qualifying as described above.

For the purpose of determining the amount on deposit to the credit of any such fund or account, as reflected by annual accounting statements, obligations purchased as an investment of moneys therein shall be valued at least annually at the cost or market price thereof, whichever is lower, inclusive of accrued interest. Except as provided in Sections 603(c), the Bond Trustee shall not be required to calculate the value of investments more frequently than annually.

Section 702. Investments through Bond Trustee's Bond Department. The Bond Trustee may make investments permitted by Section 701 through its own bond department.

ARTICLE VIII

DISCHARGE OF INDENTURE

Section 801. Discharge of Indenture. The Series 2021 Bonds shall be deemed paid for all purposes of this Bond Indenture when (a) payment of the principal of and the maximum amount of interest that may become due on such Series 2021 Bonds to the due date of such principal and interest (whether at maturity, upon redemption, acceleration or otherwise) either (i) has been made in accordance with the terms of Article III or (ii) has been provided for by depositing with the Bond Trustee (A) moneys sufficient to make such payment which otherwise meet the definition of Defeasance Obligations or (B) noncallable Defeasance Obligations maturing as to principal and interest in such amounts and at such times as an independent certified public accountant determines will ensure the availability of sufficient moneys to make such payment without regard to the reinvestment thereof; and (b) all compensation and expenses of the Authority and the Bond Trustee (as well as the fees and expenses of their counsel) pertaining to each such Series 2021 Bond in respect of which such payment or deposit is made have been paid or provided for to their respective satisfaction. When a Series 2021 Bond is deemed paid, it shall no longer be secured by or entitled to the benefits of this Bond Indenture, except for payment from moneys or Defeasance Obligations under subsection (a) above and except that it may be transferred, exchanged, registered, discharged from registration or replaced as provided in Article II.

Notwithstanding the foregoing, no deposit under subsection (a) above made for the purpose of paying the redemption price of such Series 2021 Bond (as opposed to the final payment thereof upon maturity) will be deemed a payment of such Series 2021 Bond as aforesaid until (x) notice of redemption of such Series 2021 Bond is given in accordance with Article III or, if such Series 2021 Bond is not to be redeemed within the next 60 days, until the Borrower has given the Bond Trustee, in form satisfactory to the Bond Trustee, irrevocable Instructions to notify, as soon as practicable, the holder of such Series 2021 Bond, in accordance with Article III, that the deposit required by subsection (a) above has been made with the Bond Trustee and that such Series 2021

Bond is deemed to be paid under this Article and stating the redemption date upon which moneys are to be available for the payment of the principal of such Series 2021 Bond or (y) the maturity of such Series 2021 Bond. Additionally, and while the deposit under subsection (a) above made for the purpose of paying the final payment of a Series 2021 Bond upon its maturity shall be deemed a payment of such Series 2021 Bond as aforesaid, the Bond Trustee shall mail notice to the registered owner of such Series 2021 Bond, as soon as practicable stating that the deposit required by subsection (a) above has been made with the Bond Trustee and that such Series 2021 Bond is deemed to be paid under this Article.

When Series 2021 Bonds are deemed paid under the foregoing provisions of this Section and other sums due hereunder and under the Loan Agreement are paid, the Bond Trustee shall, upon request, acknowledge the discharge of the Authority's obligations under this Bond Indenture with respect to such Series 2021 Bonds, except for obligations under Article II in respect of the transfer, exchange, registration, discharge from registration and replacement of Series 2021 Bonds, and obligations under Section 1002 hereof with respect to the Bond Trustee's compensation and indemnification. Series 2021 Bonds delivered to the Bond Trustee for payment shall be cancelled under Section 212.

An Authorized Representative of the Borrower shall direct the deposit, investment and use of the moneys and securities described in this Section such that no deposit will be made and no use made of any such deposit that would cause any Series 2021 Bonds (including Series 2021 Bonds deemed paid under this section) to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code. Before accepting or using any such deposit, the Bond Trustee may request an Opinion of Bond Counsel as to whether such use or acceptance would cause the Series 2021 Bonds (including Series 2021 Bonds deemed paid under this section) to be so treated and, that all conditions hereunder have been satisfied, and the Bond Trustee may conclusively rely on such opinion with regard thereto. Notwithstanding the foregoing, the Bond Trustee shall have no obligation to determine, or request such an Opinion of Counsel determining, if any deposit would cause any Series 2021 Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code.

The Bond Trustee shall receive and shall be fully protected in relying upon a certificate of an independent certified public accountant to the effect that a deposit will be sufficient to defease such Series 2021 Bonds as provided in this Section 801.

ARTICLE IX

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 901. **Events of Default.** Each of the following events shall be an Event of Default:

(a) Default in the due and punctual payment of any interest on any Series 2021 Bond;

(b) Default in the due and punctual payment of the principal of any Series 2021 Bond (whether at maturity, upon acceleration or call for redemption or otherwise);

(c) An "Event of Default" under the Loan Agreement or the Master Indenture, and such "Event of Default" shall not have been remedied or waived; or

(d) Subject to the provisions of Section 911, default in the observance or performance of any other covenant, condition or agreement on the part of the Authority under this Bond Indenture or in the Series 2021 Bonds.

Section 902. Acceleration. If an Event of Default occurs and is continuing, the Bond Trustee may, and if requested by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding shall, by notice to the Authority, declare the entire unpaid principal of and interest on the Series 2021 Bonds due and payable and, thereupon, the entire unpaid principal of and interest on the Series 2021 Bonds shall forthwith become due and payable. Upon any such declaration the Authority shall forthwith pay to the holders of the Series 2021 Bonds the entire unpaid principal of and accrued interest on the Series 2021 Bonds, but only from the revenues and receipts herein specifically pledged for such purpose. Upon the occurrence of an Event of Default and a declaration of acceleration hereunder the Bond Trustee as assignee of the Authority shall immediately exercise its option under Section 6.2(a) of the Loan Agreement to declare all payments on Obligation No. 1 to be immediately due and payable.

Section 903. Other Remedies; Rights of Bondholders. Upon the occurrence of an Event of Default, the Bond Trustee may proceed to protect and enforce its rights as the holder of Obligation No. 1 and the rights of the Bondholders by mandamus or other action, suit or proceeding at law or in equity for specific performance of any agreement herein contained.

Upon the occurrence of an Event of Default, if requested to do so by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding and if indemnified as provided in Section 1001(k), the Bond Trustee shall exercise such one or more of the rights and powers conferred by this article as the Bond Trustee, upon being advised by counsel, shall deem most expedient in the interests of the Bondholders.

No remedy conferred by this Bond Indenture upon or reserved to the Bond Trustee or to the Bondholders is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and shall be in addition to any other remedy given to the Bond Trustee or to the Bondholders hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder, whether by the Bond Trustee under Section 911 or by the Bondholders, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

Upon the occurrence of an Event of Default under the Master Indenture, the Bond Trustee shall notify the Master Trustee and request that the Master Trustee direct all Members of the Obligated Group to deliver to the Master Trustee all Pledged Assets (as defined in the Master Indenture).

Section 904. Right of Bondholders To Direct Proceeding. Anything in this Bond Indenture to the contrary notwithstanding, the holders of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture or any other proceedings hereunder; provided, however, that such direction shall not be otherwise than in accordance with the provisions of law and of this Bond Indenture.

Section 905. Application of Moneys. All moneys received by the Bond Trustee under any right given or action taken under the provisions of this article, together with all other funds held by the Bond Trustee hereunder, and any funds held by the Master Trustee regarding the Series 2021 Bonds, shall after first payment of the cost and expenses of the proceedings resulting in the collection of such moneys, the expenses, liabilities and advances incurred or made by the Bond Trustee and the Deed of Trust Trustee, the fees of the Bond Trustee and the Deed of Trust Trustee and second, after payment of the expenses of the Authority in carrying out this Bond Indenture or the Loan Agreement, be deposited in the Bond Fund and applied as follows:

(a) Unless the principal of all the Series 2021 Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First - To the payment to the persons entitled thereto of all installments of interest then due on the Series 2021 Bonds, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2021 Bonds;

Second - To the payment to the persons entitled thereto of the unpaid principal of any of the Series 2021 Bonds which shall have become due (other than Series 2021 Bonds called for redemption for the payment of which moneys are held under the provisions of this Bond Indenture), in the order of their due dates, with interest on such Series 2021 Bonds at the respective rates specified therein from the respective dates on which they became due and, if the amount available shall not be sufficient to pay in full Series 2021 Bonds due on any particular date, together with such interest, then first to the payment of such interest, ratably, according to the amount of such interest due on such date, and then to the payment of such principal, ratably, according to the amount of such principal due on such date, to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2021 Bonds; and

Third - To the extent permitted by law, to the payment to persons entitled thereto of the unpaid interest on overdue installments of interest ratably, according to the amount of such interest due on such date, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2021 Bonds.

(b) If the principal of all the Series 2021 Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid on the Series 2021 Bonds, including, to the extent permitted by law, interest on overdue installments of interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Series 2021 Bond over any other Series 2021 Bond, ratably, according to the amounts due respectively for principal and interest to the persons entitled thereto, without any discrimination or preference except as to any difference in the respective rates of interest specified in the Series 2021 Bonds.

(c) If the principal of all the Series 2021 Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this article, then, subject to the provisions of subsection (b) of this section in the event that the principal of all the Series 2021 Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subsection (a) of this section.

Whenever moneys are to be applied under the provisions of this section, such moneys shall be applied at such times and from time to time as the Bond Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) on which such application is to be made and on such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Bond Trustee shall give such notice to be registered holders of the Series 2021 Bonds by first class mail as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the holder of any Series 2021 Bond until such Series 2021 Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

Section 906. Remedies Vested in Bond Trustee. All rights of action (including the right to file proof of claims) under this Bond Indenture or under any of the Series 2021 Bonds may be enforced by the Bond Trustee without the possession of any of the Series 2021 Bonds or the production thereof in any trial or other proceeding relating thereto and any such suit or proceeding instituted by the Bond Trustee may be brought in its name as Bond Trustee without the necessity of joining as plaintiffs or defendants any holders of the Series 2021 Bonds, and any recovery of judgment shall be for the equal benefit of the holders of the outstanding Series 2021 Bonds.

Section 907. Limitation on Suits. Except to enforce the rights given under Sections 902 and 908, no holder of any Series 2021 Bond shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of this Bond Indenture or for the execution

of any trust thereof or any other remedy hereunder, unless (a) a default has occurred and is continuing of which the Bond Trustee has been notified as provided in Section 1001(h), or of which by such section it is deemed to have notice, (b) such default has become an Event of Default and the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding have made written request to the Bond Trustee and offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, (c) they have offered to the Bond Trustee indemnity as provided in Section 1001(k), (d) the Bond Trustee has for 30 days after such notice failed or refused to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its, his or their own name or names, (e) no direction inconsistent with such written request has been given to the Bond Trustee during such 30 day period by the holders of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding, and (f) notice of such action, suit or proceeding is given to the Bond Trustee; it being understood and intended that no one or more holders of the Series 2021 Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice this Bond Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted and maintained in the manner herein provided and for the equal benefit of the holders of all Series 2021 Bonds then Outstanding. The notification, request and offer of indemnity set forth above, at the option of the Bond Trustee, shall be conditions precedent to the execution of the powers and trusts of this Bond Indenture and to any action or cause of action for the enforcement of this Bond Indenture or for any other remedy hereunder.

Section 908. Unconditional Right To Receive Principal, Premium and Interest. Nothing in this Bond Indenture shall, however, affect or impair the right of any Bondholder to enforce, by action at law, payment of the principal of, premium, if any, or interest on any Series 2021 Bond at and after the maturity thereof, or on the date fixed for redemption or (subject to the provisions of Section 902) upon the same being declared due prior to maturity as herein provided, or the obligation of the Authority to pay the principal of, premium, if any, and interest on each of the Series 2021 Bonds issued hereunder to the respective holders thereof at the time, place, from the source and in the manner expressed herein and in the Series 2021 Bonds.

Section 909. Termination of Proceedings. In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Bond Trustee, then and in every such case the Authority, the Borrower and the Bond Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

Section 910. Waiver of Events of Default. The Bond Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of maturity of principal of and interest on the Series 2021 Bonds on the written request of the holders of (a) a majority in aggregate principal amount of Series 2021 Bonds then Outstanding in respect of which default in the payment of principal and/or interest exists, or (b) a majority in aggregate principal amount of Series 2021 Bonds then Outstanding in the case of any other default; provided, however, that

(1) there shall not be waived without the consent of the holders of all Series 2021 Bonds then Outstanding (A) any Event of Default in the payment of the

principal of any Outstanding Series 2021 Bonds (whether at maturity or by sinking fund redemption) or (B) any default in the payment when due of the interest on any such Series 2021 Bonds unless, prior to such waiver or rescission,

(i) there shall have been paid or provided for all arrears of interest with interest (to the extent permitted by law) at the rate borne by the Series 2021 Bonds on overdue installments of interest, all arrears of principal and all expenses of the Bond Trustee in connection with such default, and

(ii) in case of any such waiver or rescission or in case of any discontinuance, abandonment or adverse determination of any proceeding taken by the Bond Trustee on account of any such default, the Authority, the Bond Trustee and the Bondholders shall be restored to their former positions and rights hereunder respectively, and

(2) no declaration of maturity under Section 902 made at the request of the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding shall be rescinded unless requested by the holders of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding.

No such waiver or rescission shall extend to any subsequent or other default or impair any right consequent thereon.

Section 911. Notice of Defaults; Opportunity of the Borrower To Cure Defaults.

Anything herein to the contrary notwithstanding, no default specified in Section 901(d) on the part of the Authority shall constitute an Event of Default until (a) notice of such default shall be given (1) by the Bond Trustee to the Authority and the Borrower or (2) by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding to the Bond Trustee, the Authority and the Borrower, and (b) the Authority and the Borrower shall have had 30 days after such notice to correct such default or cause such default to be corrected, and shall not have corrected such default or caused such default to be corrected within such period; provided, however, that if any default specified in Section 901(d) shall be such that it can be corrected but cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Borrower within such period and diligently pursued until such default is corrected, as long as such default is corrected within 90 days.

With regard to any alleged default concerning which notice is given to the Borrower under this section, the Borrower may perform any covenant, condition or agreement the nonperformance of which is alleged in such notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts and with power of substitution.

ARTICLE X

THE BOND TRUSTEE

Section 1001. Acceptance of Trusts and Obligations. The Bond Trustee hereby accepts the trusts and obligations imposed upon it by this Bond Indenture and the Loan Agreement and agrees to perform such trusts and obligations, but only upon and subject to the following express terms and conditions and no implied covenants or obligations shall be read into this Bond Indenture or the Loan Agreement against the Bond Trustee:

(a) The Bond Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture and the Loan Agreement. In case an Event of Default has occurred (which has not been cured or waived) the Bond Trustee shall exercise such rights and powers vested in it by this Bond Indenture, and use the same degree of care and skill in their exercise, as a prudent man ordinarily would exercise and use under the circumstances in the conduct of his own affairs.

(b) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall not be answerable for the conduct of the same if appointed with reasonable care, and shall be entitled to consult with and act on the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and shall be fully protected in acting upon such advice and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. As a condition to the taking, suffering or omission of any action hereunder, the Bond Trustee may demand and act on an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action or nonaction by it taken or omitted to be taken in good faith in reliance on such Opinion of Counsel.

(c) The Bond Trustee shall not be responsible for any recital herein, recital in the Series 2021 Bonds (except in respect to the certificate of the Bond Trustee endorsed on the Series 2021 Bonds), any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Series 2021 Bonds, except for any information provided by the Bond Trustee, or for compliance with any state or federal securities laws in connection with the Series 2021 Bonds or for the recording, re-recording, other filing or re-filing of any financing or continuation statement or any other document or instrument, or for insuring the Facilities or collecting any insurance moneys, or for the validity of the execution by the Authority of this Bond Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Series 2021 Bonds issued hereunder or intended to be secured hereby, or for the value of or title to the Mortgaged Premises or otherwise as to the maintenance of the security hereof; except that in the event the Bond Trustee takes possession of any part of the Mortgaged Premises under any provision of this Bond Indenture, the Loan Agreement or the Deed of Trust it shall use due diligence in preserving such part, and the Bond Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority or on the part of the Borrower under the Loan Agreement or the Deed of Trust. The Bond Trustee shall not be responsible or liable for any loss suffered in connection with any investment of moneys made by

it in accordance with Section 701 or on account of any failure of the Borrower to provide timely written investment direction to the Bond Trustee.

(d) The Bond Trustee shall not be accountable for the use of any Series 2021 Bonds authenticated or delivered hereunder. The bank or trust company acting as Bond Trustee and its directors, officers, employees or agents may in good faith buy, sell, own, hold and deal in the Series 2021 Bonds and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Bond Trustee. To the extent permitted by law, such bank or trust company may also receive tenders and purchase in good faith Series 2021 Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Bond Trustee.

(e) The Bond Trustee shall be protected in acting on any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Bond Trustee under this Bond Indenture on the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Series 2021 Bond shall be conclusive and binding on all future owners of the same Series 2021 Bond and Series 2021 Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Bond Trustee shall be entitled to rely on a certificate signed on behalf of the Authority by its Chairman or Vice Chairman and attested by its Secretary or Assistant Secretary under its seal, or such other person or persons as may be designated for such purposes by resolution of the Authority, as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Bond Trustee has been notified as provided in subsection (h) of this section, or of which by said subsection it is deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of the Secretary or Assistant Secretary of the Authority under its seal to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty, and the Bond Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(h) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, except an Event of Default under Section 901(a) or (b), unless the Bond Trustee shall be notified of such default by the Authority or by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding.

(i) The Bond Trustee shall not be required to give any bond or surety with respect to the execution of its rights and obligations hereunder.

(j) Notwithstanding any other provision of this Bond Indenture, the Bond Trustee shall have the right, but shall not be required, to demand, as a condition of any action by the Bond Trustee in respect of the authentication of any Series 2021 Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Indenture, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof.

(k) Before taking any action under this Bond Indenture or the Loan Agreement, the Bond Trustee may require that indemnity satisfactory to it be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability by reason of any action so taken, except liability that is adjudicated to have resulted from its gross negligence or willful misconduct. No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

(l) All moneys received by the Bond Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Bond Indenture or law. The Bond Trustee shall not be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(m) The Bond Trustee shall, subject to its receipt of indemnity satisfactory to it, cooperate with the Borrower in the contest, at the expense of the Borrower, of any condemnation proceeding or contest over title with respect to the Mortgaged Premises and so long as no Event of Default has occurred and is continuing of which the Bond Trustee has received notice in accordance with subsection (h), shall, to the extent it may lawfully do so, permit the Borrower to litigate in any such proceeding or contest in the name and on behalf of the Bond Trustee. So long as no Event of Default has occurred and is continuing of which the Bond Trustee has received notice in accordance with subsection (h), in no event shall the Bond Trustee voluntarily settle, or consent to the settlement of, any condemnation proceeding or contest over title with respect to the Mortgaged Premises without the consent of the Borrower.

(n) The Bond Trustee shall not be responsible for the tax-exempt status of the interest on the Series 2021 Bonds.

(o) (1) The Bond Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given under this Bond Indenture and related financing documents and delivered using Electronic Means, except that the Bond Trustee shall only accept Instructions from an Authority Representative or an Authorized Representative of the Borrower (as applicable).

(2) If the Bond Trustee receives Instructions using Electronic Means, and the Bond Trustee in its discretion elects to act upon such Instructions, the Bond Trustee's understanding of such Instructions shall be deemed controlling.

(3) The Authority and the Borrower understand and agree that the Bond Trustee cannot determine the identity of the actual sender of such Instructions and that the

Bond Trustee shall conclusively presume that directions that purport to have been sent by an Authority Representative or an Authorized Representative of the Borrower (as applicable) have been sent by such individual.

(4) The Authority and the Borrower shall be responsible for ensuring that only an Authority Representative or an Authorized Representative of the Borrower (as applicable) transmits Instructions to the Bond Trustee and that the Authority and the Borrower are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt.

(5) The Bond Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bond Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written Instruction.

(6) The Authority (to the extent that the Authority may be permitted to do so under applicable law) and the Borrower agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Bond Trustee, including without limitation the risk of the Bond Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Bond Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority or the Borrower (as applicable); (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Bond Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

(p) The Bond Trustee shall have no duty to review, verify or analyze any financial statements of the Borrower and shall hold such financial statements solely as a repository for the benefit of the Bondholders of the Series 2021 Bonds; the Bond Trustee shall not be deemed to have notice of any information contained therein, default or event of default which may be disclosed therein in any manner.

(q) The Bond Trustee shall not be responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bond Trustee shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances;

(r) In no event shall the Bond Trustee be responsible or liable for punitive, special, indirect, or consequential loss or damage of any kind whatsoever irrespective of whether

the Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of actions.

Section 1002. Fees, Charges and Expenses of Bond Trustee. Absent a specific agreement as to payment of the Bond Trustee's fees, charges and expenses, the Bond Trustee and any payment agents shall be entitled to payment and reimbursement for reasonable fees for services rendered hereunder and all advances, counsel fees and disbursements and other expenses reasonably made or incurred by the Bond Trustee in connection with such services, provided that, the trust estate shall not be liable for costs or expenses of the Bond Trustee other than reasonable costs and expenses. Upon an Event of Default, but only upon an Event of Default, the Bond Trustee shall have a first lien with right of payment prior to payment on account of principal of, or premium, if any, and interest on any Series 2021 Bond upon the trust estate created by this Bond Indenture for the foregoing fees, charges and expenses incurred by the Bond Trustee. When the Bond Trustee incurs expenses or renders services after the occurrence of an Event of Default hereunder caused by the occurrence of an "Event of Default" specified in subsections 4.01(e) or 4.01(f) of the Master Indenture, the expenses and the compensation for the services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 1003. Notice Required of Bond Trustee. If the Borrower fails to make any payment of principal of (whether at maturity or upon acceleration) and premium, if any, and interest on the Series 2021 Bonds on the day such payment is due and payable, the Bond Trustee shall give notice thereof by telephone or email to the Borrower on the next succeeding Business Day and shall promptly confirm such notice in writing by first class registered or certified mail. In the event of (a) the continuance of any such failure to make payment for 30 days after such payment was due, (b) failure of the Authority to cause any of the payments to be made to the Bond Trustee as required by Section 401, or (c) notification to the Bond Trustee by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding, of any other Event of Default hereunder, the Bond Trustee shall give notice thereof to the owner of each Series 2021 Bond then outstanding.

Section 1004. Intervention by Bond Trustee. In any judicial proceeding to which the Authority is a party and which in the opinion of the Bond Trustee has a substantial bearing on the interests of the Bondholders, the Bond Trustee may intervene on behalf of the Bondholders and, subject to Section 1001(k), shall do so if requested by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then outstanding.

Section 1005. Merger or Consolidation of Bond Trustee. Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party shall be and become successor Bond Trustee hereunder and vested with all the trusts, powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 1006. Resignation by Bond Trustee. The Bond Trustee may at any time resign from the trusts hereby created by giving 30 days' notice to the Authority, the Borrower and each registered owner of Series 2021 Bonds then Outstanding. Such resignation shall take effect upon the appointment of a successor or temporary Bond Trustee by the Bondholders or the Authority. In the event that no successor or temporary Bond Trustee is appointed within 30 days of the Bond Trustee's giving of notice of its resignation, the Bond Trustee shall have the right to petition any court of competent jurisdiction for such court's appointment of a temporary Bond Trustee provided, however, that nothing in this sentence shall be deemed to authorize appointment of any Bond Trustee other than in accordance with the requirements of Section 1008 hereof.

Section 1007. Removal of Bond Trustee. The Bond Trustee may be removed at any time (i) by an instrument or concurrent instruments in writing delivered to the Bond Trustee and to the Authority and signed by the owners of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding, or (ii) by any instrument signed by an Authorized Representative of the Borrower provided no Event of Default has occurred and is continuing. The removal shall take effect upon the appointment of a temporary or successor Bond Trustee by the Bondholders, the Borrower or a court of competent jurisdiction. In the event that no successor or temporary Bond Trustee is appointed within 30 days of the Bond Trustee's removal the Bond Trustee shall have the right to petition any court of competent jurisdiction for such court's appointment of a temporary Bond Trustee provided, however, that nothing in this sentence shall be deemed to authorize appointment of any Bond Trustee other than in accordance with the requirements of Section 1008 hereof.

Section 1008. Appointment of Successor Bond Trustee; Temporary Bond Trustee. In case the Bond Trustee hereunder shall resign, be removed, be dissolved, be in course of dissolution or liquidation or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by (a) the owners of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such owners or (b) so long as no Event of Default has occurred and is continuing, the Borrower by an instrument signed by an Authorized Representative of the Borrower; provided, however, that in case of such vacancy the Authority by an instrument signed by its Chairman or Vice Chairman may appoint a temporary Bond Trustee to fill such vacancy until a successor Bond Trustee shall be appointed by the Bondholders or the Borrower in the manner provided above; and any such temporary Bond Trustee so appointed shall immediately and without further act be superseded by the Bond Trustee so appointed by such Bondholders or the Borrower. Every such Bond Trustee appointed under this section shall be, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms, (a) a bank or trust company, organized under the laws of the Commonwealth of Virginia or the United States of America, in good standing and having a combined capital, surplus and undivided profits of not less than \$50,000,000, or (b) a subsidiary trust company under the Trust Subsidiary Act, Article 3, Chapter 10, Title 6.2, Code of Virginia of 1950, as amended, whose parent Virginia bank or bank holding company has undertaken to be responsible for the acts of such subsidiary trust company pursuant to the provisions of Section 6.2-1056 of the Trust Subsidiary Act, or any successor provision of law, and whose combined capital, surplus and undivided profits, together with that of its parent Virginia bank or bank holding company, as the case may be, is not less than \$50,000,000.

Section 1009. Concerning any Successor Bond Trustee. Every successor Bond Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereafter such successor, without any further act, deed or conveyance, shall become fully vested with all the properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Authority or its successor Bond Trustee, execute and deliver an instrument transferring to such successor Bond Trustee all the properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as Bond Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Bond Trustee for more fully and certainly vesting in such successor the properties, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this article, shall be filed and/or recorded by the successor Bond Trustee in each recording office where this Bond Indenture may have been filed and/or recorded.

Section 1010. Right of Bond Trustee To Pay Taxes and Other Charges. In case any tax, assessment or governmental or other charge on any part of the property conveyed under the Deed of Trust is not paid as required herein, the Bond Trustee may pay such tax, assessment or governmental charge, without prejudice, however, to any rights of the Bond Trustee or the Bondholders hereunder arising in consequence of such failure. Any amount at any time so paid under this section, with interest thereon from the date of payment at the Prime Rate (as defined in the Loan Agreement), shall become additional indebtedness secured by this Bond Indenture, and such indebtedness shall be given a preference in payment over any of the Series 2021 Bonds, and shall be paid out of the proceeds of revenues and receipts collected from the property herein conveyed, if not otherwise caused to be paid; but the Bond Trustee shall be under no obligation to make any such payment unless it shall have been requested to do so by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then Outstanding and shall have been provided with adequate funds for the purpose of such payment.

Section 1011. Bond Trustee Protected in Relying on Resolutions, Etc. The resolutions, opinions, certificates and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Bond Trustee for the release of property, the withdrawal of cash hereunder or the taking of any other action by the Bond Trustee as provided hereunder.

Section 1012. Successor Bond Trustee as Bond Registrar, Custodian of Funds and Paying Agent. In the event of a change in the office of Bond Trustee the predecessor Bond Trustee which has resigned or been removed shall cease to be bond registrar, custodian of the several funds created under this Bond Indenture and paying agent for principal of and interest on the Series 2021 Bonds and the successor Bond Trustee shall become such bond registrar, custodian and paying agent.

ARTICLE XI

SUPPLEMENTAL INDENTURES

Section 1101. Supplemental Indentures Not Requiring Consent of Bondholders.

The Authority and the Bond Trustee may, without the consent of, or notice to, any of the Bondholders, enter into such indenture or indentures supplemental to this Bond Indenture as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission in this Bond Indenture;
- (b) To grant to or confer on the Bond Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authority that may lawfully be granted to or conferred on the Bondholders or the Bond Trustee or either of them;
- (c) To subject to this Bond Indenture additional revenues, properties or collateral;
- (d) To modify, amend or supplement this Bond Indenture in such manner as required to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or any state securities (Blue Sky) law, and, if they so determine, to add to this Bond Indenture such other terms, conditions and provisions as may be required by said Trust Indenture Act of 1939, as amended, or similar federal statute or state securities law;
- (e) To modify, amend or supplement this Bond Indenture in such manner as required to prevent this Bond Indenture or any fund, account or deposit created, established or made pursuant hereto from being deemed an "investment company" as such term is defined in Section 3 of the Investment Company Act of 1940, as amended, or otherwise subject to registration under Section 8 of such Act; or
- (f) To make any other change herein that, in the opinion of the Bond Trustee, which may be based upon an Opinion of Counsel, shall not prejudice in any material respect the rights of the holders of the Series 2021 Bonds then Outstanding.

Section 1102. Supplemental Indentures Requiring Consent of Bondholders. (a) Exclusive of supplemental indentures covered by Section 1101 and subject to the terms and provisions contained in this section, the Bondholders of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding shall have the right from time to time, notwithstanding any other provision of this Bond Indenture, to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Bond Indenture or in any supplemental indenture; provided, however, that nothing in this Bond Indenture shall permit, or be construed as permitting (1) an extension of the maturity of the principal of or the interest on any Series 2021 Bond, or (2) a reduction in the principal amount of any Series 2021 Bond or the rate of interest thereon, or (3) an extension of time or a reduction in amount of any

payment required by any sinking fund that may be applicable to any Series 2021 Bond, or (4) a privilege or priority of any Series 2021 Bond or Series 2021 Bonds over any other Series 2021 Bond or Series 2021 Bonds, or (5) a reduction in the aggregate principal amount of Series 2021 Bonds required for consent to such supplemental indenture, without the consent and approval of the holders of all of the Series 2021 Bonds then outstanding.

Notwithstanding the foregoing, during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses (1), (2), (3), (4) or (5) above may be made with the consent of the Bondholders of at least eighty percent (80%) in aggregate principal amount of all Outstanding Series 2021 Bonds; provided, however, any such amendment shall not result in a change in preference or priority of any Series 2021 Bond over any other Series 2021 Bond and no such amendment described in clauses (1), (2), (3), (4) or (5) shall result in a disproportionate change, reduction or modification with respect to any Series 2021 Bonds.

Notwithstanding subsections (b) and (c), it shall not be necessary for the Bondholders of Series 2021 Bonds to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Bondholder shall approve the substance thereof.

(b) If at any time the Authority shall request the Bond Trustee to enter into any such supplemental indenture for any of the purposes of this section, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses and receipt of an Opinion of Counsel satisfactory to the Bond Trustee (in its sole discretion), cause notice of the proposed execution of such supplemental indenture to be sent to each registered owner of Series 2021 Bonds then outstanding by registered or certified mail to the address of such Bondholder as it appears on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceedings pursuant hereto. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders. If, within 60 days or such longer period as shall be prescribed by the Authority following the giving of such notice, the Bondholders of a majority in aggregate principal amount of Series 2021 Bonds then Outstanding shall have consented to and approved the execution thereof as herein provided, no Bondholder of any Series 2021 Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing such supplemental indenture or from taking any action under the provisions thereof. Upon the execution of any such supplemental indenture as in this section permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith.

(c) Series 2021 Bonds owned or held by or for the account of the Authority or the Borrower or any person controlling, controlled by or under common control with either of them shall not be deemed Outstanding for the purpose of consent or any calculation of Outstanding Series 2021 Bonds provided for in this Article XI or in Article XII (unless all Outstanding Series 2021 Bonds are held by one or more such parties). At the time of any such calculation, the Borrower shall furnish the Bond Trustee a certificate of an Authorized Representative of the

Borrower, upon which the Bond Trustee may rely, describing all Series 2021 Bonds so to be excluded.

Section 1103. Consent of the Borrower Required. Notwithstanding any other provision of this Bond Indenture, a supplemental indenture under this article that affects any rights of the Borrower shall not become effective until the Borrower shall have consented to the execution and delivery of such supplemental indenture.

Section 1104. Amendment by Unanimous Consent. Notwithstanding any other provision in this Bond Indenture, the Authority and the Bond Trustee may enter into any indenture supplemental to this Bond Indenture upon receipt of the consent of the Bondholders of all Series 2021 Bonds then outstanding, the Opinion of Counsel required by Section 1106 and, if required by Section 1103, the consent of the Borrower.

Section 1105. Amendment without Consent of Authority. In the event the Authority is unwilling or unable to enter into any supplemental indenture permitted by this Article XI the Bond Trustee may, without the consent of the Authority, amend or supplement this Bond Indenture in any manner otherwise permitted by this Article XI so long as such amendment or supplement does not adversely affect the rights of the Authority.

Section 1106. Opinion of Counsel Required. Notwithstanding any other provision of this Bond Indenture, the Bond Trustee (a) shall not execute any supplemental indenture to this Bond Indenture unless there shall have been filed with the Bond Trustee an Opinion of Bond Counsel stating (i) that such supplemental indenture is authorized or permitted by this Bond Indenture and complies with its terms and that upon execution it will be valid and binding on the Authority in accordance with its terms, and (ii) that such supplemental indenture will not have an adverse effect on the exemption of interest on the Series 2021 Bonds from gross income for Federal income tax purposes, and (b) shall not, without the consent of the Borrower, execute any supplemental indenture to this Bond Indenture that will adversely affect any rights of the Borrower and shall in all events give the Borrower at least 15 days' prior notice (which may be waived) of any proposed supplemental indenture.

Section 1107. Trustee's Obligation Regarding Supplemental Indentures and Amendments of Obligation No. 1, Agreement and Deed of Trust. The Bond Trustee shall not unreasonably (a) refuse to enter into any supplemental indenture permitted by this Article or (b) withhold its consent to any amendment, change or modification of the Loan Agreement, the Master Indenture, Obligation No. 1, or the Deed of Trust permitted by Article XII; provided, however, that any such refusal or withholding shall not be unreasonable if the Bond Trustee reasonably believes that such supplemental indenture or amendment, change or modification does or may prejudice any right of the holders of Series 2021 Bonds then outstanding or affect adversely the rights and immunities of, or increase the duties of, the Bond Trustee.

ARTICLE XII

AMENDMENTS OF AGREEMENT, MASTER INDENTURE, OBLIGATION NO. 1 AND DEED OF TRUST

Section 1201. Amendments of Agreement, Master Indenture, Obligation No. 1 and Deed of Trust Not Requiring Consent of Bondholders. The Authority and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement or the Deed of Trust as may be required

(a) by the provisions of the Loan Agreement, the Deed of Trust, or this Bond Indenture,

(b) for the purpose of curing any ambiguity or formal defect or omission therein,

(c) in connection with additional real estate, furnishings, machinery or equipment that is to become part of the Facilities under the Loan Agreement so as to identify the same more precisely, or

(d) in connection with any other change therein that, in the opinion of the Bond Trustee, which may be based upon an Opinion of Counsel, will not prejudice in any material respect the rights of the Bondholders of the Series 2021 Bonds then outstanding.

The Authority and the Bond Trustee shall, without the consent of or notice to the Bondholders, consent to any such amendment, change or modification made in connection with any modification or amendment of, or supplement to, this Bond Indenture under Section 1101(e).

Section 1202. Amendments of Agreement, Master Indenture, Obligation No. 1 and Deed of Trust Requiring Consent of Bondholders. Except for amendments, changes or modifications as provided in Section 1201 and subject to Section 1206, neither the Authority nor the Bond Trustee shall consent to any amendment, change or modification of the Loan Agreement, the Master Indenture, Obligation No. 1, or the Deed of Trust without the written approval or consent of the Bondholders of a majority in aggregate principal amount of Series 2021 Bonds then outstanding given and procured as provided in Section 1102. If at any time the Authority and the Borrower shall request the consent of the Bond Trustee to any such proposed amendment, change or modification, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 1102 with respect to supplemental indentures. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that a copy of the instrument embodying the same is on file at the designated corporate trust office of the Bond Trustee for inspection by all Bondholders.

Section 1203. Limitation on Amendments. No amendment, change or modification may decrease the obligation of the Borrower under the Loan Agreement, the Master Indenture, Obligation No. 1 and the Deed of Trust to pay amounts sufficient to pay principal of, premium, if any, and interest on the Series 2021 Bonds as the same become due.

Section 1204. Amendment by Unanimous Consent. Notwithstanding any other provision of this Bond Indenture, the Authority and the Bond Trustee may consent to any amendment, change or modification of the Loan Agreement, the Master Indenture, Obligation No. 1, or the Deed of Trust upon receipt of the consent of the Bondholders of all Series 2021 Bonds then outstanding.

Section 1205. Opinion of Counsel Required. The Bond Trustee shall not consent to any amendment, change or modification of the Loan Agreement, the Master Indenture, Obligation No. 1 or the Deed of Trust unless there shall have been filed with the Bond Trustee and the Authority an Opinion of Counsel that such amendment, change or modification is authorized or permitted by this Bond Indenture and complies with its terms and that on execution it will be valid and binding on the party or parties executing it in accordance with its terms, and an Opinion of Bond Counsel stating that such amendment, change or modification will not have an adverse effect on the exemption of interest on the Series 2021 Bonds from gross income for federal income tax purposes.

Section 1206. Holder's Partial Consent to Amendment of Master Indenture. Notwithstanding the provisions of Section 1202, if the Bond Trustee, as holder of Obligation No. 1 under the Master Indenture, is requested to make or give any request, direction or consent with respect to the Master Indenture and the approval or consent of the Bondholders of a majority in aggregate principal amount of Series 2021 Bonds then outstanding is not obtained, then at the Borrower's request the Bond Trustee shall inform the Master Trustee of the principal amount of Series 2021 Bonds held by Bondholders giving such approval or consent so that the provisions of Section 8.01 of the Master Indenture may be given effect.

ARTICLE XIII

MISCELLANEOUS

Section 1301. Consents of Bondholders. (a) Any consent, request, direction, approval, objection or other instrument required by this Bond Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument, or of the writing appointing any such agent shall be sufficient for any of the purposes of this Bond Indenture, and shall be conclusive in favor of the Bond Trustee with regard to any action taken under such request or other instrument, if the fact and date of the execution by any person of any such writing is proved by the certification of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

For all purposes of this Bond Indenture and of the proceedings for its enforcement, such person shall be deemed to continue to be the Bondholder of such Series 2021 Bond until the Bond Trustee shall have received notice in writing to the contrary.

(b) Any consent, request, direction, approval, objection or other instrument required by this Bond Indenture to be signed and executed by the Bondholders may be provided

by any broker, dealer or municipal securities dealer acting as an underwriter for the Series 2021 Bonds during any period that such broker, dealer or municipal securities dealer holds the Series 2021 Bonds. Proof of the execution of any consent, request, direction, approval, objection or other instrument will be sufficient for any of the purposes of this Bond Indenture, and will be conclusive in favor of the Bond Trustee with regard to any action taken under the request or other instrument, if the fact and date of the execution by any person of any writing is proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing the writing acknowledged before him or her its execution, or by affidavit of any witness to such execution.

Section 1302. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Series 2021 Bonds is intended or shall be construed to give to any person or company other than the parties hereto and the Bondholders of the Series 2021 Bonds any legal or equitable right, remedy or claim under or in respect to this Bond Indenture or any covenants, conditions and agreements herein contained; this Bond Indenture and all of the covenants, conditions and agreements hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders of the Series 2021 Bonds as herein provided.

Section 1303. Limitation of Liability of Directors, etc. of Authority. No covenant, agreement or obligation 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 directors of the Authority nor any officer thereof executing the Series 2021 Bonds shall be liable personally on the Series 2021 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No director, officer, employee, agent or adviser of the Authority shall incur any personal liability with respect to any other action taken by him under this Bond Indenture or the Act, provided such director, officer, employee, agent or adviser does not act in bad faith.

Section 1304. Notices. Unless otherwise provided herein, all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid or by facsimile, and if sent by facsimile confirmed by telephone, addressed

(a) if to the Borrower, at c Williamsburg Landing, Inc., 5700 Williamsburg Landing Drive, Williamsburg, Virginia 23185 (Attention: Chief Financial Officer);

(b) if to the Authority, at 101 Mounts Bay Road Williamsburg, Virginia 23185 (Attention: Chairman), with a copy to James City County Attorney, 101 Mounts Bay Road, Building D, Williamsburg, VA 23185 (Attention: Chair); and

(c) if to the Bond Trustee, at _____, _____, _____, Attention: _____.

A duplicate copy of each demand, notice, approval, request, consent, opinion or other communication given hereunder by either the Authority or the Bond Trustee to the other shall also be given to the Borrower. The Authority, the Borrower and the Bond Trustee may, by notice given

hereunder, designate any further 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. Until so changed, the address for the Bond Trustee provided above will be its designated corporate trust office.

Section 1305. Payments/Actions Due on Holidays, Etc. If any date specified herein for the payment of the Series 2021 Bonds or the performance of any act shall not be a Business Day, such payment or performance shall be made on the next succeeding Business Day with the same effect as if made on such date, and in case any payment of the principal or redemption price of or interest on the Series 2021 Bonds shall be due on a date that is not a Business Day, interest on such principal amount shall cease to accrue on the date on which such payment was due if such payment is made on the immediately succeeding Business Day.

Section 1306. Successors and Assigns. This Bond Indenture shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 1307. Severability. If any provision of this Bond Indenture shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 1308. Applicable Law. This Bond Indenture shall be governed by the applicable laws of the Commonwealth of Virginia.

Section 1309. Counterparts. This Bond Indenture 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 1310. Patriot Act Requirements of the Bond Trustee. 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. Accordingly, the Bond Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust, or other legal entity verifying its formation as a legal entity. The Bond Trustee may also seek financial statements, licenses, identification and authorization documents from individuals claiming authority to represent the entity or other relevant documentation.

[Signature Page Follows]

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

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

By: _____
Name: Vince Campana III
Title: Chair

_____, as Bond Trustee

By: _____
Name: _____
Title: _____

FORM OF SERIES 2021 BONDS

NUMBER

DOLLARS

RA-_____

\$ _____

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA
RESIDENTIAL CARE FACILITY REVENUE REFUNDING BOND
(WILLIAMSBURG LANDING)
SERIES 2021

INTEREST RATE

MATURITY DATE

DATED DATE

CUSIP

_____ %

_____ 1, _____

_____, 2021

_____ - _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND 00/100 DOLLARS (\$ _____)

The ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (as more particularly defined in the below-defined Bond Indenture, the "Authority"), for value received, hereby promises to pay, upon presentation and surrender hereof at the corporate trust office of _____, as trustee, or its successor in trust (the "Bond Trustee"), solely from the sources and as hereinafter provided, to the registered owner hereof, or registered assigns or legal representative, the principal sum set forth above on the maturity date set forth above, subject to prior redemption as described below, and to pay, solely from such sources, on _____ 1, 20____, and on each _____ 1 and _____ 1 thereafter (each, an "Interest Payment Date"), interest hereon at the interest rate per year specified above, from the Interest Payment Date next preceding the date on which this Bond is authenticated, unless this Bond is (a) authenticated before the first Interest Payment Date following the initial delivery of this Bond, in which case it shall bear interest from its date, or (b) authenticated upon an Interest Payment Date, in which case it shall bear interest from such Interest Payment Date (unless interest on this Bond is in default at the time of authentication, in which case this Bond shall bear interest from the date to which interest has been paid). Interest hereon shall be paid to the person in whose name this Bond is registered at the close of business on the 15th day (whether or not a Business Day (as defined in the Bond Indenture)) of the month next preceding an Interest Payment Date by check or draft mailed to such person at his address as it appears on the registration books kept by the Bond Trustee. Notwithstanding the foregoing, if and for so long as Cede & Co. or any other

nominee of The Depository Trust Company is registered owner of all of the Series 2021 Bonds, the principal of and premium, if any, on this Bond shall be paid to Cede & Co. or such other nominee as provided under the Bond Indenture. Principal, premium, if any, and interest are payable in lawful money of the United States of America.

This Bond and the issue of which it is a part and the premium, if any, and the interest thereon are limited obligations of the Authority and (except to the extent payment with respect to the Series 2021 Bonds shall be made from the proceeds from the sale of the Series 2021 Bonds or the income, if any, derived from the investment thereof) are payable from the revenues and receipts derived from the trust estate which has been pledged and assigned to the Bond Trustee under the Bond Indenture to secure payment of the Series 2021 Bonds.

THE SERIES 2021 BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY SUBDIVISION THEREOF. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND THE COUNTY OF JAMES CITY, VIRGINIA, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND MONIES PLEDGED 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 OF JAMES CITY, VIRGINIA, IS PLEDGED TO THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO. THE AUTHORITY HAS NO TAXING POWER.

This Bond is one of a series of \$_____ Economic Development Authority of James City County, Virginia, Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (the "Series 2021 Bonds"), of like date and tenor, except as to number, denomination, rate of interest, maturity and privilege of redemption, authorized and issued pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended. The Series 2021 Bonds are issued under and are equally and ratably secured by a Bond Trust Indenture dated as of _____, 2021 (as altered, amended, modified, or supplemented from time to time, the "Bond Indenture"), between the Authority and the Bond Trustee.

The Authority will issue the Series 2021 Bonds and loan the proceeds thereof to Williamsburg Landing, Inc., a Virginia nonstock corporation (as more particularly defined in the Bond Indenture, the "Borrower") under the terms of a Loan Agreement dated as of _____, 2021 (as more particularly defined in the Bond Indenture, the "Loan Agreement"), between the Authority and the Borrower.

The Borrower will use the proceeds of the Series 2021 Bonds to (1) to refinance the Borrower's obligations related to the Refunded Debt (as defined in the Bond Indenture) and (2) to finance other capital projects at the Borrower's community all within the existing structures or existing parking facilities located at the community and amounts required for reserves, working

capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Bonds.

Under the Bond Indenture, the Authority has assigned to the Bond Trustee, as security for the Series 2021 Bonds, the Promissory Note Designated Obligation No. 1, issued by the Borrower, in the principal amount of \$ _____, dated the date of delivery (as altered, amended, modified, or supplemented from time to time, "Obligation No. 1"), and certain rights of the Authority under the Loan Agreement. In the Loan Agreement, the Borrower agrees to pay amounts sufficient to pay the principal of and premium, if any, and interest on the Series 2021 Bonds as the same become due. Obligation No. 1 is issued as an obligation of the Obligated Group under the Master Trust Indenture dated as of _____, 2021 (as altered, amended, modified, or supplemented from time to time, the "Master Indenture"), between the Borrower and _____, as the master trustee (the "Master Trustee"), and a Supplemental Indenture for Obligation No.1 dated as of _____, 2021, between the Borrower and the Master Trustee.

The Borrower has previously issued other Obligations under the Master Indenture and additional Obligations (as defined in the Master Indenture) of the Borrower and future Members of the Obligated Group may be issued on the terms provided in the Master Indenture. All Obligations of the Obligated Group, including Obligation No. 1, will be equally and ratably secured by the provisions of the Master Indenture. All Obligations of the Obligated Group, including Obligation No. 1, other than those evidencing unsecured indebtedness, are equally and ratably secured by an Amended and Restated Deed of Trust and Security Agreement dated as of _____, 2021 (as altered, amended, modified, or supplemented from time to time, the "Deed of Trust"), all between the Borrower and individual trustees, which creates a lien on and a security interest in the Mortgaged Premises (as defined in the Master Indenture), which lien and security interest are more fully described in the Deed of Trust.

Reference is hereby made to the Bond Indenture, the Loan Agreement, the Master Indenture and the Deed of Trust, and to all amendments and supplements thereto, for a description of the provisions, among others, with respect to the terms on which the Series 2021 Bonds are issued, the nature and extent of the security for the Series 2021 Bonds, the rights, duties and obligations of the Authority, the Bond Trustee and the Master Trustee, the rights of the holders of the Series 2021 Bonds and the provisions for defeasance of such rights. Capitalized terms used in this Series 2021 Bond and not defined herein have the meanings given to them in the Bond Indenture.

The Series 2021 Bonds may not be called for redemption by the Authority except as provided in the Bond Indenture and as provided below.

As more fully described in Section 301(a) of the Bond Indenture, the Series 2021 Bonds are required to be redeemed by the Authority in whole or in part at any time at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date in the event the Borrower exercises its option to prepay Obligation No. 1, in whole or in part, upon damage to, condemnation of or failure of title to the Mortgaged Premises or certain other extraordinary events.

The Series 2021 Bonds will be subject to redemption by the Authority, at the direction of the Borrower, prior to maturity in whole, or in part by lot, at any time, on and after _____ 1,

20____ at the following redemption prices (expressed as a percentage of the principal amount to be redeemed) plus accrued interest thereon, if any, to the redemption date in the event the Borrower exercises its option to prepay all or a portion of the amounts available under Obligation No. 1 under Sections 7.2 or 7.3 of the Loan Agreement:

<u>Redemption Period:</u>	<u>Price</u>
---------------------------	--------------

%

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

\$

As a sinking fund, the Bond Trustee shall redeem Series 2021 Bonds maturing on _____ 1, 20____, on _____ 1 in years and in principal amounts and at a price of 100% of the principal amount of to be redeemed plus accrued interest thereon to the redemption date, as follows:

redemption are on deposit at the place of payment on the redemption date, all Series 2021 Bonds or portions thereof so called for redemption shall cease to bear interest on such date, shall no longer be secured by the Bond Indenture and shall not be deemed to be outstanding under the provisions of the Bond Indenture.

The owner of this Bond shall have no right to enforce the provisions of the Bond Indenture or to institute action to enforce the covenants therein or to take any action with respect to any Event of Default under the Bond Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Bond Indenture. In certain events, on conditions, in the manner and with the effect set forth in the Bond Indenture, the principal of all the Series 2021 Bonds issued under the Bond Indenture and then outstanding may become or may be declared due and payable before their stated maturities, together with accrued interest thereon. Modifications or alterations of the Bond Indenture, the Loan Agreement or Obligation No. 1 or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Bond Indenture.

The Series 2021 Bonds are issuable only as registered bonds without coupons in the denomination of \$5,000 or any integral multiple thereof. At the designated corporate trust office of the Bond Trustee, in the manner and subject to the limitations and conditions and upon payment of charges provided in the Bond Indenture, Series 2021 Bonds may be exchanged for an equal aggregate principal amount of Series 2021 Bonds of different authorized denominations as requested by the owner hereof or his duly authorized attorney or legal representative.

The transfer of this Bond may be registered by the registered owner thereof in person or by his duly authorized attorney or legal representative at the designated corporate trust office of the Bond Trustee, but only in the manner and subject to the limitations and conditions provided in the Bond Indenture and upon surrender and cancellation of the Bond. Upon any such registration of transfer the Authority shall execute and the Bond Trustee shall authenticate and deliver in exchange for this Bond a new Bond, registered in the name of the transferee, of authorized denominations. The Bond Trustee, the Authority and the Borrower shall, prior to due presentment for registration of transfer, treat the registered owner as the person exclusively entitled to payment of principal, premium, if any, and interest and the exercise of all other rights and powers of the owner, except that all payments of interest shall be made to the registered owner as of the 15th day of the month preceding each Interest Payment Date.

Any exchange or registration of transfer shall be without charge except that the Bond Trustee shall make a charge to any Bondholder requesting such exchange or registration in the amount of any tax or other governmental charge required to be paid with respect thereto.

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 Bond Indenture or be valid until the Bond Trustee shall have executed the Certificate of Authentication appearing hereon.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Economic Development Authority of James City County, Virginia, has caused this Bond to be signed by the signature of its Chair, its seal to be printed hereon and attested by the signature of its Secretary, and this Bond to be dated the date first written above.

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

By: _____
Name: Vince Campana III
Title: Chair

[SEAL]

ATTEST:

By: _____
Name: Christopher Johnson
Title: Secretary

(Form of Certificate of Authentication)

Date of Authentication: _____, 2021

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2021 Bonds described in the within-mentioned Bond Indenture.

_____, as Bond Trustee

By: _____

Name: _____

Title: _____

(Form of Assignment)

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

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 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.

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.

EXHIBIT B
FORM OF REQUISITION

Requisition No. _____

_____, 20__

_____, as trustee

Re: Bond Trust Indenture dated as of _____, 2021 (the "Bond Indenture"), between the Economic Development Authority of James City County, Virginia (the "Authority") and _____, as bond trustee (the "Trustee")

Requisition No. _____

In connection with the above request, the Borrower hereby certifies as follows:

(a) This Requisition is being used to pay Cost of Issuance

\$ _____

Amount being requisitioned
from the Cost of Issuance Fund
established under the Bond
Indenture

(b) This Requisition is given in accordance with the Bond Indenture and relates to the proceeds of the Authority's Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (the "Series 2021 Bonds").

(c) The payment of this Requisition will not result in an amount greater than 2% of the proceeds of the Series 2021 Bonds being expended for "issuance costs" within the contemplation of Section 147(g) of the Internal Revenue Code of 1986, as amended (the "Code"), including, without limitation, any counsel fees, financial advisor fees, rating agency fees, trustee fees, paying agent and certifying and authenticating agent fees, accountant fees, printing costs and costs incurred in connection with the required public approval of the Series 2021 Bonds.

(c) The payment of this Requisition will not result in any of the proceeds of the Series 2021 Bonds expended or to be expended under such requisition and all prior requisitions being used directly or indirectly in the trade or business carried on by a related person within the meaning of Section 144(a) or Section 145(b)(3) of the Code, or by any person who is not a "501(c)(3) corporation" within the meaning of Section 145 of the Code.

(d) The obligation stated on this Requisition is a proper charge against the funds in the Cost of Issuance Fund and the obligation has not been the basis for a prior requisition that has been paid. The obligation stated on this Requisition is has not been paid previously from other tax-exempt borrowings of the Borrower.

(e) As of the date of this certification no event or condition has happened or existed or is happening or exists that constitutes, or that with notice or lapse of time or both, would constitute, an Event of Default under the Bond Indenture, or if such an event or condition has happened or existed, or is happening or exists, the nature and period of the event or condition and what action the Borrower has taken, is taking or proposes to take with respect to it is specified in an addendum attached hereto.

(f) The representations and warranties of the Borrower in the Loan Agreement (as defined in the Bond Indenture) are true and correct as of the date hereof (except if they relate to an earlier date).

(g) As of the date of this Requisition, no event has occurred, nor does any condition exist, that could have a material adverse effect on the enforceability of the Bond Indenture, the Loan Agreement, or any of the documents related thereto, be materially adverse to the financial condition of Borrower, materially impair the ability of Borrower to fulfill the material obligations of Borrower under any of the above-referenced documents.

(j) With respect to this disbursement, the Borrower (i) certifies it has reviewed any wire instructions set forth herein to confirm such wire instructions are accurate, (ii) agrees to indemnify and hold harmless the Trustee from and against any and all claim, demand, loss, liability, or expense sustained, including but not limited to attorney fees, and expenses resulting directly or indirectly as a result of making the disbursement requested hereunder, and (iii) agrees it will not seek recourse from the Trustee as a result of losses incurred by it for making the disbursement in accordance with its instructions herein.

Executed and certified as of the date first above written.

WILLIAMSBURG LANDING, INC.

By: _____
Authorized Representative of the Borrower

EXHIBIT C
REFUNDED DEBT

[To be attached]

LOAN AGREEMENT

between

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA

and

WILLIAMSBURG LANDING, INC.

_____, 2021

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This **LOAN AGREEMENT** is dated as of _____, 2021 (as the same may be altered, amended, modified, or supplemented from time to time, this "Loan Agreement"), and is between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (as more particularly defined below, the "Authority"), and **WILLIAMSBURG LANDING, INC.**, a Virginia nonstock corporation (as more particularly defined below, the "Company").

WHEREAS, the Authority is empowered by the Act (as defined below), to issue its revenue bonds to protect and promote the health and welfare of the inhabitants of the Commonwealth (as defined below) by assisting in the acquisition, construction, equipping, expansion, enlargement and improvement of medical facilities and facilities for the residence or care of the aged in order to provide modern and efficient medical services to the inhabitants of the Commonwealth and care of the aged of the Commonwealth in accordance with their special needs and also by assisting in the financing of medical facilities and facilities for the residence or care of the aged owned and operated by organizations which are exempt from taxation pursuant to § 501(c)(3) of the Internal Revenue Code of 1954, as amended, in order to reduce the costs of residents of the Commonwealth utilizing such facilities; and further authorizes any such authority to issue its revenue bonds for the purpose of carrying out its powers;

WHEREAS, to further the purposes of the Act, the Authority has determined to issue its Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (as the same may be altered, amended, modified or supplemented, from time to time, the "Series 2021 Bonds") under a Bond Trust Indenture dated as of the date hereof (as more particularly defined below, the "Bond Indenture"), between the Authority and _____, bond trustee and in an aggregate principal amount of \$_____ and use the proceeds thereof to make a loan to Company;

WHEREAS, the Company will use the proceeds of the Series 2021 Bonds to (1) refinance the Borrower's obligations related to the Refunded Debt (as defined in the Bond Indenture) and (2) to finance other capital projects at the Borrower's community all within the existing structures or existing parking facilities located at the community and amounts required for reserves, working capital, capitalized interest, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds (collectively (1) and (2), the "Plan of Finance").

WHEREAS, the Authority proposes to loan the proceeds of the sale of the Series 2021 Bonds to the Company under this Loan Agreement, and the Company agrees to repay such loan on the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 **Definitions.** Except as set forth below or unless the context otherwise requires, all undefined capitalized terms shall have the meanings assigned to them in the Master Indenture or the Bond Indenture. The following words and terms shall have the following meanings unless the context otherwise requires:

"Act" means the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended.

"Authority" means the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth, including any successors or assigns.

"Authorized Representative of the Company" has the meaning assigned to it in the Bond Indenture.

"Bond Indenture" means the Bond Trust Indenture dated as of the date hereof between the Authority and _____, as Bond Trustee, as altered, amended, modified, or supplemented from time to time

"Bond Purchase Agreement" means the Bond Purchase Agreement dated _____, 2021, among the Authority, the Company and the Underwriter regarding the sale of the Series 2021 Bonds.

"Bond Trustee" has the meaning assigned to it in the Bond Indenture.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commonwealth" means the Commonwealth of Virginia.

"Company" means Williamsburg Landing, Inc., a Virginia nonstock corporation, including any successors or assigns.

"Consultant" has the meaning assigned to it in the Master Indenture.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate dated as of _____, 2021, and delivered by the Company in connection with the issuance and sale of the Series 2021 Bonds, as the same may be altered, amended, modified or supplemented from time to time.

"Debt Service Reserve Fund Requirement" has the meaning assigned to it in the Master Indenture.

"Facilities" has the meaning assigned to it in Master Indenture.

"Financial Statements" has meaning assigned to it in Master Indenture.

"Financing Instruments" means the Master Indenture, the Bond Indenture, the Note, the Deed of Trust, the Continuing Disclosure Certificate, the Tax Agreement, the Bond Purchase Agreement, this Loan Agreement and the Series 2021 Bonds.

"Loan" means the loan to the Company under this Loan Agreement.

"Master Indenture" has the meaning assigned to it in the Bond Indenture.

"Master Trustee" means the master trustee at the time serving as such under the Master Indenture, whether the original or a successor trustee.

"Mortgaged Premises" has the meaning assigned to it in the Master Indenture.

"Net Proceeds" means the gross proceeds from any insurance recovery or condemnation award remaining after payment of reasonable attorneys' fees, reasonable fees and expenses of the Bond Trustee and all other reasonable expenses incurred in the collection of such gross proceeds.

"Outstanding" has the meaning assigned to it in the Master Indenture.

"Note" means the promissory note of the Company in the aggregate principal amount of the Series 2021 Bonds, dated the date hereof, issued as Obligation No. 1 under the Master Indenture, secured by the Deed of Trust and delivered to the Authority to evidence the Company's obligations hereunder, and any amendments, supplements or substitutions thereto.

"Officer's Certificate" means Officer's Certificate as defined in the Master Indenture.

"Plan of Finance" has the meaning assigned to it in the recitals.

"Prime Rate" means the rate per year announced from time to time by the Bond Trustee, as its prime rate, with any change in the Prime Rate being effective as of the date such announced prime rate is changed.

"Reserve Fund" means the fund of that name created under the Supplemental Indenture for Obligation No. 1.

"Series 2021 Bonds" means the Authority's Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 in the aggregate principal amount of \$_____ authorized to be issued under Section 201 of the Bond Indenture, as the same may be altered, amended, modified, or supplemented from time to time.

"Supplemental Indenture for Obligation No. 1" means the Supplemental Indenture for Obligation No. 1 dated as of _____, 2021, between the Company and the Master Trustee, supplementing the Master Indenture, as the same may be altered, amended, modified, or supplemented from time to time.

"Underwriter" means B.C. Ziegler and Company, as representative of the underwriters for the Series 2021 Bonds.

Section 1.2 Rules of Construction. The following rules shall apply to the construction of this Loan Agreement unless the context otherwise requires:

(a) Singular words shall connote the plural number as well as the singular and vice versa.

(b) Words importing the redemption or calling for redemption of Series 2021 Bonds shall not be deemed to refer to or connote the payment of Series 2021 Bonds at their stated maturity.

(c) All references herein to particular articles or sections are references to articles or sections of this Loan Agreement unless otherwise indicated.

(d) The headings and table of contents herein are solely for convenience of reference and shall not constitute a part of this Loan Agreement nor shall they affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority. The Authority makes the following representations:

(a) The Authority is duly organized under the Act and has the power to (1) enter into this Loan Agreement and the Bond Indenture, (2) assign the Note to the Bond Trustee, (3) issue the Series 2021 Bonds for the performance of the Plan of Finance and (4) carry out its other obligations in connection therewith under this Loan Agreement. Based on the representations of the Borrower, the facilities to be financed and refinanced with the proceeds of the Series 2021 Bonds constitute facilities authorized to be financed under the Act and in furtherance of the purposes for which the Authority was organized.

(b) The Authority (1) has duly authorized (i) the execution and delivery of the Bond Indenture, this Loan Agreement, the assignment of the Note, (ii) the performance of its obligations hereunder and thereunder, (iii) the issuance of the Series 2021 Bonds and (iv) the sale of the Series 2021 Bonds, and (2) simultaneously with the execution and delivery of this Loan Agreement, has duly executed and delivered the Bond Indenture and issued and sold the Series 2021 Bonds.

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

(d) To its knowledge, the Authority is not (1) in violation of the Act or any other existing federal or Virginia law, rule or regulation applicable to it in any material respect or (2) in default under any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which any of its assets are subject, in any material respect; provided, however, that this representation does not include a default with respect to other financings in which the Authority has acted as “conduit” issuer for other public or private entities not affiliated with the Company, wherein a default by such public or private entity would not have a material effect on the credit of the Authority or of the Company. The execution and delivery by the Authority of the Bond Indenture, this Loan Agreement, the Series 2021 Bonds and the assignment of the Note and the compliance with the terms and conditions thereof will not conflict with or result in the breach of or constitute a default under any of the above described documents or other restrictions in any material respect.

(e) No further approval, consent or withholding of objection on the part of any regulatory body, federal, state or local, is required in connection with (1) the issuance and delivery of the Series 2021 Bonds by the Authority, (2) the execution or delivery of or compliance by the Authority with the terms and conditions of this Loan Agreement, the Bond Indenture or the Series 2021 Bonds or (3) the assignment and pledge by the Authority under the Bond Indenture of its rights under this Loan Agreement and the Note and the payments thereon by the Company, as security for payment of the principal of and premium, if any, and interest on the Series 2021 Bonds. The consummation by the Authority of the transactions set forth in the manner and under the terms and conditions as provided herein will comply with all applicable state, local or federal laws and any rules and regulations promulgated thereunder by any regulatory authority or agency; provided, however, that no representation is made with respect to (i) compliance with any applicable blue sky or securities laws of any state or (ii) consents, filings, approvals, etc., required in connection with the tax-exempt status of the interest on the Series 2021 Bonds.

(f) Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the issuance of the Series 2021 Bonds shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from the payments received hereunder and under the Note and the security therefor. Neither the Financing Instruments nor any payments to be received by the Authority under the Note have been pledged or mortgaged other than as provided in the Bond Indenture.

(g) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to its knowledge, threatened against the Authority with respect to (1) the organization and existence of the Authority, (2) its authority to execute or deliver this Loan Agreement, the Bond Indenture, the Series 2021 Bonds or the assignment of the Note, to sell the Series 2021 Bonds to the Underwriter under the Bond Purchase Agreement or to finance the Plan of Finance, (3) the validity or enforceability of any of such instruments or the transactions contemplated hereby or thereby, (4) the title of any officer of the Authority who executed such instruments, or (5) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority. No such authority or proceedings have been repealed, revoked, rescinded or amended and all are in full force and effect.

(h) The Authority hereby finds that the Plan of Finance is advisable and in furtherance of the purposes for which the Authority was organized and will serve the purposes of the Act.

Section 2.2 **Representations by the Company.** The Company makes the following representations:

(a) The Company is a nonstock corporation, validly existing and in good standing under the laws of the Commonwealth, has the power to enter into the Financing Instruments to which it is a party and the transactions contemplated thereunder and, by proper corporate action, has duly authorized the execution and delivery of the Financing Instruments and the performance of its obligations thereunder.

(b) The Company is an organization described in Section 501(c)(3) of the Code, which has received a determination letter from the Internal Revenue Service classifying it as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code (except with respect to "unrelated business taxable income" within the meaning of Section 512(a) of the Code) and (b) which is not a "private foundation" as defined in Section 509(a) of the Code. Such determination letter has not been modified, limited, revoked or suspended. The Company has not received any indication or notice, written or oral, from representatives of the Internal Revenue Service to the effect that its exemption under Section 501(c)(3) of the Code has been modified, limited, revoked, or superseded, or that the Internal Revenue Service is considering modifying, limiting, revoking or superseding such exemption. The Company is in compliance with all of the terms, conditions and limitations, if any, contained in its determination letter. There has been no change in the facts and circumstances represented to the Internal Revenue Service as a basis for receiving, and which formed the basis on which the Internal Revenue Service issued, the determination letter relating to the status of the Company as an organization described in Section 501(c)(3) of the Code and as an organization which is not a "private foundation" as defined in Section 509 of the Code of a nature or to a degree as would warrant any action by the Internal Revenue Service to modify, limit, revoke or supersede such determination letter as it applies to the Company. No administrative or judicial proceedings are pending or threatened which may, in any way, adversely affect the classification of the Company as an organization (a) described in Section 501(c)(3) of the Code which is exempt from federal income taxation under Section 501(a) of the Code and (b) which is not a "private foundation" as defined in Section 509 of the Code. The Company has not received a notice or communication of any kind from the Internal Revenue Service directly or indirectly questioning its status described in the first sentence of this subsection or the tax-exempt status of any bonds issued on its behalf, or indicating that the Company or any such bonds specifically are being or will be audited with respect to such status. The Company is an organization organized and operated exclusively for charitable purposes and not for pecuniary profit, within the meaning of the Securities Act of 1933, as amended, and no part of the net earnings of the Company inures to the benefit of any person, private stockholder or individual, within the meaning of Section 3(a)(4) of the Securities Act of 1933, as amended.

(c) The Company 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 an event of default thereunder.

(d) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Company pending or, to the knowledge of the Company, threatened in which any liability of the Company is not adequately covered by insurance or for which adequate reserves are not provided or for which any judgment or order would have a material adverse effect upon the business or assets of the Company or affect its existence or authority to do business, the operation of the Facilities, the Plan of Finance, the validity of the Financing Instruments or the performance of the Company's obligations thereunder.

(e) The execution and delivery of the Financing Instruments, the performance by the Company of its obligations thereunder and the consummation of the transactions therein contemplated do not and will not conflict with, or constitute a breach or result in a violation of, articles of incorporation or bylaws of the Company, any agreement or other instrument to which the Company is a party or by which it is bound or any constitutional or statutory provision or order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Company or its property.

(f) The Company has obtained all consents, approvals, authorizations and orders of any governmental or regulatory authority ("Consents") that are required to be obtained by the Company as a condition precedent to the issuance of the Series 2021 Bonds and the execution and delivery of the Financing Instruments. The Company has obtained all Consents obtainable to date for the performance by the Company of its obligations hereunder and thereunder, or required as of the date hereof for the operation of the Facilities. The Company will obtain when needed all other Consents required for the performance of its obligations under the Financing Instruments, and for the operation of the Facilities and has no reason to believe that all such Consents cannot be promptly obtained when needed.

(g) The Company represents and warrants that all the Property (as defined in the Master Indenture) of the Obligated Group complies with all federal, state and local laws and regulations, including but not limited to environmental laws and regulations.

ARTICLE III

FINANCING OF THE PLAN OF FINANCE

Section 3.1 **Loan by the Authority.** Upon the terms and conditions of this Loan Agreement and the Bond Indenture, the Authority shall lend to the Company the proceeds of the sale of the Series 2021 Bonds. The Loan shall be made by depositing proceeds of such sale in accordance with Section 206 of the Bond Indenture. The Loan shall be disbursed to the Company as provided in Article V of the Bond Indenture.

Section 3.2 **Agreement To Undertake the Plan of Finance.** The Company shall use the proceeds of the Loan to undertake the Plan of Finance.

Section 3.3 **Repayment of Loan.** Prior to or simultaneously with the issuance of the Series 2021 Bonds, to evidence its obligations to repay the Loan, the Company shall deliver the

Note and an original counterpart of this Loan Agreement to the Authority for assignment to the Bond Trustee as security for the payment of the Series 2021 Bonds.

Section 3.4 **Company To Provide Funds To Complete the Plan of Finance.** If the proceeds derived from the Loan are not sufficient to pay in full the costs of the Plan of Finance, the Company shall pay such moneys as are necessary to provide for payment in full of such costs of the Plan of Finance. The Company shall not be entitled to any reimbursement therefor from the Authority or the Bond Trustee nor shall it be entitled to any abatement, diminution or postponement of its payments hereunder or under the Note.

Section 3.5 **Limitation of Authority's Liability.** Notwithstanding anything herein to the contrary, any obligation the Authority may incur hereunder in connection with the financing of the Plan of Finance shall not be deemed to constitute a general obligation of the Authority but shall be payable solely from the revenues and receipts derived by it from or in connection with this Loan Agreement, including payments received under the Note.

Notwithstanding any other provision of this Loan Agreement, the Authority shall not be liable to the Company, the Bond Trustee, the Master Trustee, the holders of the Series 2021 Bonds or any other person for any failure of the Authority to take action under this Loan Agreement unless the Authority (a) is requested in writing by an appropriate person to take such action, (b) is assured of payment of, or reimbursement for, any reasonable expenses in such action, and (c) is afforded, under the existing circumstances, a reasonable period to take such action. In acting under this Loan Agreement, or in refraining from acting under this Loan Agreement, the Authority may conclusively rely on the advice of its counsel.

Section 3.6 **Recordation and Filing.** The Company shall cause the Deed of Trust and all subsequent amendments and modifications to the Deed of Trust and financing and continuation statements with respect to the security interests granted under the Deed of Trust to be recorded and in effect, all as provided in the Deed of Trust. The Bond Trustee shall have no obligation in connection therewith.

Section 3.7 **Mortgagee Title Policy.** At the issuance of the Note, the Company shall deliver to the Master Trustee a mortgagee title insurance policy or endorsement thereto as required by the Master Indenture.

ARTICLE IV

PAYMENTS ON NOTE

Section 4.1 **Amounts Payable.** (a) The Company shall make all payments required by the Note, the Bond Indenture and the Master Indenture as and when they become due and shall promptly pay all other amounts necessary to enable the Bond Trustee to make the transfers required by Article VI of the Bond Indenture and all other payments required of the Authority under the Bond Indenture. On or before the tenth day of each month, the Company shall transfer to the Bond Trustee, for use under Section 602 of the Bond Indenture, the amount necessary to permit the Bond Trustee to deposit in all funds held by the Bond Trustee the full amounts required by Section 602. The Company immediately shall pay to the Bond Trustee any amounts necessary (i) under the Bond Indenture to provide for payment of principal and interest on the Series 2021 Bonds when due at maturity or subject to mandatory sinking fund redemption and (ii) under the Master Indenture to provide the full amount of Debt Service Reserve Fund Requirement in the Reserve Fund if such fund does not contain the full amount of the Debt Service Reserve Fund Requirement.

(b) (1) The Company shall pay to the Authority (i) the out-of-pocket expenses, administrative expenses and counsel fees of the Authority, and (ii) the fees of the Authority consisting of an application fee of \$400 which was paid before the date the Series 2021 Bonds were issued, (iii) an administrative fee equal to 0.005 times the Series 2021 Bonds amount up to \$5,000,000, plus 0.001 times the Series 2021 Bonds amount over \$5,000,000, to be paid at closing and (4) its reasonable costs and expenses, including the reasonable fees of its counsel and other advisers, directly related to the Series 2021 Bonds (provided that the amounts so paid shall not equal or exceed an amount that would cause the "yield" on the Note or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2021 Bonds, as such terms are defined under Section 148 of the Code). The obligations of the Company under this subsection shall continue until the payment in full of the Series 2021 Bonds.

(2) The Company shall pay, when due and payable, or cause to be paid, an amount equal to (a) the fees and charges of the Bond Trustee incurred in connection with the rendering of its ordinary and extraordinary services as Bond Trustee under the Bond Indenture, including the reasonable fees and expenses of its counsel, (b) the fees and expenses of the rating agencies, if any, for issuing and maintaining their securities rating on the Series 2021 Bonds, and (c) the out-of-pocket expenses, administrative expenses and counsel fees of the Authority. The Company may, without constituting grounds for an Event of Default hereunder, withhold payment of any fees and charges of the Bond Trustee for extraordinary services, to contest in good faith the necessity for such extraordinary services of the Bond Trustee and the reasonableness of the related extraordinary expenses of the Bond Trustee provided that if such contested expense has not been resolved within thirty (30) days of the date of invoice, then the Company and the Bond Trustee shall select a disinterested nationally recognized bond attorney practicing in the Commonwealth to determine if the extraordinary services were necessary and the related expenses were reasonable, and if not, then what should be paid to the Bond Trustee. If the Company should fail to make any of the payments required in this Section, the item or installment which the Company has failed to make shall continue as an obligation of the Company

until the same shall have been fully paid, with interest thereon as provided in Section 4.3 (provided that any amounts in this Section required to be paid by the Company shall not equal or exceed an amount that would cause the "yield" on the Note or any other "acquired purpose obligation" to be "materially higher" than the "yield" on the Series 2021 Bonds, as such terms are defined under Section 148 of the Code).

(3) Amounts described in Section 4.7.

(4) All other amounts that the Company agrees to pay under the terms of this Loan Agreement.

Section 4.2 Payments Assigned. The Company consents to the assignment made by the Bond Indenture of the Note and of certain rights of the Authority under this Loan Agreement to the Bond Trustee. The Company shall pay to the Bond Trustee all amounts payable by the Company under the Note and this Loan Agreement, except for payments made to the Authority under Sections 4.1(b)(2) and 5.6.

Section 4.3 Default in Payments. If the Company fails to make any payments required by the Note or this Loan Agreement when due, the Company shall pay to the Bond Trustee interest thereon until paid at the rate equal to the highest rate on any Series 2021 Bonds then Outstanding or, in case of the payment of any amounts not to be used to pay principal of or interest on Series 2021 Bonds at the rate equal to the Prime Rate plus one percent per year.

Section 4.4 Obligations of Company Unconditional. The obligation of the Company to make the payments on the Note and to observe and perform all other covenants, conditions and agreements hereunder shall be absolute and unconditional, irrespective of any rights of setoff, recoupment or counterclaim it might otherwise have against the Authority or the Bond Trustee. Subject to the prepayment of the Note as provided therein, the Company shall not suspend or discontinue any payment on the Note or hereunder or fail to observe and perform any of its other covenants, conditions or agreements hereunder for any cause, including without limitation, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration, failure of title to any part or all of the Facilities or commercial frustration of purpose, or any damage to or destruction or condemnation of all or any part of the Facilities, or any change in the tax or other laws of the United States of America, the Commonwealth or any political subdivision of either, or any failure of the Authority or the Bond Trustee to observe and perform any covenant, condition or agreement, whether express or implied, or any duty, liability or obligation arising out of or in connection with the Bond Indenture or this Loan Agreement. The Company may, after giving to the Authority and the Bond Trustee ten days' notice of its intention to do so, at its own expense and in its own name, or in the name of the Authority if procedurally required, prosecute or defend any action or proceeding or take any other action involving third persons that the Company reasonably deems necessary to secure or protect any of its rights hereunder. In the event the Company takes any such action, the Authority shall, solely at the Company's expense, reasonably cooperate with the Company and take necessary action to substitute the Company for the Authority in such action or proceeding if the Company shall reasonably request.

Section 4.5 **Advances by Authority or Bond Trustee.** If the Company fails to make any payment or perform any act required of it hereunder, the Authority or the Bond Trustee, without prior notice or demand on the Company and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act. All amounts so paid by the Authority or the Bond Trustee and all costs, fees and expenses so incurred shall be payable by the Company on demand as an additional obligation under the Note, together with interest thereon at the Prime Rate plus one percent per year until paid.

Section 4.6 **Agreement of Authority.** At the request and expense of the Company, the Authority shall (a) at any time moneys held under the Bond Indenture are sufficient to effect redemption of any Series 2021 Bonds and if the same are then redeemable under the Bond Indenture, take all steps that may be necessary to effect redemption thereunder and (b) take any other action required by the Bond Indenture or as directed by the Company under the provisions of the Bond Indenture or this Loan Agreement.

Section 4.7 **Rebate Requirement.** (a) Except with respect to earnings on funds covered by the exceptions provided by Section 148(f)(4)(B) of the Code, at its sole expense on behalf of the Authority, the Company shall determine and pay to the United States the rebate amount, as provided in the Tax Agreement, as and when due in accordance with the "rebate requirement" described in Section 148(f) of the Code and Treasury Regulations thereunder, including without limitation, Treasury Regulations Section 1.148. The Company shall retain records of all such determinations until six years after the Series 2021 Bonds are deemed paid under Section 801 of the Bond Indenture.

(b) Neither the Authority nor, as its assignee, the Bond Trustee, shall be liable to the Company by way of contribution, indemnification, counterclaim, set-off or otherwise for any payment made or expense incurred by the Company under this section or the Bond Indenture.

ARTICLE V

SPECIAL COVENANTS

Section 5.1 **Compliance with Covenants, Conditions and Agreements in Master Indenture.** So long as the Series 2021 Bonds are Outstanding, the Company shall comply with, and with respect to the other members of the Obligated Group (as defined in the Master Indenture), covenant to cause each such member to comply with, each and every covenant, condition and agreement in the Master Indenture. Each such covenant, condition and agreement in the Master Indenture is hereby incorporated by reference and made a part of this Loan Agreement with the same effect intended as though the text of each such covenant, condition and agreement were set forth in this Loan Agreement as express covenants, conditions and agreements of the Company.

Section 5.2 **Merger, Sale and Transfer.** Except as provided in Section 3.09 and Section 3.10 of the Master Indenture, the Company shall not consolidate with or merge into another entity, or permit one or more other entities to consolidate with or to merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets and thereafter dissolve.

Section 5.3 **Examination of Books and Records; Information to the Authority.**

The Bond Trustee and the Authority shall be permitted, during normal business hours and upon reasonable notice, to examine the books and records (other than confidential resident records) of the Company with respect to the Company's financial standing or its compliance with its obligations hereunder and under the Master Indenture.

The Company shall furnish to the Authority upon request (1) a statement of the amount of principal of the Series 2021 Bonds outstanding and unpaid as of the date of such request and (2) such information as may be necessary to complete the annual audit of the Authority as required by the Act or any other law, now or hereafter in effect.

Section 5.4 **Damage, Destruction, Condemnation and Loss of Title.** (a) The Company shall give prompt notice to the Bond Trustee and the Authority of (1) any material damage to or destruction of any part of the Facilities, (2) a taking of all or any part of the Facilities or any right therein under the exercise of the power of eminent domain, (3) any loss of any part of the Facilities because of failure of title thereto, or (4) the commencement of any proceedings or negotiations that might result in such a taking or loss. Each such notice shall describe generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

(b) The Company shall apply any Net Proceeds consistent with the provisions of Section 3.05 of the Master Indenture. The Company shall simultaneously provide to the Bond Trustee the Officer's Certificates and Consultant reports required to be delivered to the Master Trustee under Section 3.04 of the Master Indenture.

The Company shall not by reason of the payment of the cost of replacement, repair, rebuilding or restoration be entitled to any reimbursement from the Authority or the Bond Trustee or to any abatement or diminution of the amount payable under the Note. All real and personal property acquired with Net Proceeds derived from Mortgaged Premises shall be free and clear of all liens and encumbrances of any kind except Permitted Liens (as defined in the Master Indenture) and become part of the Mortgaged Premises and the Company shall take all steps necessary to subject such property to the lien and security interest of the Deed of Trust and to obtain an amendment to the mortgagee title policy required by the Master Indenture to insure title to all such real property acquired. Prepayments of the Note shall be used to redeem Series 2021 Bonds under Section 301 of the Bond Indenture.

Section 5.5 **Indemnification.** (a) The Company shall at all times (i) protect, indemnify and save harmless the Authority, the Bond Trustee and their respective officers, directors, employees and agents, and their respective counsel (collectively, the "Indemnitees") from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (hereinafter referred to as "Damages"), including without limitation (1) 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 Company, (2) 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 Company, the Facilities or the Indemnitees, (3) any judgments, penalties, fines, damages, assessments, indemnities or contributions, and (4) the reasonable fees of attorneys, auditors, and consultants, provided that the Damages arise out of:

(1) failure by the Company or its officers, employees or agents, to comply with the terms of the Financing Instruments, and any agreements, covenants, obligations, or prohibitions set forth therein;

(2) any action, suit, claim or demand contesting or affecting the title of the Facilities;

(3) any breach of any representation or warranty set forth in the Financing Instruments or any certificate delivered pursuant thereto, and any claim that any representation or warranty of the Company contains or contained any untrue or misleading statement of fact or omits or omitted to state any material facts necessary to make the statements made therein not misleading in light of the circumstances under which they were made;

(4) any action, suit, claim, proceeding or investigation of a judicial, legislative, administrative or regulatory nature arising from or in connection with the construction, acquisition, ownership, operation, occupation or use of the Facilities;

(5) any suit, action, administrative proceeding, enforcement action, or governmental or private action of any kind whatsoever commenced against the Company, the Facilities, or the Indemnitees that might adversely affect the validity, enforceability or tax-exempt status of the Series 2021 Bonds, the validity or enforceability of the Financing Instruments, or the performance by the Company or any Indemnitee of any of their respective obligations thereunder; or

(6) the acceptance or administration of this Loan Agreement, the Bond Indenture, the Master Indenture or any related documents to which the Bond Trustee or the Authority are a party either originally or as an assignee;

provided that such indemnity shall be effective only to the extent of any loss that may be sustained by the Indemnitees in excess of the proceeds net of any expenses of collection, received by the Indemnitees or from any insurance carried with respect to such loss and provided further that the benefits of this section shall not inure to any person other than the Indemnitees.

(b) If any action, suit or proceeding is brought against the Indemnitees for any loss or damage for which the Company is required to provide indemnification under this section, the Company, upon request, shall at its expense resist and defend such action, suit or proceeding, or cause the same to be resisted and defended by counsel designated by the Company and approved by the Indemnitees, which approval shall not be unreasonably withheld, provided that such approval shall not be required in the case of defense by counsel designated by any insurance company undertaking such defense under any applicable policy of insurance. The obligations of the Company under this section shall survive any termination of this Loan Agreement, including prepayment of the Note and the resignation or removal of the Bond Trustee.

(c) Nothing contained herein shall require the Company to indemnify the Authority for any claim or liability resulting from the Authority's willful wrongful acts or the Bond Trustee for any claim or liability resulting from its gross negligence (under the standard of care set forth in Article X of the Bond Indenture) or its willful misconduct.

(d) All references in this section to the Authority and the Bond Trustee, including references to Indemnitees, shall include their directors, commissioners, officers, employees and agents.

Section 5.6 **Maintenance of 501(c)(3) Status; Prohibited Activities.** The Company shall file all required reports and documents with the Internal Revenue Service so as to maintain its status as an organization described in Section 501(c)(3) of the Code, and the Company shall not operate the Facilities, in any manner and shall not engage in any activities or take any action that might reasonably be expected to result in the Company ceasing to be a "501(c)(3) organization" within the meaning of Section 145 of the Code. The Company shall promptly notify the Bond Trustee and the Authority of any loss of the Company's status as a "501(c)(3) organization" or of any investigation, proceeding or ruling that might result in such loss of status.

Section 5.7 **Tax Covenants; Compliance with Indenture.** The Company agrees that it will not directly or indirectly use or permit the use of any of the proceeds of the Series 2021 Bonds or any other of its funds, or direct the Bond Trustee to invest any funds held by the Bond Trustee under the Bond Indenture or this Loan Agreement, in such manner as would, or enter into, or allow any other person to enter into, any arrangement, formal or informal, that would, or take or omit to take any other action that would, cause any Series 2021 Bond to be an "arbitrage bond" within the meaning of Section 148(a) of the Code. The Company acknowledges having read the Bond Indenture and agrees to perform all duties imposed upon it by the Bond Indenture, including, without limitation, the Company's obligation to deliver to the Bond Trustee a certificate to the effect that an Event of Taxability (as defined in the Bond Indenture) has occurred or will occur and setting forth the date of taxability, which certificate will be delivered promptly to the Bond Trustee upon the occurrence of an Event of Taxability, and by the Tax Agreement. Insofar as the Bond Indenture and the Tax Agreement impose duties and responsibilities on the Company, they are specifically incorporated by reference into this Loan Agreement.

Section 5.8 **Investment and Use of Trust Funds.** An Authorized Representative of the Company shall provide written instructions for the investment, in accordance with Article VII of the Bond Indenture, of all funds held by the Bond Trustee under the Bond Indenture. In any event, beginning on the date of the third anniversary of the issuance of the Series 2021 Bonds, the Company shall consult with Bond Counsel and direct the Bond Trustee to invest moneys in the Cost of Issuance Fund or transferred therefrom to any other fund only as permitted by the Tax Agreement.

Section 5.9 **Operation of the Facilities.** The Company will operate the Facilities, or cause such Facilities to be operated, as facilities for the residence and care of the aged until payment of the Note in full.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 **Event of Default Defined.** Each of the following events shall be an "Event of Default":

(a) Failure of the Company to make any payment on the Note when the same becomes due and payable, whether at maturity, redemption, acceleration or otherwise under the terms thereof or this Loan Agreement.

(b) Failure of the Company to observe or perform any of its other covenants, conditions or agreements hereunder, including covenants applicable to other Members of the Obligated Group under Section 5.1, for a period of 30 days after notice in writing (unless the Company and the Bond Trustee shall agree in writing to an extension of such time prior to its expiration), specifying such failure and requesting that it be remedied, given by the Authority or the Bond Trustee to the Company, or in the case of any default which can be cured, but cannot with due diligence be cured within such 30 day period, failure by the Company to proceed promptly to prosecute the curing of the same with due diligence and to cure such within 90 days.

(c) An Event of Default under the Master Indenture, the Deed of Trust or the Bond Indenture.

(d) The Master Trustee shall have declared the aggregate principal amount of any Obligation issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with Section 4.02(a) of the Master Indenture.

Section 6.2 **Remedies on Default.** Whenever an Event of Default shall have happened and be continuing, the Bond Trustee as the assignee of the Authority, but subject to the provisions of the Bond Indenture, or the Authority (in the case of the Authority's Unassigned Rights) may:

(a) Declare all amounts due under this Loan Agreement and the Note to be immediately due and payable, whereupon all such payments shall become and shall be immediately due and payable; and

(b) Take any action at law or in equity necessary or desirable to collect the amounts then due and thereafter to become due or to enforce observance or performance of any covenant, condition or agreement of the Company under the Note or this Loan Agreement.

Notwithstanding any other provision of this Loan Agreement or any right, power or remedy existing at law or in equity or by statute, the Bond Trustee shall not under any circumstances declare the entire unpaid aggregate amount of the Note to be immediately due and payable except in accordance with the provisions of the Master Indenture or at the direction of the Master Trustee in the event the Master Trustee shall have declared the aggregate principal amount of the Obligations issued under the Master Indenture and all interest due thereon immediately due and payable in accordance with the Master Indenture.

If the Bond Trustee exercises any of its rights or remedies under this section, it shall give notice of such exercise to the Company (1) in writing in the manner provided in Section 8.2 and (2) by telephone or telegram, provided that failure to give such notice by telephone or telegram shall not affect the validity of the exercise of any right or remedy under this section.

Section 6.3 **Application of Amounts Realized in Enforcement of Remedies.** Any amounts collected under action taken under Section 6.2 hereof shall be applied in accordance with Section 903 of the Bond Indenture.

Section 6.4 **No Remedy Exclusive.** No remedy herein conferred on or reserved to the Authority or the Bond Trustee or the holder of the Note is intended to be exclusive of any other remedy, and every remedy shall be cumulative and in addition to every other remedy herein or now or hereafter existing at law, in equity or by statute. No delay or failure to exercise any right or power accruing upon an Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, and any such right or power may be exercised from time to time and as often as may be deemed expedient.

Section 6.5 **Attorneys' Fees and Other Expenses.** Upon an Event of Default, the Company shall on demand pay to the Authority and the Bond Trustee the reasonable fees and expenses of attorneys and other reasonable expenses incurred by them in the collection of payments due on the Note or the enforcement of performance of any other obligations of the Company.

Section 6.6 **No Additional Waiver Implied by One Waiver.** If either party or its assignee waives a default by the other party under any covenant, condition or agreement herein, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other default hereunder.

ARTICLE VII

PREPAYMENT OF NOTE

Section 7.1 **Option To Prepay Note.** The Company shall have the option to prepay the Note in full and terminate this Loan Agreement if one of the following has occurred:

(a) Damage or destruction of the Mortgaged Premises by fire or other casualty to such extent that, or loss of title to or use of substantially all of the Mortgaged Premises as a result of the exercise of the power of eminent domain or failure of title to the extent that, in the opinion of both the Company's Board of Directors (expressed in a resolution) and an independent architect or engineer, both filed with the Bond Trustee, (1) the Mortgaged Premises cannot be reasonably repaired, rebuilt or restored within a period of 12 months to their condition immediately preceding such damage or destruction, or (2) the Company is prevented from carrying on its normal operations at the Mortgaged Premises for a period of 12 months, or (3) the cost of repairs, rebuilding or restoration would exceed, by more than one percent of Book Value (as defined in the Master Indenture), the Net Proceeds of insurance (including self-insurance) plus the amounts for which the Company is self-insured with respect to deductible amounts.

(b) A change in the Constitution of Virginia or of the United States of America or a legislative or administrative action (whether local, state or federal) or a final decree, judgment or order of any court or administrative body (whether local, state or federal) contested by the Company in good faith that (1) in an Opinion of Counsel (as defined in the Bond Indenture) causes this Loan Agreement or the Note to become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed herein, or (2) based on a Consultant's report, causes unreasonable burdens or excessive liabilities to be imposed on the Authority or the Company.

(c) The Company shall have the option to prepay the Note in part without premium following loss of title to or use of a portion of the Mortgaged Premises as a result of the exercise of the power of eminent domain or failure of title, or damage to or destruction of the Mortgaged Premises if the Company shall have furnished to the Bond Trustee:

(1) an Officer's Certificate certifying that the projected Obligated Group Long-Term Debt Service Coverage Ratio for each of the next two full Fiscal Years is not less than 1.30, as shown by projected financial statements for such period, accompanied by a statement of the relevant assumptions upon which such projected financial statements are based; or

(2) a written forecast, projection or other report of a Consultant to the effect that, for each of the next two full Fiscal Years, the projected Obligated Group Long-Term Debt Service Coverage Ratio is not less than 1.20.

The principal amount of the Note that may be prepaid in part may not exceed the principal amount of the Series 2021 Bonds permitted to be redeemed as determined in accordance with Section 301(a) of the Bond Indenture.

(d) To exercise any of the above options, the Company shall within 120 days after the event permitting their exercise file the required resolutions and opinions with the Authority and the Bond Trustee and specify a date not more than 60 days thereafter for making such prepayment. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301(a) of the Bond Indenture.

Section 7.2 Option to Prepay Note in Whole. The Company shall have the option to prepay the Note in whole, with any applicable premium, and terminate this Loan Agreement before payment of the Series 2021 Bonds so long as any such payment allocable to principal of the Note shall be used contemporaneously to discharge a like amount of Series 2021 Bonds; provided, however, that the covenants in Sections 4.7, 5.6, 5.7 and 5.8 shall continue until the final maturity date of all Series 2021 Bonds or the earlier date on which provision for payment for all Series 2021 Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301 of the Bond Indenture.

Section 7.3 Option To Prepay Note in Part. The Company shall have the option to prepay the Note in part, with any applicable premium, so long as any such payment allocable to principal of the Note shall be used contemporaneously to discharge a like amount of Series 2021

Bonds. The amount so prepaid shall, so long as all payments then due under the Note have been made (a) if Series 2021 Bonds are then redeemable as provided in Section 301 of the Bond Indenture, be used to redeem Series 2021 Bonds to the extent possible under such section, and (b) if Series 2021 Bonds are not then redeemable, be transferred to the Bond Fund (as defined in the Bond Indenture).

Section 7.4 **Amount Required for Prepayment.** To prepay the Note in whole or in part under Sections 5.5, 7.1, 7.2 or 7.3, the Company shall pay to the Bond Trustee, for deposit in the Bond Fund of the Bond Indenture, an amount of cash and Defeasance Obligations (as defined in the Bond Indenture), that will be sufficient (1) in the case of prepayment in whole, to discharge the lien of the Bond Indenture under Section 801 thereof, and (2) in the case of prepayment in part, to cause any Series 2021 Bonds that will be paid with the prepayment to be no longer Outstanding under the Bond Indenture. If the Company has prepaid the Note, as provided above, the Company shall not direct the expenditure of any funds from such prepayment in the Bond Fund for any purpose other than the payment of principal of or premium, if any, or interest on the Series 2021 Bonds to be paid. The Company shall instruct the Bond Trustee to give the notice of redemption required by Section 302 of the Bond Indenture if any of the Series 2021 Bonds are to be paid other than at maturity.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 **Term of Loan Agreement.** This Loan Agreement shall be effective upon its execution and delivery and, subject to earlier termination upon prepayment in full of the Note and other amounts described in Articles IV, VI and VII, shall expire on the first date upon which the Series 2021 Bonds are no longer Outstanding; provided, however, that the covenants in Sections 5.6, 5.7 and 5.8 shall continue until the final maturity date of all Series 2021 Bonds or the earlier redemption date on which provision for payment for all Series 2021 Bonds has been made and the covenant in Section 4.7 shall continue for six years thereafter and the covenants in Section 5.5 shall survive the termination of the Loan Agreement and the discharge of the Bond Indenture. In such case the Authority shall cause the Bond Trustee to redeem the Series 2021 Bonds as provided in Section 301 of the Bond Indenture.

Section 8.2 **Notices.** Unless otherwise provided herein all demands, notices, approvals, consents, requests, opinions and other communications hereunder shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class registered or certified mail, postage prepaid or, by facsimile, and if sent by facsimile confirmed by telephone, addressed:

(a) if to the Company, at c/o Williamsburg Landing, Inc., 5700 Williamsburg Landing Drive, Williamsburg, Virginia 23185 (Attention: Chief Financial Officer);

(b) if to the Bond Trustee, at _____, _____, _____
_____, Attention: _____; and

(c) if to the Authority, at 101 Mounts Bay Road Williamsburg, Virginia 23185 (Attention: Chairman), with a copy to James City County Attorney, 101 Mounts Bay Road, Building D, Williamsburg, VA 23185 (Attention: Chair).

A duplicate copy of each demand, notice, approval, consent, request, opinion or other communication given hereunder by either the Authority or the Company to the other shall also be given to the Bond Trustee. The Company, the Bond Trustee or the Authority may, by notice given hereunder, designate any further or different addresses to which subsequent demands, notices, approvals, consents, requests, opinions or other communications shall be sent or persons to whose attention they shall be directed.

Section 8.3 **Amendments to Loan Agreement and Note.** Neither this Loan Agreement nor the Note shall be amended or supplemented and no substitution shall be made for the Note before payment of the Series 2021 Bonds without the consent of the Bond Trustee and the Authority (except as described in Section 4.7), given in accordance with and subject to Article XII of the Bond Indenture.

Section 8.4 **Successors and Assigns.** This Loan Agreement shall be binding on, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 8.5 **Severability.** If any provision of this Loan Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 8.6 **Applicable Law; Entire Understanding.** This Loan Agreement and the Note shall be governed by the applicable laws of the Commonwealth. This Loan Agreement and the Note (including the applicable provisions of the Bond Indenture, the Master Indenture and the Tax Agreement) express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

Section 8.7 **Limitation of Liability of Directors of Authority.** No covenant, agreement or obligation contained in any of the Financing Instruments shall be deemed to be a covenant, agreement or obligation of any past, present or future director, trustee, officer, employee or agent of the Authority or the Company in his individual capacity so long as he acts in good faith, and no such director, officer, employee or agent shall be subject to any liability under any of the Financing Instruments or with respect to any other action taken by him provided that he acts in good faith.

Section 8.8 **Counterparts.** This Loan Agreement may be executed in several counterparts, each of which together shall be an original and all of which shall constitute one instrument.

Section 8.9 **Further Assurances.** The Authority and the Company agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Loan Agreement.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Authority and the Company have caused this Loan Agreement to be executed in their respective corporate names.

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

By: _____
Name: Vince Campana III
Title: Chair

WILLIAMSBURG LANDING, INC.

By: _____
Name: Greg Storer
Title: President and Chief Executive Officer

RECEIPT

Receipt of the foregoing original counterpart of the Loan Agreement dated as of _____, 2021 between the Economic Development Authority of James City County, Virginia, and Williamsburg Landing, Inc. is hereby acknowledged.

_____, as Bond Trustee

By: _____

Name: _____

Title: _____

PROMISSORY NOTE DESIGNATED OBLIGATION NO. 1

\$ _____

Dated: _____, 2021

WILLIAMSBURG LANDING, INC. (the "Corporation"), a Virginia nonstock corporation, for value received, hereby promises to pay the Economic Development Authority of James City County, Virginia (the "Authority"), or assigns, the principal sum of _____ DOLLARS (\$ _____) as follows.

This Note is issued as an Obligation under that certain Master Trust Indenture dated as of _____, 2021 (as altered, amended, modified, or supplemented, from time to time, the "Master Indenture"), between the Obligated Group (as defined in the Master Indenture) and _____, as master trustee (as more particularly defined in the Master Indenture, the "Master Trustee"), and a Supplemental Indenture for Obligation No. 1 dated as of _____, 2021 (as altered, amended, modified, or supplemented, from time to time, the "Supplement No. 1"), between the Corporation and the Master Trustee. Capitalized terms used in this Note and not defined in this Note have the meanings assigned to them in the Master Indenture.

The Corporation shall pay installments of principal, premium (if any), and interest as required by the Loan Agreement dated as of _____, 2021 (as altered, amended, modified, or supplemented from time to time, the "Loan Agreement"), between the Corporation and the Authority, and the Bond Trust Indenture dated as of _____, 2021 (as altered, amended, modified, or supplemented from time to time, the "Bond Indenture"), between the Authority and _____, as Bond Trustee (as more particularly defined in the Bond Indenture, the "Bond Trustee"), to make payments on the Authority's Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (as altered, amended, modified, or supplemented from time to time, the "Series 2021 Bonds").

The Corporation shall make all payments under this Note in lawful money of the United States of America at the Corporate Trust Office of the Bond Trustee, or at such other place as the Bond Trustee may direct in writing. The principal hereof, premium (if any), and interest hereon shall be payable by wire or other transfer of immediately available funds or by payment of clearing house funds by the Corporation depositing the same with or to the account of the Bond Trustee at or prior to the opening of business on the day such payments shall become due and payable (or the next preceding business day if such date is a Saturday, Sunday or holiday in the city in which the designated corporate trust office of the Bond Trustee is located), and giving notice of payment to the Master Trustee as provided in the Master Indenture.

If at any time the amount held by the Bond Trustee in the Bond Fund (as defined in the Bond Indenture) should be sufficient to pay at the times required the principal of, and premium, if any, and interest on the Series 2021 Bonds then remaining unpaid, to pay all other amounts due under the Bond Indenture, the Loan Agreement and Master Indenture and to pay all fees and expenses of the Bond Trustee, the Master Trustee and the paying agents accrued and to accrue through final payment of the Series 2021 Bonds, the Corporation shall not be obligated to make

any further payments hereunder, except to the extent losses may be incurred in connection with investment of moneys in such funds.

The Authority, by the execution of the Bond Indenture and the assignment form at the foot of this Note, is assigning this Note and the payments thereon to the Bond Trustee as security for the Series 2021 Bonds, as issued under the Bond Indenture. Payments of principal of and premium, if any, and interest on this Note shall be made directly to the Bond Trustee for the account of the Authority under such assignment and applied only to the principal of and premium, if any, and interest on the Series 2021 Bonds. All obligations of the Corporation hereunder shall terminate when all sums due and to become due under the Bond Indenture, this Note, the Loan Agreement, the Master Indenture and the Series 2021 Bonds have been paid or provided for in full.

In addition to the payments of principal of, premium, (if any), and interest on this Note, the Corporation shall also pay such additional amounts, if any, that, (i) it is required to pay under the terms of the Master Indenture, the Bond Indenture, and the Loan Agreement, and (ii) together with other moneys available therefor under the Bond Indenture, may be necessary to enable the Bond Trustee to make the payments and transfers required by Article VI of the Bond Indenture, including, without limitation, the payments when due for principal of (whether at maturity, by acceleration or call for redemption, or otherwise) and premium, if any, and interest on the Series 2021 Bonds, and replenishment of the Debt Service Reserve Fund Requirement in the Reserve Fund.

The Corporation shall have the option to prepay this Note in whole or in part upon the terms and conditions and in the manner specified in the Loan Agreement and the Master Indenture.

This Note is issued in satisfaction of the Corporation's payment obligations of the Loan Agreement and is entitled to the benefits and subject to the conditions thereof, including the provisions of Section 4.4 thereof that the Corporation's obligations thereunder and hereunder shall be unconditional.

This Note is (1) issued as a single Obligation, (2) designated as "Obligation No. 1," of the Corporation and any other Members of the Obligated Group, (3) limited to \$ _____ in principal amount (except for any premium if prepaid under Article VII of the Loan Agreement), and (4) issued under the Master Indenture. This Note and all other Obligations Outstanding under the Master Indenture are equally and ratably secured by the provisions of the Master Indenture. This Note is issued as an Obligation under the Master Indenture, and, together with all other Obligations Outstanding under the Master Indenture, is equally and ratably secured by an Amended and Restated Deed of Trust and Security Agreement dated as of _____, 2021, (as the same may be altered, amended, modified to supplemented from time to time, the "Deed of Trust"), from the Corporation to certain deed of trust trustees. All the terms, conditions and provisions of the Loan Agreement, Master Indenture and Deed of Trust are, by this reference thereto, incorporated herein as a part of this Note.

A copy of the Master Indenture is on file at the designated corporate trust office of the Master Trustee and reference is hereby made to the Master Indenture for the provisions, among others, regarding the nature and extent of the rights of the Holders of the Obligations issued under the Master Indenture, the terms and conditions on which, and the purposes for which, the Obligations

are and are to be issued and the rights, duties and obligations of the Corporation and the Master Trustee under the Master Indenture, to all of which the Holder hereof, by acceptance of this Note, assents.

The Master Indenture permits the issuance of additional Obligations under the Master Indenture to be secured by the covenants made therein, all of which, regardless of the times of issue or maturity, are to be of equal rank without preference, priority or distinction of any Obligation issued under the Master Indenture over any other Obligation except as expressly provided or permitted in the Master Indenture.

To the extent permitted by and as provided in the Master Indenture, any modifications or changes to the Master Indenture as supplemented, and of the rights and obligations of the Corporation or of the Holders of the Obligations thereunder may be made by the execution and delivery of an indenture or indentures supplemental to the Master Indenture (each a "Supplement"). Certain modifications or changes which would affect the rights of the Holder of this Note may be made only with the consent of the Holders of not less than a majority in aggregate principal amount of the Obligations then Outstanding under the Master Indenture. No such modifications or changes shall be made without the consent of the Holders of all Obligations then Outstanding which will (i) effect a change in the times, amounts or currency of payment of the principal of, redemption premium, if any, and interest or other payment on any Obligation or a reduction in the principal amount or redemption price of any Obligation or the rate of interest thereon without the consent of the Holder of such Obligation; (ii) permit the preference or priority of any Obligation over any other Obligation without the consent of the Holders of all Obligations then Outstanding; or (iii) reduce the aggregate principal amount of Obligations then Outstanding the consent of the Holders of which is required to authorize such Supplement without the consent of the Holders of all Obligations then Outstanding. Any such consent by the Holder of this Note shall be conclusive and binding upon such Holder and all future holders and owners hereof irrespective of whether or not any notation of such consent is made upon this Note.

Upon the occurrence of certain Events of Default (as defined in the Master Indenture), the principal of all Obligations then Outstanding under the terms of the Master Indenture may be declared, and the same shall become due, in accordance with the Master Indenture.

The Holder of this Note shall have no right to enforce the provisions of the Master Indenture, or to institute an action to enforce the covenants therein, or to take any action regarding any default under the Master Indenture, or to institute, appear in or defend any suit or other proceeding related thereto, except as provided in the Master Indenture.

This Note is issuable only as a fully registered Obligation. This Note shall be registered on the registration books to be maintained by the Master Trustee for that purpose at the corporate trust office of the Master Trustee and the transfer of this Note shall be registrable only upon presentation of this Note at such office by the registered owner or by his duly authorized attorney and subject to the limitations, if any, set forth in the Master Indenture. Such registration of transfer shall be without charge to the registered owner hereof, but any taxes or other governmental charges required to be paid regarding the same shall be paid by the registered owner requesting such registration of transfer as a condition precedent to the exercise of such privilege. Upon any such registration of transfer, the Corporation shall execute and the Master Trustee shall authenticate and deliver in exchange for this Note a new Obligation, registered in the name of the transferee.

No covenant or agreement contained in this Note or the Master Indenture shall be deemed to be a covenant or agreement of any officer, trustee, agent or employee of the Corporation or of the Master Trustee, in his individual capacity, and no officer, agent, employee or member of the Board of Directors of the Corporation shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance of this Note.

This Note shall not be entitled to any benefit under the Master Indenture, or be valid or become obligatory for any purpose, until this Note shall have been authenticated as an Obligation under the Master Indenture by execution by the Master Trustee of the Authentication Certificate inscribed hereon.

[Signature]

IN WITNESS WHEREOF, the Corporation has caused this Promissory Note Designated Obligation No. 1 to be duly executed and to be dated as of the date first above written.

WILLIAMSBURG LANDING, INC.

By: _____
Title: President and Chief Executive Officer

MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

The undersigned Master Trustee hereby certifies that this obligation designated Obligation No. 1 is one of the Obligations described in the within-mentioned Master Indenture.

_____, as Master Trustee

By: _____

Name: _____

Title: _____

Date of Authentication: _____, 2021

ASSIGNMENT

The Economic Development Authority of James City County, Virginia (the "Authority"), hereby irrevocably assigns, without representation, warranty or recourse, the foregoing Promissory Note Designated Obligation No. 1 to _____ (the "Bond Trustee"), acting under the Bond Trust Indenture dated as of _____, 2021 (the "Bond Indenture"), between the Authority and the Bond Trustee. Further, the Authority hereby directs Williamsburg Landing, Inc, as the maker of the Note, to make all payments of principal of, premium and interest thereon directly to the Bond Trustee at such place as the Bond Trustee may direct in writing. Such assignment is made as security for the payment of the Authority's Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021, issued under the Bond Indenture.

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA

By: _____
Name: Vince Campana III
Title: Chair

§ _____
Economic Development Authority of James City County, Virginia
Residential Care Facility Revenue Refunding Bonds
(Williamsburg Landing)
Series 2021

BOND PURCHASE AGREEMENT

September __, 2021

Economic Development Authority
James City County, Virginia
Williamsburg, Virginia

Williamsburg Landing, Inc.
d/b/a Williamsburg Landing
Williamsburg, Virginia

Ladies and Gentlemen:

The undersigned, B.C. Ziegler and Company (the “Underwriter”), offers to enter into this Bond Purchase Agreement with the Economic Development Authority of James City County, Virginia (the “Authority”) and Williamsburg Landing, Inc., d/b/a Williamsburg Landing (the “Obligor”), which will become binding upon the Authority, the Obligor and the Underwriter upon acceptance evidenced by execution of this Bond Purchase Agreement. Capitalized terms used herein and not defined shall have the meaning assigned to such terms in the hereinafter-defined Loan Agreement, Master Indenture and Bond Indenture.

1. **Purchase and Sale of Series 2021 Bonds.** (a) Upon the terms and conditions and upon the basis of the representations, warranties and covenants contained in this Bond Purchase Agreement, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$ _____ in aggregate principal amount of its Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (the “Series 2021 Bonds”) at an aggregate purchase price of \$ _____ (representing the \$ _____ aggregate principal amount of the Series 2021 Bonds, [plus/less] a [net] original issue [premium/discount] of \$ _____, and less the underwriter’s discount of \$ _____).

(b) Payment of the purchase price for the Series 2021 Bonds shall be made by wire or check in immediately available funds payable to the order of _____, as bond trustee (the “Bond Trustee”), for the account of the Authority on September __, 2021, or such other place, time, or date as shall be mutually agreed upon by the Authority, the Obligor and the Underwriter, against delivery of the Series 2021 Bonds to the Bond Trustee on behalf of The Depository Trust Company (“DTC”) under the DTC Fast System of Registration. The date and time of such delivery and payment is herein called the “Closing.” The delivery of the Series 2021 Bonds shall be made in either temporary or in definitive form (provided neither the printing of a wrong CUSIP number on any Bond nor the failure to print a CUSIP number thereon shall constitute cause to refuse delivery of any Bond) and registered in the name(s) of Cede & Co.

(c) Subject to Section 18, the Underwriter, in its discretion, may permit other securities dealers who are members of the Financial Industry Regulatory Authority, Inc. (“FINRA”) to assist in selling the Series

2021 Bonds, and the Underwriter agrees to pay or re-allow such securities dealers a fee or selling commission to be paid from the underwriting fee provided in Section 8 of this Bond Purchase Agreement. Subject to Section 18, the Underwriter agrees that it will exercise its best efforts not to sell the Series 2021 Bonds in a manner which will jeopardize the tax-exempt status of the interest on the Series 2021 Bonds and, in connection with this Bond Purchase Agreement, agrees that it will exercise its best efforts not to sell Series 2021 Bonds to an “underwriter” or “dealer” for a price lower than 100% of the aggregate principal amount of Series 2021 Bonds being sold. The Underwriter agrees that it will exercise its best efforts to determine whether purchasers of the Series 2021 Bonds are “underwriters” or “dealers.”

(d) The Series 2021 Bonds shall be issued under and secured as provided in the Bond Trust Indenture dated as of September 1, 2021 (the “Bond Indenture”) between the Authority and the Bond Trustee, and the Series 2021 Bonds shall have the maturities and interest rates, be subject to redemption and be otherwise as described and as set forth in Exhibit A hereto and the Bond Indenture.

2. **Description of Financing.** Pursuant to and in accordance with the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”) and a resolution adopted by the Authority on August 17, 2021 (collectively, the “Resolution”), the Authority has authorized the issuance and delivery of the Series 2021 Bonds and the loan of the proceeds of the Series 2021 Bonds to the Obligor. The Series 2021 Bonds will be issued under and secured by the Bond Indenture.

Simultaneously with the issuance of the Series 2021 Bonds, the Authority and the Obligor will enter into a Loan Agreement dated as of September 1, 2021 (the “Loan Agreement”). Pursuant to the Loan Agreement, the Obligor will deliver to the Authority its **[Series 2021 Obligation]** securing the Series 2021 Bonds, in the principal amount of the Series 2021 Bonds, dated as of the date of delivery (the “Series 2021 Obligation”), the required payments on which will be sufficient to pay, among other things, all principal of and premium, if any, and interest on the Series 2021 Bonds, and certain related expenses. Simultaneously with the issuance of the Series 2021 Bonds, the Obligor will enter into a **[Supplemental Indenture for Series 2021 Obligation]** dated as of September 1, 2021 (the “Series 2021 Supplement”), supplementing the Amended and Restated Master Trust Indenture dated as of September 1, 2003 (collectively with the Series 2021 Supplement, and all supplements or amendments thereto, the “Prior Master Indenture”), each between the Obligor and _____, as master trustee (the “Master Trustee”). Simultaneously with the issuance of the Bonds, the Prior Master Indenture will be amended and restated pursuant to a **[Second Amended and Restated Master Trust Indenture, dated as of September 1, 2021]** (the “Master Indenture”), between the Obligor and the Master Trustee. The Master Indenture will recognize the Series 2021 Obligation as an Obligation (as defined in the Master Indenture) thereunder secured by the terms thereof on parity with the other Obligations issued thereunder. All Obligations under the Master Indenture, including the Series 2021 Obligation, will also be secured by a first mortgage lien on certain real estate of the Obligor, and a security interest in certain personal property of the Obligor created by the Master Indenture and an **[Amended and Restated Deed of Trust and Security Agreement and Substitution of Deed of Trust Trustees dated as of September 1, 2003 (as amended, restated, modified, extended and renewed from time to time, the “Deed of Trust”)]**, between the Obligor and the deed of trust trustee(s). The Series 2021 Bonds will also be secured by a debt service reserve fund which may be shared on a *pro rata* basis with the outstanding Obligations of the Obligor under the Prior Master Indenture and Obligations issued by the Obligor in the future.

The Series 2021 Bonds, the Bond Indenture, the Prior Master Indenture, the Master Indenture, the Series 2021 Supplement, the Loan Agreement, the Series 2021 Obligation and the Deed of Trust will be in the forms previously supplied to you, with such subsequent modifications as shall be approved by you and us.

3. **Preliminary Official Statement and Official Statement and Offering of Series 2021 Bonds.** The Authority and the Obligor each hereby authorize and ratify the distribution by the Underwriter of the Preliminary Official Statement dated September 1, 2021 (the “Preliminary Official Statement”) and Official Statement of even date with this Bond Purchase Agreement (collectively, the “Official Statement”), relating to the

Series 2021 Bonds. The Preliminary Official Statement is “deemed final” as of its date by the Authority and the Obligor for purposes of Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for the permitted omissions described in paragraph (b)(1) of Rule 15c2-12. The Official Statement is deemed to be a final official statement within the meaning of Rule 15c2-12. The Series 2021 Bonds will be offered for sale by the Underwriter pursuant to a definitive Official Statement.

(a) The Underwriter acknowledges that (i) the Authority has not participated in the preparation of the Official Statement, has made no independent investigation regarding the Official Statement or furnished any information contained in the Official Statement, and (ii) the Authority assumes no responsibility with respect to the sufficiency, accuracy, or completeness of any of the information contained in the Official Statement or any other document used in connection with the offer and sale of the Series 2021 Bonds, except the information contained under the headings “THE AUTHORITY” and “LITIGATION” (as such heading contains information relating to the Authority).

(b) The Obligor shall deliver, or cause to be delivered, to the Underwriter copies of the Preliminary Official Statement in sufficient quantity in order for the Underwriter to comply with Rule 15c2-12(b)(2).

(c) Within seven business days after the execution of this Bond Purchase Agreement and in sufficient time to accompany any confirmation requesting payment from any customer, the Obligor shall deliver, or cause to be delivered, to the Underwriter copies of the Official Statement in sufficient quantity, in the Underwriter’s opinion, to accompany any confirmation that requests payment from any customer and to comply with Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Authority and the Obligor hereby confirm that they do not object to distribution of the Official Statement in electronic form.

(d) To the extent required by rules of the Commission or the MSRB, the Authority and the Obligor hereby authorize the Underwriter to deliver the Official Statement to the MSRB, and the Underwriter agrees to make such delivery. The Authority and the Obligor will not amend or supplement the Official Statement without the consent of the Underwriter, which consent will not be unreasonably withheld. From the date hereof until the earlier of (i) 90 days from the end of the underwriting period (as defined in Rule 15c2-12) (the “End of the Underwriting Period”) or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository, but in no case less than 25 days following the End of the Underwriting Period, if any event occurs as a result of which the Authority or the Obligor believes it may be necessary to amend or supplement the Official Statement in order to correct any untrue statement of a material fact contained in the Official Statement or to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority or the Obligor, as applicable, will notify the Underwriter in writing of such event and, if such event requires, in the opinion of the counsel to the Underwriter, an amendment or supplement to the Official Statement, at the Obligor’s expense the Authority and the Obligor will amend or supplement the Official Statement in a form and in a manner jointly approved by the Authority, the Obligor and the Underwriter, which approval will not be unreasonably withheld, so that the Official Statement, as so amended or supplemented, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading.

(e) Each of the Authority and the Obligor agrees that it will cooperate with the Underwriter in the qualification of the Series 2021 Bonds for offering and sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter shall designate; provided, however, the Authority shall not be required to register as a dealer or broker in any such jurisdiction, nor execute a general consent to service of process or qualify to do business in connection with any such qualification of the Series 2021 Bonds in any such jurisdiction. The Obligor will pay for the reasonable out-of-pocket expenses, including reasonable attorneys’ fees, of the Authority in connection therewith.

4. **Continuing Disclosure.** The obligor will execute and deliver a continuing disclosure certificate, dated as of September 1, 2021 (the “Continuing Disclosure Certificate”), in order to comply with the requirements for the dissemination of certain annual financial information and operating data, including audited financial statements, and notices required by Rule 15c2-12. Pursuant to the Continuing Disclosure Certificate, the Obligor will undertake, as applicable, to provide the annual financial information, operating data and notices of the occurrence of certain events specified therein at the times, to the persons and in the manner set forth therein.

5. **Representations and Warranties of the Authority.** By the Authority’s acceptance hereof it hereby represents and warrants to, and covenants and agrees with, the Underwriter and the Obligor (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Series 2021 Bonds at the Closing that the Authority shall so represent and warrant as of the date of the Closing) that:

(a) The Authority is a validly existing political subdivision of the Commonwealth of Virginia, a body politic and corporate, and is vested with the rights and powers to issue the Series 2021 Bonds under the Act.

(b) The Authority has the power (1) to enter into and perform its obligations under this Bond Purchase Agreement, the Bond Indenture and the Loan Agreement (collectively with the Offering Documents, hereinafter defined, the “Authority Documents”) and the transactions contemplated thereby, (2) to secure the Series 2021 Bonds as provided in the Authority Documents, (3) to loan a portion of the proceeds of the Series 2021 Bonds to the Obligor so that it may undertake the refundings described in the Official Statement, which is authorized under the Act, such loan being in furtherance of the purposes for which the Authority was organized, and (4) to assign the Series 2021 Obligation to the Bond Trustee. The Authority has taken or will take all action required by the Act in connection therewith.

(c) The Authority (1) has duly authorized the execution and delivery of the Authority Documents, (2) has duly authorized the assignment of the Series 2021 Obligation and the issuance, sale and delivery of the Series 2021 Bonds, and (3) has taken or will take all action necessary or appropriate to carry out the issuance, sale and delivery of the Series 2021 Bonds to the Underwriter.

(d) To the knowledge of the Authority, the Authority is not in default in the payment of the principal of, premium, if any, or interest on any of its other indebtedness for borrowed money and is not in default under any instrument under or subject to which any indebtedness for borrowed money has been incurred that would adversely affect the Authority’s power or authority to issue the Series 2021 Bonds, to execute and deliver the Authority Documents and to perform the obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument that with the lapse of time or the giving of notice, or both, would constitute an event of default thereunder; provided, however, that this representation does not include a default with respect to other financings in which the Authority has acted as “conduit” issuer for other public or private entities not affiliated with the Obligor, wherein a default by such public or private entity would not have a material effect on the credit of the Authority or of the Obligor.

(e) The execution and delivery of the Authority Documents, the assignment of the Series 2021 Obligation and the performance by the Authority of its obligations thereunder are within the corporate powers of the Authority and will not conflict with or constitute a breach or result in a violation of (1) the Act or the Authority’s bylaws, (2) any federal or Virginia constitutional or statutory provision, (3) to the best of the Authority’s knowledge, any current order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Authority or its property or (4) to the best of its knowledge, any agreement or other instrument to which the Authority is a party or by which it is bound.

(f) The Authority by resolution has approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement in connection with the offer and sale of the Series 2021 Bonds.

(g) All authorizations, consents, approvals, findings and certificates of governmental bodies or agencies required to be obtained by the Authority in connection with (1) the execution and delivery by the Authority of the Authority Documents and the issuance of the Series 2021 Bonds, and (2) the performance by the Authority of its obligations under the Authority Documents and the Series 2021 Bonds have been obtained and are in full force and effect; provided, however, that no representation is made with respect to (1) compliance with any applicable Blue Sky or securities laws of any state or (2) consents, filings, approvals, etc., required in connection with the tax-exempt status of the interest on the Series 2021 Bonds.

(h) There is no litigation, inquiry or investigation of any kind before or by any judicial court or governmental agency pending or, to the knowledge of the Authority, threatened against the Authority with respect to (1) its organization or existence, (2) its authority to execute and deliver the Authority Documents or the Series 2021 Bonds or to perform its obligations thereunder, (3) the validity or enforceability of the Series 2021 Bonds or any of the Authority Documents, (4) the title of the officers executing the Authority Documents or the Series 2021 Bonds, or (5) any authority or proceedings relating to the authority of such officers to execute and deliver the Authority Documents or the Series 2021 Bonds on behalf of the Authority, and no such authority or proceedings have been repealed, revoked, rescinded or amended; provided, however, the foregoing does not include any litigation or administrative proceeding that may have been filed against, but not served on, the Authority, and of which it has no knowledge.

(i) When authenticated by the Bond Trustee and delivered to and paid for by the Underwriter in accordance with the terms of the Bond Indenture and this Bond Purchase Agreement, the Series 2021 Bonds will (1) have been duly authorized, executed and issued, (2) constitute legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms except as limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws and usual equity principles, and (3) be secured by the Bond Indenture.

(j) The Preliminary Official Statement is deemed to be final as of its date within the meaning of the Rule, except for omitted information permitted by paragraph (b)(1) of the Rule, and the Official Statement is deemed to be a final official statement within the meaning of the Rule; provided, however, that the Authority makes no representation with respect to the statements made in the Preliminary Official Statement or the Official Statement except for those statements describing or relating to the Authority under the captions “THE AUTHORITY” and “LITIGATION” (but only regarding information about the Authority).

6. **Representations and Warranties of the Obligor.** By the Obligor’s acceptance hereof, the Obligor hereby represents and warrants to, and covenants and agrees with, the Underwriter and the Authority (and it shall be a condition of the obligation of the Underwriter to purchase and accept delivery of the Series 2021 Bonds at the Closing that the Obligor shall so represent and warrant as of the date of the Closing) that:

(a) The Obligor is a not-for-profit, nonstock corporation duly organized and validly existing in good standing under the laws of the Commonwealth of Virginia and has full power and authority to own its properties and to operate its business, as currently conducted.

(b) The Obligor is (1) an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), and (2) not a “private foundation” as defined in Section 509(a) of the Code. The Obligor has conducted its operations and filed all required reports or documents with the Internal Revenue Service so as to maintain such status. The Obligor is organized and operated exclusively for benevolent, fraternal, charitable or reformatory purposes, and not for pecuniary profit, and no part of its net earnings inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of Subsection 3(a)(4) of the Securities Act of 1933, as amended (the “1933 Act”), and of Subsection 12(g)(2)(D) of the Securities Exchange Act of 1934, as amended. The Obligor has not received notice or communication of any kind from the Internal Revenue

Service directly or indirectly questioning its status under Section 501(c)(3) of the Code or indicating that it is or will be audited with respect to such status.

(c) The Obligor has authorized the execution and delivery of this Bond Purchase Agreement, the Continuing Disclosure Certificate, the Master Indenture, the Series 2021 Obligation, the Series 2021 Supplement, and the Loan Agreement and the Obligor has previously executed and delivered the Prior Master Indenture and the Deed of Trust (collectively, the “Obligor Documents”). The Obligor has approved the Official Statement and the terms of the Bond Indenture. The Obligor will take all action necessary or appropriate to cooperate in the issuance, sale and delivery of the Series 2021 Bonds by the Authority to the Underwriter.

(d) The execution and delivery of the Obligor Documents, the performance of its obligations thereunder and the approval of the Official Statement and the Obligor Documents are within the corporate powers of the Obligor and will not, in any material respect, conflict with or constitute a breach or result in a violation of (1) the articles of incorporation or bylaws of the Obligor, (2) any federal or Virginia constitutional or statutory provision, (3) any agreement or instrument to which the Obligor is a party or by which it is bound, or (4) any current order, rule, regulation, decree or ordinance of any court, government or governmental authority having jurisdiction over the Obligor or its property.

(e) The Obligor has obtained all consents, approvals, authorizations and orders of governmental or regulatory authorities (collectively, the “Consents”) that are required to be obtained by the Obligor as a condition precedent to the issuance of the Series 2021 Bonds, the execution and delivery of the Obligor Documents or the performance by the Obligor of its obligations thereunder, with the exception of those Consents not yet required to be obtained and as otherwise disclosed in the Offering Documents. All such Consents previously obtained are in full force and effect. The Obligor will obtain when needed all other Consents required for the performance of its obligations under the Obligor Documents and has no reason to believe that all required or necessary Consents cannot be promptly obtained when needed.

(f) There is no litigation at law or in equity or any proceeding before any governmental agency pending or, to the knowledge of the Obligor, threatened, in which any liability of the Obligor is not adequately covered by insurance, or in which any judgment or order would have a material adverse effect on the business (financial or otherwise) or assets of the Obligor or affect its existence or authority to do business, the validity of the Obligor Documents or the performance by the Obligor of its obligations thereunder.

(g) The Obligor is not a party to any contract or agreement or subject to any charter or other restriction not disclosed in the Official Statement, the performance of or compliance with which may have a material adverse effect on the financial condition or operations of the Obligor.

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

(i) The financial statements of the Obligor as set forth in Appendix B to the Official Statement described below (the “Financial Statements”), present fairly the financial condition of the Obligor as of the respective dates, and the results of operations for the respective periods, set forth therein and have been prepared in accordance with generally accepted accounting principles consistently applied, except as otherwise noted therein. Since December 31, 2020, no material and adverse change has occurred in the financial position or results of operations of the Obligor, nor has the Obligor incurred any material liabilities other than in the ordinary course of business or as set forth in or contemplated by the Official Statement.

7. **Indemnification.**

(a) The Obligor hereby agrees to indemnify and hold harmless the Authority and the Underwriter, together with each officer, employee, agent and member of the governing body of the Authority and the Underwriter and each person who controls the Authority or the Underwriter within the meaning of either the Securities Act of 1933, as amended (the “1933 Act”), or the 1934 Act from and against any and all losses, claims, damages, liabilities, costs and expenses (including, without limitation, fees and disbursements of counsel and other expenses incurred by them or any of them in connection with investigating or defending any loss, claim, damage, or liability or any suit, action, or proceeding, whether or not resulting in liability), joint or several, to which they or any of them may become subject under the 1933 Act, the 1934 Act, or any other applicable statute or regulation, whether federal or state, or at common law or otherwise, insofar as such losses, claims, damages, liabilities, costs and expenses (or any suit, action, or proceeding in respect thereof) arise out of or are based upon any untrue or misleading statement or alleged untrue or misleading statement of a material fact contained in the Official Statement or in any amendment or supplement to any of the foregoing, or arise out of or are based upon the omission or alleged omission to state therein a fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which such statements were made, not misleading, provided, however, the Obligor will not be liable in any such case to (i) the Underwriter to the extent that any such loss, claim, damage, liability, cost, or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished by the Underwriter specifically for use in connection with the preparation thereof, or (ii) the Authority with respect to statements and information contained therein under the headings “THE AUTHORITY” and “LITIGATION” (as such heading contains information relating to the Authority) in the Official Statement. This indemnity agreement will be in addition to any liability that the Obligor may otherwise have.

(b) The Underwriter shall indemnify and hold harmless the Authority and the Obligor, each of their respective members, officers and employees, and each person who controls the Authority or the Obligor within the meaning of Section 15 of the Securities Act, to the same extent as the foregoing indemnity from the Obligor to the Underwriter, but only with reference to written information relating to the Underwriter furnished by it specifically for inclusion in the Official Statement. This indemnity agreement will be in addition to any liability that the Underwriter may otherwise have. The Obligor acknowledges that the statements set forth under the heading “UNDERWRITING” in the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the Official Statement. The Underwriter shall also pay for or reimburse the Authority for any legal or other expenses incurred by the Authority in connection with investigating any claim against it and defending any action alleging noncompliance with Blue Sky laws with respect to the Series 2021 Bonds.

(c) Promptly after receipt by any party entitled to indemnification under this Section of notice of the commencement of any suit, action, or proceeding, such indemnified party shall, if a claim in respect thereof is to be made against the Obligor or the Underwriter under this Section, notify the Obligor or the Underwriter, in writing, as the case may be, of the commencement thereof, but the omission so to notify the Obligor or the Underwriter shall not relieve such party from any liability which it may have to any indemnified party otherwise than under this Section or from any liability under this Section unless the failure to provide notice prejudices the defense of such suit, action, or proceeding. In case any such action is brought against any indemnified party and it notifies the indemnifying party of the commencement thereof, the indemnifying party shall be entitled, but not obligated, to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party, promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party; provided, however, if the defendants in any such action include both the indemnified party and the indemnifying party, and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnified party or parties shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such

action on behalf of such indemnified party or parties at the sole cost and expense at the indemnifying party. Upon such indemnified party's receipt of notice from the indemnifying party of the indemnifying party's election to so assume the defense of such action and approval by the indemnified party of counsel, which approval shall not be unreasonably withheld, the indemnifying party shall not be liable to such indemnified party under this Section for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel representing the indemnified parties under this paragraph who are parties to such action), (ii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after the indemnifying party's receipt of notice of commencement of the action, or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party pursuant to the provisions hereof; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

(d) An indemnifying party shall not be liable for any settlement of any such action effected without its consent, which consent shall not be unreasonably withheld, but if settled with the consent of the indemnifying party, the indemnifying party agrees to indemnify and hold the indemnified party or parties, including an officer, employee, agent, member or director, or other controlling person of an indemnified party, harmless from and against any loss or liability, including reasonable legal and other expenses incurred in connection with the defense of the action, by reason of such settlement to the extent of the indemnification provided for in this paragraph.

(e) In the event and to the extent that any indemnified party is entitled to indemnification from an indemnifying party under the terms of paragraph (a) or paragraph (b) above in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to therein, but such indemnification is unavailable to such indemnified party in respect of any such losses, claims, damages, liabilities, costs, or expenses due to such indemnification being impermissible under applicable law or otherwise, then the indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages, liabilities, costs, or expenses in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party and such indemnified party, respectively, from the offering of the Series 2021 Bonds, the relative fault of the indemnifying party and such indemnified party, respectively, in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities, costs, or expenses, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact related to information supplied by the indemnifying party or the indemnified party and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission of the indemnifying party or the indemnified party. The Obligor and the Underwriter, on behalf of the Underwriter, respectively, agree that it would not be just and equitable if contribution pursuant to this paragraph (e) were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to above in this paragraph (e). The amount paid or payable by any indemnified party as a result of the losses, claims, damages, liabilities, costs, or expenses referred to above in this paragraph (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with defending any such action or claim. This paragraph (e) shall not apply in the event of losses, claims, damages, liabilities, costs, or expenses caused by or attributable to the willful misconduct or gross negligence of an indemnified party. Notwithstanding, anything to the contrary contained in this paragraph (e), it is understood and agreed that this paragraph (e) is not intended, and shall not be construed, to expand, broaden, or increase in any way, whether in terms of scope, amount, or otherwise, the liability of the Obligor or the Underwriter in respect of any of the losses, claims, damages, liabilities, costs, or expenses referred to in paragraph (a) or paragraph (b) or otherwise, as that liability is set forth in paragraph (a) or paragraph (b) above.

8. **Underwriting Fee and Costs.**

(a) In consideration of the Underwriter's execution of this Bond Purchase Agreement, and for the performance of the Underwriter's obligations hereunder, the Obligor agrees to pay or cause to be paid to the Underwriter a total underwriting fee, including all of its expenses, in an amount equal to \$_____ which shall be due and payable at the Closing. The Underwriter is authorized to deduct its underwriting fees from the proceeds of the Series 2021 Bonds as the underwriter's discount.

(b) Whether or not the Series 2021 Bonds are sold by the Authority, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the Authority's or the Obligor's obligations hereunder. All costs incurred in connection with the issuance or attempted issuance of the Series 2021 Bonds and all expenses and costs to effect the authorization, preparation, issuance, delivery and sale of the Series 2021 Bonds (including, without limitation, reasonable attorneys' fees and expenses, including bond counsel, Underwriter's Counsel (as identified herein), the Obligor's counsel, accountants' fees and expenses, trustee's fees, trustee's counsel, title insurance and the expenses and costs for the preparation, printing, photocopying, execution and delivery of the Series 2021 Bonds, the Bond Documents and all other agreements and documents contemplated hereby) shall be paid by the Obligor.

9. **Conditions to the Underwriter's Obligations.** The Underwriter's obligations hereunder shall be subject to the due performance in all material respects by the Obligor and the Authority of their obligations and agreements to be performed hereunder at or prior to the Closing and to the accuracy of and compliance in all material respects with their representations and warranties contained herein, as of the date hereof and as of the Closing, and are also subject to receipt of the following evidence and documents and satisfaction of the following conditions, as appropriate, at or prior to the closing:

(a) Each of the Authority Documents and the Obligor Documents shall have been duly authorized, executed and delivered by the respective parties thereto in the forms heretofore approved by the Underwriter with only such changes therein as shall be mutually agreed upon by the parties thereto and the Underwriter, and shall be in full force and effect on the date of the Closing.

(b) At or before the Closing, the Underwriter shall receive:

i. Copies of the original counterparts of this Bond Purchase Agreement, the Authority Documents and the Obligor Documents.

ii. The following opinions, dated the date of the Closing, in form and substance satisfactory to the Underwriter and its counsel:

(i) bond counsel opinions of McGuireWoods LLP, Bond Counsel ("Bond Counsel"), in the form set forth in Appendix D to the Official Statement;

(ii) supplemental opinion of Bond Counsel in the form set forth as Exhibit B to this Bond Purchase Agreement;

(iii) an opinion of Kaufman & Canoles, P.C., counsel to the Obligor, in substantially the form set forth as Exhibit C to this Bond Purchase Agreement and in form and substance satisfactory to Underwriter's Counsel;

(iv) an opinion of the attorney for James City County, Virginia, counsel to the Authority, in substantially the form set forth as Exhibit D to this Bond Purchase Agreement;

and (v) opinions of Womble Bond Dickinson (US) LLP, Underwriter's Counsel;

(vi) such other opinions as may be reasonably requested by the Underwriter.

iii. A closing certificate of the Authority, satisfactory in form and substance to the Underwriter, executed by the authorized representatives of the Authority, or of any other of the Authority's duly authorized officers satisfactory to the Underwriter, dated as of the date of the Closing, to the effect that: (i) the Authority has duly performed or complied with all of its obligations and conditions to be performed and satisfied hereunder at or prior to the Closing and that each of its representations and warranties contained herein is true and correct in all material respects as of the Closing; (ii) the Authority has authorized, by all necessary action, the execution, delivery, receipt and due performance of the Series 2021 Bonds and the Authority Documents; (iii) no litigation is pending, or, to his or her knowledge, threatened against the Authority, to restrain or enjoin the issuance or sale of the Series 2021 Bonds or in any way affecting any authority for or the validity of the Series 2021 Bonds or the Authority Documents, the Authority's existence or powers or its right to use the proceeds of the Series 2021 Bonds; (iv) the information contained under the headings "THE AUTHORITY" and "LITIGATION" (as such heading contains information relating to the Authority) in the Official Statement does not as of the date thereof and as of the date of the Closing contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein pertaining to the Authority, in light of the circumstances under which they were made, not misleading; and (v) the execution, delivery, receipt and due performance of the Series 2021 Bonds and the Authority Documents under the circumstances contemplated hereby and thereby and the Authority's compliance with the provisions thereof will not, to the best of the Authority's knowledge, conflict with or constitute on the Authority's part a breach of or a default under any existing law or court or administrative regulation, decree, or order or any agreement, indenture, lease, or other instrument to which the Authority is subject or by which the Authority is bound.

iv. A copy, certified as of the date of the Closing by the Authority to be a true and correct copy, of the Resolution.

v. A closing certificate of the Obligor, satisfactory in form and substance to the Underwriter and Bond Counsel, executed by an authorized representative of the Obligor, dated as of the date of the Closing, to the effect that: (i) since the date hereof there has not been any material adverse change in the business, properties, financial position, or results of operations of the Obligor, whether or not arising from transactions in the ordinary course of business, other than as previously disclosed in writing to the Underwriter and except in the ordinary course of business, the Obligor has not suffered or incurred any material liability, other than as previously disclosed in writing to the Underwriter; (ii) there is no action, suit, proceeding, or, to the best of the officer's knowledge, any inquiry or investigation at law or in equity or before or by any public board or body pending or, to his or her knowledge, threatened against or affecting the Obligor or any affiliate or its property or, to his or her knowledge after making due inquiry with respect thereto, any basis therefor, wherein an unfavorable decision, ruling, or finding would adversely affect the transactions contemplated hereby or the validity or enforceability of the Series 2021 Bonds, the Bond Indenture or the Obligor Documents which have not been previously disclosed in writing to the Underwriter and which is not disclosed in the Official Statement; (iii) to his or her knowledge, all information furnished to the Underwriter for use in connection with the marketing of the Series 2021 Bonds and the information contained in the Official Statement and all of the information contained in the Official Statement was, as of the respective dates thereof, and is as of the date of the Closing, true in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading; (iv) the Obligor has duly authorized, by all necessary action, the execution, delivery, receipt and due performance of the Obligor Documents; (v) the Obligor has duly performed or complied with all of its obligations and conditions to be performed and satisfied hereunder at or prior to the Closing; and (vi) the representations contained herein have not

been amended, modified, or rescinded and are in full force and effect, and the information and representations and warranties contained herein are true and correct, as of the Closing.

vi. A certificate or certificates, dated the date of the Closing, signed by the Secretary of the Obligor or another authorized officer of the Obligor acceptable to the Underwriter, to the effect that (1) attached thereto is a copy of the articles of incorporation of the Obligor, and all amendments thereto, certified as of a recent date by the Virginia State Corporation Commission (“VSCC”), and that such documents have not been amended since such date; (2) attached thereto is a true and complete copy of the bylaws of the Obligor, as in effect on the date of such certification; and (3) attached thereto is a true and complete copy of the resolutions of the Board of Directors of the Obligor authorizing the execution and delivery of the Obligor Documents and the approval of the Official Statement and the Bond Indenture and all transactions contemplated by such documents.

vii. A certificate, dated no earlier than ten business days prior to the date of the Closing, issued by the VSCC to the effect that the Obligor is in good standing as of the date of such certificate.

viii. Receipts evidencing the proper recording of the Deed of Trust or delivery of these documents to the Title Company pursuant to acceptable closing instructions.

ix. A “pro-forma” copy of an endorsement to the Title Insurance Policy, naming the Master Trustee as insured in an amount required under the Master Indenture as of the Closing date, insuring that the Deed of Trust constitutes a first lien on the **[Real Estate]** (as defined in the Deed of Trust) only to those exceptions as have been approved by the Underwriter and its counsel.

x. Certificates of insurance showing coverages of the types and amounts set forth in the Master Indenture and a certificate of an Insurance Consultant (as defined in the Master Indenture), to the effect that the insurance coverage, with respect to type and amount, complies with the requirements of the Master Indenture.

xi. A bring-down letter of **[Plante Moran]** dated the date of the Closing and addressed to the Obligor, the Authority, the Underwriter, and the Trustee confirming and amending in certain respects their agreed upon procedures letter of September __, 2021, together with a consent letter of **[Plante Moran]** consenting to the use of the financial statements set forth in Appendix B to the Official Statement.

xii. Evidence satisfactory to Bond Counsel that the Obligor is an organization described in Section 501(c)(3) of the Code.

xiii. Evidence satisfactory to Bond Counsel that the arbitrage provisions of the Code have been satisfied and a completed Internal Revenue Service Form 8038 signed by an authorized representative of the Authority.

xiv. Such additional certificates and other documents, agreements and opinions as the Underwriter and Bond Counsel may reasonably request to evidence performance of or compliance with the provisions hereof and the transactions contemplated hereby, all such certificates and other documents to be satisfactory in form and substance to the Underwriter.

All opinions shall be addressed to the Underwriter and may also be addressed to such other parties as the giver of such opinion agrees to. All certificates, if addressed to any party, shall also be addressed to the Underwriter.

All such opinions, letters, certificates and documents shall be in compliance with the provisions hereof only if they are in all material respects satisfactory to the Underwriter and to counsel to the Underwriter, as to which both

the Underwriter and its counsel shall act reasonably. If any condition of the Underwriter's obligations hereunder to be satisfied prior to the Closing is not so satisfied, this Bond Purchase Agreement may be terminated by the Underwriter by notice in writing to the Obligor and the Authority. The Underwriter may waive compliance by the Obligor or the Authority of any one or more of such conditions or extend the time for their performance and such waiver shall be evidenced by the Underwriter's payment for the Series 2021 Bonds.

10. **The Underwriter's Right to Cancel.** The Underwriter shall have the right to cancel its obligations hereunder by notifying the Authority and the Obligor in writing and in compliance with Section 13 hereof of its election so to do between the date hereof and the Closing, if at any time hereafter and on or prior to the Closing:

(a) A committee of the House of Representatives or the Senate of the Congress of the United States shall have pending before it legislation, or a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States of America, or legislation shall be favorably reported by such a committee or be introduced, by amendment or otherwise, in, or be passed by, the House of Representatives or the Senate, or recommended to the Congress of the United States of America for passage by the President of the United States of America, or be enacted by the Congress of the United States of America, or an announcement or a proposal for any such legislation shall be made by a member of the House of Representatives or the Senate of the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States of America or the Tax Court of the United States of America shall be rendered, or a ruling, regulation, or order of the Treasury Department of the United States of America or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in or proposes the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the Obligor, any of its affiliates, state and local governmental units or by any similar body or upon interest received on obligations of the general character of the Series 2021 Bonds which, in the Underwriter's opinion, materially and adversely affects the market price of the Series 2021 Bonds.

(b) Any legislation, ordinance, rule, or regulation shall be introduced in or be enacted by any governmental body, department, or agency of the United States or of any state, or a decision by any court of competent jurisdiction within the United States or any state shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2021 Bonds.

(c) A stop order, ruling, regulation, or official statement by, or on behalf of, the Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Series 2021 Bonds, or the issuance, offering, or sale of the Series 2021 Bonds, including all the underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provisions of the federal securities laws, including without limitation the registration provisions of the 1933 Act, or the registration provisions of the 1934 Act, or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect (the "1939 Act").

(d) Legislation shall be introduced by amendment or otherwise in, or be enacted by, the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered to the effect that obligations of the general character of the Series 2021 Bonds including all the underlying obligations, are not exempt from registration under or from other requirements of the 1933 Act or the 1934 Act, or that the Bond Indenture is not exempt from qualification under or from other requirements of the 1939 Act, or with the purpose or effect of otherwise prohibiting the issuance, offering, or sale of obligations of the general character of the Series 2021 Bonds, as contemplated hereby or by the Official Statement.

(e) Any event shall have occurred, or information becomes known, which, in the Underwriter's reasonable opinion, makes untrue in any material respect any representation by or certificate of the

Authority or the Obligor hereunder, or any statement or information furnished to the Underwriter by the Authority or the Obligor for use in connection with the marketing of the Series 2021 Bonds or any material statement or information contained in the Official Statement as originally circulated contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; provided, however, that the Authority and the Obligor shall be granted a reasonable amount of time in which to cure any such untrue or misleading statement or information.

(f) Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(g) The New York Stock Exchange or any other national securities exchange, or any governmental authority, shall impose, as to the Series 2021 Bonds or obligations of the general character of the Series 2021 Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or a change to the net capital requirements of, the Underwriter.

(h) A general banking moratorium or suspension or limitation of banking services shall have been established by federal, District of Columbia, Connecticut or New York authorities.

(i) A default has occurred with respect to the obligations of, or proceedings have been instituted under the federal bankruptcy laws or any similar state laws by or against, any state of the United States or any city located in the United States having a population in excess of one million persons or any entity issuing obligations on behalf of such a city or state.

(j) Any proceeding shall be pending, or to the knowledge of the Underwriter, threatened, to restrain, enjoin, or otherwise prohibit the issuance, sale, or delivery of the Series 2021 Bonds by the Authority or the purchase, offering, sale, or distribution of the Series 2021 Bonds by the Underwriter, or for any investigatory or other proceedings under any federal or state securities laws or the rules and regulations of FINRA relating to the issuance, sale, or delivery of the Series 2021 Bonds by the Authority or the purchase, offering, sale, or distribution of the Series 2021 Bonds by the Underwriter.

(k) A war involving the United States of America shall have been declared, or any conflict involving the armed forces of the United States of America shall have escalated, or acts of terrorism shall have been committed against the citizens or the government of the United States of America or the property of either, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Series 2021 Bonds.

11. **Conditions of the Obligor's and Authority's Obligations.** The Obligor's and Authority's obligations hereunder are subject to the Underwriter's performance of its obligations hereunder. The Underwriter represents that it is duly authorized to execute and deliver this Bond Purchase Agreement and that upon execution and delivery of this Bond Purchase Agreement by the other parties hereto, this Bond Purchase Agreement shall constitute a legal, valid and binding agreement of the Underwriter enforceable in accordance with its terms, except as limited by applicable bankruptcy, reorganization, insolvency, or other similar laws affecting the enforcement of creditor's rights generally and by general principles of equity affecting remedies. The Obligor covenants to use its best efforts to accomplish, or cause to be accomplished, the conditions set forth herein prior to the Closing.

The Authority's obligations hereunder to sell the Series 2021 Bonds to the Underwriter shall also be subject to the satisfaction of all of the conditions set forth in Section 9 above (unless waived by the Underwriter and such waiver is reasonably acceptable to the Authority), the performance by the Authority and the Obligor of the obligations and agreements to be performed thereby at or prior to the date of Closing, including those hereunder, and to the accuracy in all material respects of the representations, warranties and covenants of the Authority and the

Obligor contained herein and in the Authority Documents and the Obligor Documents as of the date hereof and as of the date of Closing; and shall also be subject to the following conditions: (i) the Authority shall receive the purchase price for the Series 2021 Bonds to be delivered and sold hereunder and (ii) all certificates, opinions and other documents relating to the transactions contemplated by this Bond Purchase Agreement shall be satisfactory in form and substance to the Authority, Bond Counsel and the Obligor.

12. **Representations, Warranties and Agreements to Survive Delivery.** All of the Obligor's and the Authority's representations, warranties and agreements shall remain operative and in full force and effect (unless expressly waived in writing by the Underwriter), regardless of any investigations made by the Underwriter or on its behalf, and shall survive delivery of the Series 2021 Bonds to the Underwriter and the resale by the Underwriter on behalf of the Authority of the Series 2021 Bonds.

13. **Notice.** All notices and other communications hereunder shall be effective if and only if in writing and delivered personally, transmitted by facsimile which the sender's facsimile machine indicates has been sent (in the case of an addressee whose facsimile number is supplied), sent by Federal Express or similar courier, or mailed by registered or certified mail (return receipt requested), charges or postage prepaid, to the addressee at the address that shall most recently have been designated, by effective notice hereunder from the addressee to the sender, as the addressee's desired address for notices hereunder (or, prior to any such notice, at the address for the addressee set forth below):

- if to the Authority, to:** Economic Development Authority
of James City County, Virginia
101-C Mounts Bay Road
Williamsburg, Virginia
Attention: Chairman
- with a copy to:** James City County Attorney
101-C Mounts Bay Road
Williamsburg, Virginia
- with a copy to:** McGuireWoods LLP
Gateway Plaza
800 East Canal Street
Richmond, Virginia 23219-3916
Attention: T. W. Bruno
Telephone Number: (804) 775-1030
Facsimile Number: 804-440-7731
- if to the Obligor:** Williamsburg Landing, Inc.
d/b/a Williamsburg Landing
5700 Williamsburg Landing Drive
Williamsburg, Virginia 23185
Attention: President/CEO
Telephone Number: (757) 565-6500
Facsimile Number: _____

with a copy to: Kaufman & Canoles, P.C.
4801 Courthouse Street, Suite 300
Williamsburg, Virginia 23188
Attention: Palul Gerhardt, Esq.
Telephone Number: (757) 259-3860
Facsimile Number: _____

if to the Underwriter, to: B.C. Ziegler and Company
4801 Cox Road
Suite 103
Glen Allen, Virginia 23060
Attention: Thomas M. Brewer
Telephone Number: (804) 793-8490
Facsimile Number: (804) 290-4339

with a copy to: Womble Bond Dickinson (US) LLP
555 Fayetteville Street, Suite 1100
Raleigh, North Carolina 27601
Attention: Jonathan T. Mize
Telephone Number: (919) 755-2187

Unless otherwise provided, written notices so delivered, transmitted, sent or mailed shall be effective on the earlier of (x) actual delivery, (y) the date of transmission, if by facsimile on or before 5:00 p.m. of the addressee's local time, or (z) as applicable, either (i) the first business day following the date of deposit with a qualified guaranteed next day courier service or (ii) the third business day following the date postmarked by the United States Post Office. Any refusal to accept delivery of any such communication shall be considered successful delivery thereof.

14. **Applicable Law; Nonassignability.** This Bond Purchase Agreement shall be governed by the laws of the Commonwealth of Virginia. This Bond Purchase Agreement shall not be assigned by the Authority, the Obligor, or the Underwriter.

15. **Parties In Interest.** This Bond Purchase Agreement shall be binding upon, and has been and is made for the benefit of, the Authority, the Obligor, the Underwriter and, to the extent expressed, any person controlling the Authority, the Obligor or the Underwriter and their respective executors, administrators, successors and assigns and no other person shall acquire or have any right or interest under or by virtue hereof. The term "successors and assigns" shall not include any purchaser, as such, of any Series 2021 Bond.

16. **Non-Fiduciary Acknowledgement.** Each of the Authority and the Obligor acknowledges and agrees that (i) the purchase and sale of the Series 2021 Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between it and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor, (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Obligor or the Authority, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Obligor or the Authority with respect to the offering of the Series 2021 Bonds or the process leading thereto (whether or not such Underwriter, or any affiliate of such Underwriter, has advised or is currently advising the Obligor or the Authority on other matters) or any other obligation to the Obligor or the Authority except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Obligor and the Authority and (v) it has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2021 Bonds.

17. **Waiver and Release of Personal Liability.** Notwithstanding anything in this Bond

Purchase Agreement to the contrary, the obligations and agreements of the Authority contained herein shall be deemed the obligations and agreements of the Authority, and not any member, director, officer, agent or employee of the Authority in his or her individual capacity, and the members, directors, officers, agents and employees of the Authority shall not be liable personally hereon or be subject to any personal liability or accountability based upon or in respect hereof or of any transaction contemplated hereby.

18. **Establishment of Issue Price.** (a) (a) The Underwriter agrees to assist the Authority in establishing the issue price of the Series 2021 Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix I, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2021 Bonds.

(b) **[Except as otherwise set forth in Exhibit A attached hereto,]** the Authority will treat the first price at which 10% of each maturity of the Series 2021 Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Series 2021 Bonds. **[If at that time the 10% test has not been satisfied as to any maturity of the Series 2021 Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Series 2021 Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until either (i) the Underwriter has sold all Series 2021 Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2021 Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel.]** For purposes of this Section, if Series 2021 Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2021 Bonds.

[(c) The Underwriter confirms that it has offered the Series 2021 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2021 Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2021 Bonds, the Underwriter will neither offer nor sell unsold Series 2021 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2021 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Series 2021 Bonds to the public at a price that is no higher than the initial offering price to the public.]

(d) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2021 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Series 2021 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2021 Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Series 2021 Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2021 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(2) any selling group agreement relating to the initial sale of the Series 2021 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2021 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Series 2021 Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2021 Bonds of that maturity, provided that, the reporting obligation after the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) the Authority acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2021 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2021 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a

third-party distribution agreement was employed in connection with the initial sale of the Series 2021 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2021 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2021 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2021 Bonds.

(f) The Underwriter acknowledges that sales of any Series 2021 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2021 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2021 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2021 Bonds to the public),
- (3) a purchaser of any of the Series 2021 Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

This Bond Purchase Agreement shall become legally effective upon its acceptance by the Authority, as evidenced by the signature of its Chairman, or other authorized representative, in the space provided therefor below, and upon the approval and agreement of this Bond Purchase Agreement by the Obligor, as evidenced by the signatures of its authorized representative in the space provided therefor below.

[Signatures to Bond Purchase Agreement on Following Page]

19. **Execution of Counterparts.** This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

Very truly yours,

B.C. ZIEGLER AND COMPANY

By:

Thomas M. Brewer
Managing Director

[Signature Page 1 of 3]

Accepted as of the date
first above written:

**WILLIAMSBURG LANDING, INC. D/B/A
WILLIAMSBURG LANDING**

By:
Name:
Title:

[Signature Page 2 of 3]

Accepted as of the date
first above written:

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

By:
Name:
Title:

[Signature Page 3 of 3]

EXHIBIT A

TERMS OF BONDS

\$ _____

**ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA
RESIDENTIAL CARE FACILITY REVENUE REFUNDING BONDS
(WILLIAMSBURG LANDING)
SERIES 2021**

[To be inserted.]

EXHIBIT B

Form of Supplemental Opinion of Bond Counsel

September __, 2021

B.C. Ziegler and Company
Richmond, Virginia

§ _____
**Economic Development Authority of James City County, Virginia
Residential Care Facility Revenue Refunding Bonds
(Williamsburg Landing)
Series 2021**

Ladies and Gentlemen:

Reference is made to our opinion delivered today as Bond Counsel for the Economic Development Authority of James City County, Virginia (the “Authority”), in connection with the issuance and sale by the Authority of the above-referenced bonds (the “Bonds”). We hereby advise you that we now deliver such opinion for your benefit as well as the benefit of the Authority, and you are entitled to rely upon such opinion as if it was addressed to you. Unless otherwise defined, each capitalized term used in this opinion has the meaning given in the Bond Trust Indenture dated as of September 1, 2021 (the “Indenture”), between the Authority and _____, as bond trustee.

At your request, we have reviewed (a) the Bond Purchase Agreement dated September __, 2021 (the “Bond Purchases Agreement”), among the Authority, the Obligor, and B.C. Ziegler and Company, on behalf of itself and as representative of the other underwriter, with respect to the purchase and sale of the Bonds, (b) portions of the Official Statement of the Authority dated September __, 2021, relating to the Bonds (the “Official Statement”), and (c) certified copies of the Authority with respect to the Bond Purchase Agreement and the Official Statement, as well as such other papers as we deem necessary for purposes of the opinions expressed below.

Based on the foregoing, we are of the opinion that:

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due authorization and execution by the other parties thereto, constitutes a valid and legally binding obligation of the Authority, and is enforceable against the Authority in accordance with its terms. The enforceability of the obligations of the Authority under the Bond Purchase Agreement may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws, and by usual equity principles.

2. The statements in the Official Statement in the sections entitled “GENERAL STATEMENT – Series 2021 Bonds, - Security for Obligations and – Master Indenture”, “THE SERIES 2021 BONDS”, “SECURITY FOR THE SERIES 2021 BONDS,” “SERIES 2021 BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS,” “TAX MATTERS,” “LEGALITY,” “RELATIONSHIP OF PARTIES” (but only with respect to McGuireWoods LLP), “FINANCING DOCUMENTS AND SELECTED COVENANTS,” and “FINANCIAL REPORTING AND CONTINUING DISCLOSURE – Financial Reporting – Continuing Disclosure – General, and – Information Required,” and in Appendix D and Appendix E accurately and fairly summarize the material provisions of the Bonds and the documents, statutes and opinions referred to therein.

3. The offering, sale and delivery of the Bonds do not require registration of the Bonds, or any separate security represented by the Bonds, under the Securities Act of 1933, as amended, and the Bond Indenture and the **[Supplemental Indenture for Series 2021 Obligation]** are not required to be qualified as Trust Indentures pursuant to the Trust Agreement Act of 1939, as amended.

Very truly yours,

EXHIBIT C

Form of Opinion of Obligor's Counsel

EXHIBIT D

Form of Authority Counsel Opinion

September __, 2021

B.C. Ziegler and Company
Richmond, Virginia
_____, as bond trustee
[Location]

McGuireWoods LLP
Richmond, Virginia
Williamsburg Landing, Inc.,
d/b/a Williamsburg Landing
Williamsburg, Virginia

§ _____
**Economic Development Authority of James City County, Virginia
Residential Care Facility Revenue Refunding Bonds
(Williamsburg Landing)
Series 2021**

Ladies and Gentlemen:

I have acted as counsel to the Economic Development Authority of James City County, Virginia (the “Authority”) in connection with the issuance by the Authority of the above-referenced bonds (the “Series 2021 Bonds”).

In so acting, I have reviewed, among other things, the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the “Act”), the Authority’s bylaws and minute books, and originals or certified copies of the following:

(a) Ordinances adopted and readopted by the Board of Supervisors of James City County, Virginia, on November 13, 1968 and December 11, 1968, respectively, creating the Authority pursuant to the Act;

(b) Resolutions of the Authority authorizing the issuance of the Bonds, adopted on August 17, 2021 (the “Resolutions”), authorizing among other things, the execution and delivery or use of the following:

i. Bond Purchase Agreement dated September __, 2021 (the “Bond Purchase Agreement”), between the Authority, Williamsburg Landing, Inc., d/b/a Williamsburg Landing (“Williamsburg Landing”), and B.C. Ziegler and Company (the “Underwriter”);

ii. Bond Trust Indenture dated as of September 1, 2021 (the “Bond Indenture”), between the Authority and the Bank of New York Mellon Trust Company, N.A., as bond trustee (the “Bond Trustee”);

iii. Loan Agreement dated September 1, 2021 (the “Loan Agreement”), between the Authority and Williamsburg Landing;

iv. **[Promissory Note Constituting the Series 2021 Obligation]** (the “Series 2021 Obligation”), of the **[Borrowers]** in the original principal amount equal to the aggregate principal amount of the Series 2021 Bonds with an Authority’s assignment thereof to the Bond Trustee;

v. Form of the Series 2021 Bond; and

vi. Preliminary Official Statement dated September 1, 2021 (the “Preliminary Official Statement”), and the Official Statement dated as of even date with the Bond Purchase Agreement (the “Official Statement”), relating to the sale of the Bonds.

(c) Such other documents, records, agreements and certificates of the Authority and other parties as I deemed necessary or appropriate to enable us to render the opinions expressed below.

The Bond Purchase Agreement, the Bond Indenture, the Loan Agreement, and the assignment of the 2021 Obligation are referred to in this letter as the “Authority Documents.”

For purposes of the opinions expressed below, I have assumed that all signatures on documents and instruments examined are genuine, all documents submitted as originals are authentic, and all documents submitted as copies conform to the originals. In addition, I have assumed, without independent investigation or verification, the due authorization, execution, and deliver of the Authority Documents by all parties thereto other than the Authority.

As to factual matters, I have relied upon findings of the Authority contained in the Authority Documents, certificates of public officials furnished to us, and certifications by representatives of the Authority. I have no reason to believe that such findings and certifications are incomplete or inaccurate. Whenever the phrase “to my knowledge” is used herein, it refers to my actual knowledge without independent investigation.

Where reference is made in this letter to matters I know or which are within my knowledge, such reference should be understood to mean only that I do not know of any fact or circumstance contradicting the statement which ensures.

Based on the foregoing, and upon such other investigation as I consider necessary for the purpose of expressing this opinion, and subject to the limitations contained herein, I am of the opinion that:

1. The Authority is duly organized and validly existing, and in good standing as an industrial development authority under the Act and has all necessary power and authority to (a) execute and deliver the Series 2021 Bonds and the Authority Documents and (b) perform its obligations under the Authority Documents.

2. The Resolutions have been duly adopted by the Authority and are in full force and effect on the date hereof. The officers of the Authority executing the Series 2021 Bonds, the Authority Documents and the Official Statement and the officers listed on the general certificate of the Authority delivered on the date hereof have been duly elected or appointed and are qualified to serve as such officers.

3. The Authority Documents have each been duly authorized, executed and delivered by the Authority, and, subject to paragraph 5 below, each constitutes a valid and binding agreement of the Authority, enforceable against the Authority in accordance with its terms.

4. The Series 2021 Bonds have been duly authorized, executed, issued and delivered by the Authority, constitute valid and binding limited obligations of the Authority, enforceable in accordance with their terms, subject to paragraph 5 below.

5. The obligations of the Authority under the Resolution, the Series 2021 Bonds and the Authority Documents are subject to the provisions of applicable bankruptcy, insolvency, reorganization, moratorium or similar laws, now or hereafter in effect, relating to or affecting the enforcement of creditors' rights generally. Such obligations are also subject to usual equitable principles, which may limit the specific enforcement of certain remedies but which do not affect the validity of such documents.

6. The adoption, execution and delivery of and performance by the Authority of its obligations under the Resolution, the Series 2021 Bonds, and the Authority Documents and the assignment of the Series 2021 Obligation will not violate any provisions of (a) the Act or the Authority's bylaws, (b) any other Virginia law, or (c) to the best of my knowledge after due investigation, any agreement or other instrument, order, rule regulation, decree or ordinance to which the Authority is a party or by which it is bound.

7. To the best of my knowledge, no litigation, inquiry, or investigation of any kind in or by a judicial or administrative court or agency is pending or threatened against the Authority (a) with respect to the organization or existence of the Authority, its authority to execute or deliver the Series 2021 Bonds or the Authority Documents, the validity or enforceability of any of such instruments, or any authority or proceedings relating to the execution and delivery of such instruments on behalf of the Authority, or the assignment of the 2021 Obligation, and no such authority or proceedings have been repealed, revoked, rescinded, or amended or (b) to restrain or enjoin the issuance or delivery of the Series 2021 Bonds or any other bonds of the Authority or the execution or delivery by the Authority of the Authority Documents or the assignment by the Authority of the 2021 Obligation.

8. To the best of my knowledge, the information with respect to the Authority contained in the Official Statement under the sections entitled "THE AUTHORITY" and "LITIGATION" is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made in such sections concerning the Authority, in light of the circumstances under which they were made, not misleading. The Authority has duly authorized and consented to the use of the Official Statement in the offering and sale of the Series 2021 Bonds. The Authority has not verified, has not passed upon, and does not assume any responsibility for the accuracy and completeness of the statements contained in the Official Statement except as specifically set out above in this paragraph 8.

I have not been requested to express, and therefore do not express, any opinion as to (1) the tax-exempt status of interest on the Series 2021 Bonds, (2) the necessity of registration of the Series 2021 Bonds under the Securities Act of 1933, as amended, or any state blue sky law, any required qualification or registration under the Trust Indenture Act of 1939, as amended, (3) the accuracy or completeness of any other information concerning the business or financial resources of Williamsburg Landing or any other person that may have been relied on by the purchasers of the Series 2021 Bonds, (4) the ownership of or status of title to any property covered by the Authority Documents or the priority of any liens or encumbrances thereon or the enforceability of any remedy that may be dependent upon the status of ownership of such property, or (5) the applicability of, or the enforceability of any documents under, the laws of any state other than the Commonwealth of Virginia.

This opinion is solely for your benefit. This opinion may not be distributed to or relied upon by any other person or entity, quoted in whole or in part or otherwise reproduced in any other document, nor is it to be filed with any governmental agency other than the Authority, except with the prior written consent of the Office of the County Attorney for James City County, Virginia.

Finally, I do not undertake to advise you of any changes in the opinions expressed herein resulting from matters that might hereafter come or be brought to my attention.

Sincerely yours,

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
Economic Development Authority of James City County, Virginia
Residential Care Facility Revenue Refunding Bonds
(Williamsburg Landing)
Series 2021

The undersigned, B.C. Ziegler and Company (the “Underwriter”), hereby certifies as set forth below with respect to the sale and issuance by the Economic Development Authority of James City County, Virginia (the “Authority”) of the above-captioned bonds (the “Bonds”).

1. Purchase Contract. The Underwriter, the Authority and Williamsburg Landing, Inc., d/b/a Williamsburg Landing (the “Borrower”) have entered into a Bond Purchase Agreement (the “Bond Purchase Agreement”) in connection with the Bonds. The Bond Purchase Agreement has not been modified since its execution on September __, 2021.

2. Sale of the Bonds. As of the date of this certificate, for each Maturity of the Series 2021 Bonds, the first price at which at least 10% of such Maturity of the Series 2021 Bonds was sold to the Public is the respective price listed in Schedule A. *[Note: to be revised if there are any hold-the-price maturities]*

3. Defined Terms.

[Note: to be revised if there are any hold-the-price maturities]

(a) “Maturity” means Series 2021 Bonds with the same credit and payment terms. Series 2021 Bonds with different maturity dates, or Series 2021 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(l) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter. A person is a “Related Party” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other)

(m) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2021 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority and

Williamsburg Landing with respect to certain of the representations set forth in the respective Tax Certificates and with respect to compliance with the federal income tax rules affecting their Series 2021 Bonds, and by McGuireWoods LLP in connection with rendering its opinion that the interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Authority and the Borrower from time to time relating to the Series 2021 Bonds.

B.C. ZIEGLER AND COMPANY

By: _____
Its: Managing Director

Dated: September __, 2021

[Red Herring Language] THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2021 Bonds (as defined herein) offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER __, 2021

NEW ISSUE - BOOK ENTRY ONLY

NOT RATED

In the opinion of Bond Counsel, under current law and assuming the compliance with certain covenants by and the accuracy of certain representations and certifications of the Authority, Williamsburg Landing and other persons and entities described in the section “TAX MATTERS” herein, interest on the Series 2021 Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is further of the opinion that interest on the Series 2021 Bonds is excludable from gross income for purposes of income taxation by the Commonwealth of Virginia. See the section “TAX MATTERS” herein regarding other tax considerations.

\$ _____*

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA
RESIDENTIAL CARE FACILITY REVENUE REFUNDING BONDS
(WILLIAMSBURG LANDING)
[WILLIAMSBURG LANDING LOGO] SERIES 2021

Dated: Date of Delivery

Due: As shown on the inside cover

The Series 2021 Bonds are being issued by the Economic Development Authority of James City County, Virginia (the “Authority”), under a Bond Trust Indenture dated as of September 1, 2021 (the “Bond Indenture”), between the Authority and _____, as Bond Trustee (the “Bond Trustee”). The Series 2021 Bonds will be limited obligations of the Authority and (except to the extent that payment thereof may be made from the proceeds of the sale of the Series 2021 Bonds or any investment income therefrom) will be payable solely from the revenues received pursuant to a promissory note (the “Series 2021 Obligation”) issued under an Amended and Restated Master Trust Indenture dated as of September 1, 2003 (as supplemented and amended, the “Prior Master Indenture”), between [SunTrust Bank (the successor to which is Truist Bank)], as trustee (the “Master Trustee”), and Williamsburg Landing, Inc., a not-for-profit Virginia nonstock corporation (the “Corporation” d/b/a “Williamsburg Landing”) and a [Supplemental Indenture for Series 2021 Obligation] dated as of September 1, 2021, between the Master Trustee and an Obligated Group (the “Obligated Group”), initially consisting solely of the Corporation.

The Authority will loan the proceeds of the Series 2021 Bonds to Williamsburg Landing pursuant to a Loan Agreement dated as of September 1, 2021 (the “Loan Agreement”) between the Authority and the Obligated Group to provide funds to be used with other available funds to (1) refund certain outstanding indebtedness issued on behalf of Williamsburg Landing as more particularly described herein (see “PLAN OF REFUNDING” herein); and (b) provide amounts required for reserves, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds. A more detailed description of the use of proceeds of the Series 2021 Bonds is set forth in “ESTIMATED SOURCES AND USES OF FUNDS.” Certain terms used herein are defined in Appendix C.

Aggregate payments on the Series 2021 Obligation will be required to be sufficient to pay the principal of, premium, if any, and interest on the Series 2021 Bonds as they become due and payable. The Series 2021 Obligation will be secured by a first lien deed of trust on the real estate portion of the Williamsburg Landing campus, certain other rights under the Master Indenture, and a security interest in certain property of the Obligated

* Preliminary; subject to change.

Group, including its Pledged Assets (as defined herein). As security for the Series 2021 Bonds, the Authority will assign to the Bond Trustee (1) all right, title and interest in and to the Series 2021 Obligation, (2) all rights under the Master Indenture and the Deed of Trust (as defined herein) as owner of the Series 2021 Obligation and (3) substantially all right, title and interest in and to the Loan Agreement, as more fully described in “SECURITY FOR THE SERIES 2021 BONDS.”

The Series 2021 Bonds will be issued in fully registered form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2021 Bonds. Individual purchases of beneficial ownership interest in the Series 2021 Bonds will be made in book-entry form only and individual purchasers will not receive physical delivery of bond certificates. The Series 2021 Bonds will be issued in authorized denominations of \$5,000 and multiples thereof. Interest on the Series 2021 Bonds will be payable on **[December 1, 2021]** and thereafter semi-annually on each June 1 and December 1. Payments of principal of and interest on the Series 2021 Bonds will be made by the Bond Trustee, to Cede & Co., as nominee for DTC, for disbursement to DTC participants, to be disbursed subsequently to the beneficial owners of the Series 2021 Bonds. The Series 2021 Bonds are subject to optional, mandatory and extraordinary redemption prior to maturity as described in “THE SERIES 2021 BONDS.” FOR A DISCUSSION OF CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2021 BONDS, SEE “CERTAIN BONDHOLDERS’ RISKS.”

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Series 2021 Bonds and the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and James City County, Virginia. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and James City County, Virginia, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2021 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and James City County, Virginia, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2021 Bonds or other costs incident thereto.

The Series 2021 Bonds are offered when, as, and if issued by the Authority and received by the Underwriter, subject to the approval of their validity by McGuireWoods LLP, Richmond, Virginia, Bond Counsel, as described herein. Certain legal matters will be passed upon for the Authority by the Office of County Attorney for James City County, Virginia; for Williamsburg Landing by Kaufman & Canoles, P.C., Williamsburg, Virginia; and for the Underwriter by Womble Bond Dickinson (US) LLP, Raleigh, North Carolina. Delivery of the Series 2021 Bonds is expected in New York, New York, on or about September __, 2021, through the facilities of DTC.



**Economic Development Authority of
 James City County, Virginia
 Residential Care Facility Revenue Refunding Bonds
 (Williamsburg Landing)
 Series 2021**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS^{*©}

<u>Due (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP[‡]</u>
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\$ - ___% Term Bonds Due: December 1, 20__ Yield: ___% CUSIP[‡]: _____

\$ - ___% Term Bonds Due: December 1, 20__ Yield: ___% CUSIP[‡]: _____

^{*} Preliminary; subject to change.

[‡] A registered trademark of The American Bankers Association. CUSIP data is provided by CUSIP Global Services (“CGS”) managed on behalf of the American Bankers Association by S&P Capital IQ. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers are provided for convenience of reference and none of the Authority, Williamsburg Landing or the Underwriter take responsibility for the accuracy of such data.

THE UNDERWRITER MAY ENGAGE IN TRANSACTIONS THAT STABILIZE, MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE SERIES 2021 BONDS, INCLUDING TRANSACTIONS TO (A) OVER ALLOT IN ARRANGING THE SALE OF THE SERIES 2021 BONDS AND (B) MAKE PURCHASES AND SALES OF SERIES 2021 BONDS FOR LONG OR SHORT ACCOUNT, ON A WHEN-ISSUED BASIS OR OTHERWISE, AT SUCH PRICES, IN SUCH AMOUNTS AND IN SUCH MANNER AS THE UNDERWRITER MAY DETERMINE.

The Series 2021 Bonds are exempt from registration under the Securities Act of 1933 and the Virginia Securities Act. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations should not be relied upon as having been authorized by the Authority, the Obligated Group or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2021 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

The information set forth herein has been obtained from the Authority, Williamsburg Landing, DTC and other sources that are deemed to be reliable, but is not guaranteed as to accuracy or completeness by the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The Authority assumes no responsibility as to the accuracy or completeness of any information herein other than set forth in "THE AUTHORITY" and with respect to the Authority in "LITIGATION." This Official Statement speaks as of its date except where specifically noted otherwise and is subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create an implication that there has been no change in the affairs of the Authority or the Obligated Group since the date hereof or imply that any information herein is accurate or complete as of any later date.

[Pictures and Renderings]

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OFFICIAL STATEMENT

\$ _____*

**ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA
RESIDENTIAL CARE FACILITY REVENUE REFUNDING BONDS
(WILLIAMSBURG LANDING)
SERIES 2021**

GENERAL STATEMENT

Series 2021 Bonds

This Official Statement, including the cover page and appendices, is provided to furnish information regarding the \$ _____* Residential Care Facility Revenue Refunding Bonds (Williamsburg Landing), Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds are being issued by the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia (the "Authority"), pursuant to the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"), a Resolution of the Authority adopted August 17, 2021 (the "Resolution") and under a Bond Trust Indenture dated as of September 1, 2021 (the "Bond Indenture"), between the Authority and _____, as Bond Trustee (the "Bond Trustee").

Concurrently with the issuance of the Series 2021 Bonds, the Authority will enter into a Loan Agreement dated as of September 1, 2021 (the "Loan Agreement") with Williamsburg Landing, Inc. (d/b/a "Williamsburg Landing"). Pursuant to the Loan Agreement, the Authority will loan the proceeds of the Series 2021 Bonds to Williamsburg Landing to provide funds, together with other available funds, to be used to (1) refund certain outstanding indebtedness issued on behalf of Williamsburg Landing as more particularly described herein (see "PLAN OF REFUNDING" herein); and (2) fund amounts required for reserves, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds. A more detailed description of the use of proceeds of the Series 2021 Bonds is set forth in "ESTIMATED SOURCES AND USES OF FUNDS." Certain terms used herein are defined in Appendix C.

The Series 2021 Bonds will bear the legend:

THE SERIES 2021 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO.

No recourse may be had for the enforcement of any obligation, promise or agreement of the Authority contained in the Bond Indenture, the Series 2021 Bonds or the other Financing Instruments to which the Authority is a party or for any claim based on the Bond Indenture, the Series 2021 Bonds or the other Financing Instruments to which the Authority is a party or otherwise in respect of the Bond Indenture, the Series 2021 Bonds or the other Financing Instruments to which the Authority is a party against any director, member, officer, agent, attorney or employee, as such, in his or her individual capacity, past, present or future, of the Authority or of any successor

* Preliminary; subject to change.

entity, either directly or through the Authority or any successor entity whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise. No personal liability whatsoever will attach to, or be incurred by, any director, member, officer, agent, attorney or employee as such, past, present or future, of the Authority or of any successor entity, either directly or through the Authority or any successor entity, under or by reason of any of the obligations, promises or agreements entered into in the Series 2021 Bonds or between the Authority and the Bond Trustee, whether contained in the Bond Indenture or implied from the Bond Indenture as being supplemental thereto; and all personal liability of that character against every such director, member, officer, agent, attorney and employee is, by the execution of the Bond Indenture and as a condition of, and as part of the consideration for, the execution of the Bond Indenture, expressly waived and released.

The Series 2021 Bonds are limited obligations of the Authority payable solely from payments made by Williamsburg Landing under the Loan Agreement and a promissory note designated Promissory Note Designated Series 2021 Obligation (the "Series 2021 Obligation"), executed and delivered by the Obligated Group under the hereinafter defined Master Indenture, initially consisting solely of Williamsburg Landing, each individually a "Member" and collectively with any future Members, the "Obligated Group." The Series 2021 Obligation is being issued pursuant to an Amended and Restated Master Trust Indenture dated as of September 1, 2003, as supplemented, including by the **[Supplemental Indenture for Series 2021 Obligation]** dated as of September 1, 2021 (the "Prior Master Indenture") between the Obligated Group and _____, as Master Trustee (the "Master Trustee"). Stated aggregate payments on the Series 2021 Obligation will be sufficient to pay the principal, premium, if any, and interest on the Series 2021 Bonds as they become due and payable. The Series 2021 Obligation will be the joint and several general obligation of each Member of the Obligated Group. As of the date of issuance of the Series 2021 Bonds, Williamsburg Landing will be the sole Member of the Obligated Group.

Simultaneously with the delivery of the Series 2021 Bonds, the Prior Master Indenture will be amended and restated in its entirety by a **[Second Amended and Restated Master Trust Indenture]**, dated as of September 1, 2021 (as supplemented, the "Master Indenture"), between the Obligated Group and _____ the Master Trustee. **By purchasing the Series 2021 Bonds, the registered owner and any beneficial owner thereof consent to the amendment and restatement of the Prior Master Indenture and appoint the Underwriter, B.C. Ziegler and Company, as their attorney-in-fact for the purpose of executing a consent to the amendment and restatement of the Prior Master Indenture.** The provisions of the Master Indenture are those described in this Official Statement, including Appendix D, and no description is being provided of the distinctions between the Master Indenture and the Prior Master Indenture.

Security for Obligations

The Series 2021 Obligation constitutes an "Obligation" under the Master Indenture which requires satisfaction of certain requirements under the Master Indenture. See "FINANCING DOCUMENTS AND SELECTED COVENANTS."

As security for the Series 2021 Obligation and all other Obligations issued under the Master Indenture, Williamsburg Landing has entered into an **[Amended and Restated Deed of Trust and Security Agreement and Substitution of Deed of Trust Trustees dated as of September 1, 2003 (as amended, restated, modified, extended and renewed from time to time, the "Deed of Trust")]**, pursuant to which it has (a) conveyed a first mortgage lien on the real estate portion of the Williamsburg Landing campus, together with all buildings, improvements and fixtures thereon, subject to Permitted Liens and (b) granted a security interest in the equipment located at the Williamsburg Landing campus (the "Equipment"), subject to the right of the Obligated Group to transfer certain Equipment free of the security interest created in the Equipment under certain circumstances. The Williamsburg Landing campus and all facilities subsequently subjected to such lien are referred to herein as the "Mortgaged Premises." In addition, under the Master Indenture, each Member of the Obligated Group has pledged and assigned all Pledged Assets to the Master Trustee as security for all Obligations issued thereunder, including the Series 2021 Obligation, and will grant a security interest in all of the foregoing, subject to Permitted Liens and subject to the right of the Members to transfer certain Pledged Assets free of the security interest created in the Pledged Assets under certain circumstances.

As security for the Series 2021 Bonds, the Authority will assign to the Bond Trustee (a) all right, title and interest in and to the Series 2021 Obligation, (b) all rights under the Master Indenture and the Deed of Trust as owner of Series 2021 Obligation and (c) substantially all right, title and interest in and to the Loan Agreement. See **“SECURITY FOR THE SERIES 2021 BONDS.”**

Master Indenture

The Master Indenture permits each Member of the Obligated Group to incur additional Indebtedness evidenced by Obligations issued under the Master Indenture (including the Series 2021 Obligation) that will be secured *pari passu* with all other Obligations by the lien on the Mortgaged Premises and the security interests in the Pledged Assets and Equipment. The incurrence of such additional Indebtedness is subject to the compliance with one or more tests set forth in more detail in the Master Indenture. See “FINANCING DOCUMENTS AND SELECTED COVENANTS” and Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

The Members of the Obligated Group will also be subject to certain covenants under the Master Indenture restricting, among other things, incurrence of Indebtedness, creation of Liens, consolidation or merger and disposition of assets.

Williamsburg Landing

Included in Appendix A is a description of Williamsburg Landing, Williamsburg Landing’s facility and its operations. The Master Indenture permits Persons that are not Members of the Obligated Group and other corporations that are successor corporations to any Member of the Obligated Group through merger or consolidation as permitted by the Master Indenture to become Members of the Obligated Group upon compliance with certain financial and other requirements. Upon compliance with certain requirements, Members of the Obligated Group may withdraw from the Obligated Group.

Bondholders’ Risks

Payment of the Series 2021 Bonds is primarily dependent on revenues to be generated by Williamsburg Landing. A description of certain risks affecting the generation of such revenues is set forth in “CERTAIN BONDHOLDERS’ RISKS.”

Continuing Disclosure

Williamsburg Landing has undertaken to provide certain limited continuing disclosure as described further in “FINANCIAL REPORTING AND CONTINUING DISCLOSURE.”

THE AUTHORITY

The Authority was created by an ordinance adopted by the Board of Supervisors of James City County, Virginia (the “Board of Supervisors”), to promote and further the purposes of the Act. The Authority is a political subdivision of the Commonwealth of Virginia governed by a ten-member board of directors appointed by the Board of Supervisors. The Authority is empowered, among other things, to acquire, construct, own, lease and dispose of various types of facilities, including medical facilities and facilities for the residence or care of the aged, and to finance the same by the issuance of its revenue bonds and to refund bonds previously issued by it and to assist 501(c)(3) organizations by refinancing existing debt for facilities for the residence or care of the aged. The Series 2021 Bonds will be limited obligations of the Authority. The Authority has no taxing power. Prior to August 1, 1999, the Authority was known as the Industrial Development Authority of James City County, Virginia.

Pursuant to the Bond Indenture and the Loan Agreement, the Authority will have no ongoing responsibility with respect to the Obligated Group Facilities or the security for the Series 2021 Bonds. All of the rights, privileges, duties and obligations of the Authority (except as expressly reserved in the Bond Indenture) are assigned to the Bond Trustee pursuant to the Bond Indenture.

The Authority has issued revenue obligations for various other facilities. Each is payable from receipts and revenues derived by the Authority from the facility on behalf of which such bonds or notes were issued and is secured separately and distinctly from the issues for each other facility.

THE SERIES 2021 BONDS

General Description

The Series 2021 Bonds will bear interest from their date at rates set forth on the inside cover of this Official Statement payable on **[December 1, 2021]**, and on each December 1 and June 1 thereafter. The Series 2021 Bonds will mature on December 1 in the years and amounts as set forth on the inside cover of this Official Statement.

The record dates for the Series 2021 Bonds are May 15 (for the June 1 payment date) and November 15 (for the December 1 payment date).

The Series 2021 Bonds will be registered as to principal and interest in the name of Cede & Co., as nominee for DTC, or otherwise as hereinafter described. Purchases of beneficial ownership interests in the Series 2021 Bonds will be made only in book-entry form and purchasers will not receive certificates representing their interests in the Series 2021 Bonds so purchased. If the book-entry system is discontinued, bond certificates will be delivered as described in the Bond Indenture, and Beneficial Owners (as hereinafter defined) will become the registered owners. See Appendix E – The DTC Book-Entry Only System hereto for a description of the DTC Book-Entry Only System.

The Series 2021 Bonds will be issued as registered bonds in denominations of \$5,000 and multiples thereof. As long as the Series 2021 Bonds are held by DTC or its nominee, interest will be paid to Cede & Co., as nominee of DTC, in next day funds on each interest payment date. If the book-entry system is discontinued, interest on Series 2021 Bonds will be payable by check or draft mailed to the registered owner. Principal will be payable at the principal corporate trust office of the Bond Trustee.

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE SERIES 2021 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, SHALL BE OBLIGATED TO PAY PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON, OR THE PURCHASE PRICE OF, THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO, EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO.

Exchange of Bonds

As long as the Series 2021 Bonds are held by DTC or its nominee, Beneficial Owners may transfer their interest in the Series 2021 Bonds through the facilities of DTC as described in Appendix F. If the book-entry system is discontinued, exchanges of Series 2021 Bonds may be made at the principal corporate trust office of the Bond Trustee for an equal aggregate principal amount of other Series 2021 Bonds of the same series and maturity, of authorized denominations and bearing interest at the same rate.

Upon receipt by the Authority and the Bond Trustee of evidence satisfactory to them that any Series 2021 Bond has been mutilated, lost or destroyed, the Authority may execute and the Bond Trustee may authenticate and deliver a new Series 2021 Bond upon receipt of payment of the reasonable expenses and charges of the Authority and the Bond Trustee and indemnity satisfactory to them.

Mandatory Sinking Fund Redemption of Series 2021 Bonds

As a sinking fund, the Bond Trustee is required to redeem Series 2021 Bonds maturing on December 1, 20__, on December 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
(maturity)	

As a sinking fund, the Bond Trustee is required to redeem Series 2021 Bonds maturing on December 1, 20__, on December 1 in years and in principal amounts and at a price of 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest thereon to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
(maturity)	

The Bond Indenture provides for a credit against payments required to be made on any mandatory sinking fund redemption date specified by Williamsburg Landing for the Series 2021 Bonds of the same series and maturity, in an amount equal to the principal amount of such Series 2021 Bonds that have been redeemed (otherwise than by mandatory sinking fund redemption) before the mandatory sinking fund redemption date or purchased by the Authority or Williamsburg Landing and delivered to the Bond Trustee for cancellation as described in the Bond Indenture, provided the principal amount of such Series 2021 Bonds have not previously been applied as a credit against any other mandatory sinking fund redemption payment.

Optional Redemption

Series 2021 Bonds, will be subject to redemption by the Authority, at the direction of Williamsburg Landing, prior to maturity, in whole, or in part by lot, at any time on or after December 1, 20__, at a redemption price equal to the applicable percentage of the principal amount to be redeemed plus accrued interest thereon to the redemption date, in accordance with the table provided below:

<u>Redemption Period</u>	<u>Price</u>
--------------------------	--------------

Extraordinary Redemption

The Series 2021 Bonds are required to be redeemed in whole at any time upon payment of 100% of the principal amount thereof, without premium, plus interest accrued to, but not including, the redemption date in the event Williamsburg Landing exercises its option to prepay the Series 2021 Obligation upon occurrence of any of the following:

- (1) Damage or destruction of the Mortgaged Premises by fire or other casualty to such extent that, or loss of title to or use of substantially all of the Mortgaged Premises as a result of the exercise of the power of eminent domain or failure of title to the extent that, in the opinion of both Williamsburg Landing’s board of directors (expressed in a resolution) and an independent architect or engineer filed with the Bond Trustee, (a) the

Mortgaged Premises cannot be reasonably repaired, rebuilt or restored within a period of 12 months to its condition immediately preceding such damage or destruction, or (b) Williamsburg Landing is prevented from carrying on its normal operations at the Mortgaged Premises for a period of 12 months, or (c) the cost of repairs, rebuilding or restoration would exceed, by more than one percent of Book Value, the Net Proceeds of insurance (including self-insurance) plus the amounts for which Williamsburg Landing is self-insured with respect to deductible amounts.

(2) A change in the Constitution of Virginia or of the United States of America or a legislative or administrative action (whether local, state or federal) or a final decree, judgment or order of any court or administrative body (whether local, state or federal) contested by Williamsburg Landing in good faith that (a) in an Opinion of Counsel causes the Loan Agreement or the Series 2021 Obligation to become void or unenforceable or impossible of performance in accordance with the intent and purpose of the parties as expressed in the Loan Agreement or (b) based on a Consultant's Report, causes unreasonable burdens or excessive liabilities to be imposed on the Authority or Williamsburg Landing.

(3) Loss of title to or use of a portion of the Mortgaged Premises as a result of the exercise of the power of eminent domain or failure of title, or damage to or destruction of the Mortgaged Premises if Williamsburg Landing shall have furnished to the Bond Trustee certain supporting documentation.

The Series 2021 Bonds are subject to redemption in part by the Authority at the direction of Williamsburg Landing at any time upon payment of 100% of the principal amount to be redeemed, without premium, plus accrued interest to, but not including, the redemption date in the event of partial damage to, destruction of, condemnation of or loss of title to a portion of the Mortgaged Premises. See Appendix D – Copies and Proposed Forms of the Financing Documents hereto.

Mandatory Redemption upon Determination of Taxability

The Series 2021 Bonds are subject to (i) extraordinary mandatory redemption in whole on any Business Day within 60 days after the occurrence of a Determination of Taxability at a redemption price equal to 103% of the principal amount of the Series 2021 Bonds to be redeemed, if the Determination of Taxability was the result of any action or failure to take action on the part of Williamsburg Landing, and (ii) optional redemption, at the direction of Williamsburg Landing, in whole on any Business Day within 60 days after the occurrence of a Determination of Taxability at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed, if the Determination of Taxability was not the result of any action or failure to take action on the part of Williamsburg Landing, plus in either case accrued interest thereon to, but not including, the redemption date. Notwithstanding the foregoing, if, in the opinion of Bond Counsel, an extraordinary mandatory redemption or optional redemption, as applicable, on account of a Determination of Taxability of less than all of the Series 2021 Bonds would result in the interest on the Series 2021 Bonds Outstanding following such redemption not being includable in the gross income of the Bondholders of such Outstanding Series 2021 Bonds, then the Series 2021 Bonds are subject to redemption upon the occurrence of a Determination of Taxability in the amount specified in such opinion, provided that such redemption must be in an Authorized Denomination.

“Determination of Taxability” means, with respect to the Series 2021 Bonds: (i) the issuance of a statutory notice of deficiency by the Internal Revenue Service (the “IRS”) which holds that an Event of Taxability has occurred; (ii) the issuance of a proposed written adverse determination by the IRS to Williamsburg Landing or the Authority, which holds that an Event of Taxability has occurred; provided that no Determination of Taxability will be deemed to occur if Williamsburg Landing or the Authority has initiated an administrative appeal of such written adverse determination or has begun negotiating a closing agreement with the IRS, until the earliest of (A) abandonment of the appeals process by Williamsburg Landing, or (B) the date on which such appeals process has been concluded adversely to Williamsburg Landing or the Authority and no further appeal is permitted or (C) twelve months after the receipt by Williamsburg Landing or the Authority of the proposed written adverse determination, unless the appeals process has been delayed other than by Williamsburg Landing, in which event 18 months, or as otherwise approved by the registered owners of at least a majority in aggregate principal amount of the Series 2021 Bonds then Outstanding; (iii) the deposit by Williamsburg Landing with the Bond Trustee of a certificate to the effect that, except with respect to an Event of Taxability for which Williamsburg Landing is engaged in a proceeding with the IRS, an Event of Taxability has occurred or will occur and setting forth the date of taxability (i.e. the date on which the interest on the Series 2021 Bonds is declared taxable for federal income tax purposes);

Williamsburg Landing will be obligated to deliver promptly to the Bond Trustee such a certificate upon the occurrence of an Event of Taxability; (iv) the rendering of a final and nonappealable decision, judgment, decree or other order by any court of competent jurisdiction to the effect that an Event of Taxability has occurred; (v) the delivery to the Bond Trustee of an unqualified opinion of Bond Counsel to the effect that an Event of Taxability has occurred; or (vi) as a result of any action or failure to take action on the part of Williamsburg Landing, Bond Counsel issues a written statement delivered to the Bond Trustee that Bond Counsel is unable to render an opinion to the effect that interest on the Series 2021 Bonds is excluded from gross income for purposes of federal income taxation.

“Event of Taxability” means, with respect to the Series 2021 Bonds, any conditions or circumstances that cause the interest on any of the Series 2021 Bonds to become includable in the gross income of the Bondholders thereof for federal income tax purposes.

Manner of Redemption

Whenever Series 2021 Bonds are redeemed, whether by mandatory sinking fund redemption, optional redemption, extraordinary redemption or otherwise, the Bond Trustee shall cause notice of the call for redemption identifying the Series 2021 Bonds to be redeemed to be sent by first class mail not less than 30 nor more than 60 days prior to the redemption date to the registered owner of each Series 2021 Bond to be redeemed at his address as it appears on the registration books of the Bond Trustee. **During the period that DTC or its nominee is the registered holder of the Bonds, the Bond Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners of the Bonds.** See Appendix E - The DTC Book-Entry Only System hereto.

If less than all of the Series 2021 Bonds are called for extraordinary optional redemption, an Authorized Representative of Williamsburg Landing may direct the Bond Trustee to redeem specific maturities of the Series 2021 Bonds or the Series 2021 Bonds from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of the Series 2021 Bonds of such maturity bears to the total principal amount of all Series 2021 Bonds issued under the Bond Indenture and then outstanding or in inverse order of maturity, and the Bond Trustee shall redeem in accordance with such instructions. If less than all the Series 2021 Bonds of any maturity are called for optional redemption, the Series 2021 Bonds to be redeemed shall be selected by DTC in accordance with its procedures, or if DTC is not the securities depository, then by lot in such manner as the Bond Trustee shall determine. If funds have been deposited with the Bond Trustee for such purpose, each Series 2021 Bond duly called for redemption will cease to bear interest on its redemption date.

Purchase in Lieu of Redemption

The Authority and, by their acceptance of the Series 2021 Bonds, the owners of the Series 2021 Bonds, irrevocably grant to Williamsburg Landing the option to purchase, at any time and from time to time, any Series 2021 Bond which has been called for redemption under the provisions of the Bond Indenture at a price equal to the principal amount thereof, plus any applicable premium, and plus the interest accrued on the principal amount to be redeemed to the date fixed for redemption. To exercise such option, Williamsburg Landing will give the Bond Trustee a written request exercising such option within the time period specified herein as though such written request were a written request of the Authority for redemption, and the Bond Trustee will thereupon give notice of such purchase in the manner specified herein as though such purchase were a redemption, and the purchase of such Series 2021 Bonds will be mandatory and enforceable against the owners of any such Series 2021 Bonds. On the date fixed for purchase under any exercise of such option, the Borrower will pay the purchase price of the Series 2021 Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee will pay the same to the registered owner against delivery thereof. Following such purchase, the Bond Trustee will cause such Series 2021 Bonds to be registered in the name of Williamsburg Landing or its nominee and shall deliver them to Williamsburg Landing or its nominee. In the case of the purchase of less than all of the Series 2021 Bonds, the particular Series 2021 Bonds to be purchased shall be selected in the manner specified herein as though such purchase were a redemption. No purchase of the Series 2021 Bonds under this provision shall operate to extinguish the indebtedness of the Authority evidenced thereby.

Acceleration Upon Default; Other Remedies

All principal and accrued interest on the Series 2021 Bonds may become immediately due and payable, without premium, upon an Event of Default under the Bond Indenture if the Bond Trustee (1) exercises its option to so declare or (2) is directed to so declare by the holders of at least 25% in aggregate principal amount of Series 2021 Bonds then outstanding. The Bond Trustee's receipt of proceeds upon acceleration may be dependent upon the Bond Trustee and the Master Trustee taking certain action. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

SECURITY FOR THE SERIES 2021 BONDS

General

The principal of, premium, if any, and interest on the Series 2021 Bonds will be payable solely from moneys paid by the Obligated Group pursuant to the Loan Agreement and the Series 2021 Obligation. The Series 2021 Obligation is a joint and several obligation of each current Member of the Obligated Group and any future Member. Initially, Williamsburg Landing will be the sole Member of the Obligated Group. Pursuant to the Bond Indenture, the Authority will assign to the Bond Trustee (a) its right, title and interest in and to the Series 2021 Obligation, (b) any of its rights under the Master Indenture and the Deed of Trust and (c) its right, title and interest in and to the Loan Agreement, including the right to receive loan payments thereunder (except for certain reserved rights, including its rights to indemnification and the payment of certain expenses, its rights to give certain approvals and consents and its right to receive certain documents, information and notices). The Series 2021 Bonds will further be secured by the moneys and securities held by the Bond Trustee in certain funds and accounts created under the Bond Indenture and the Master Indenture, including the Debt Service Reserve Fund described below.

Limited Obligations

THE SERIES 2021 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY. THE SERIES 2021 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, SHALL BE OBLIGATED TO PAY PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON, OR THE PURCHASE PRICE OF, THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO, EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY, VIRGINIA, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2021 BONDS OR OTHER COSTS INCIDENT THERETO.

Mortgage; Equipment

Pursuant to the Deed of Trust, as security for the payment of amounts due on any Obligations issued under the Master Indenture, including the Series 2021 Obligation, the Obligated Group will convey a first mortgage lien on the Williamsburg Landing campus, together with all buildings, improvements and fixtures thereon constituting the Williamsburg Landing campus subject to Permitted Liens. Simultaneously with the delivery of the Series 2021 Bonds, the Obligated Group will deliver to the Master Trustee a mortgagee title insurance policy on the Williamsburg Landing campus in an aggregate amount equal to the aggregate amount of the Obligations secured thereby.

In addition, pursuant to the Deed of Trust, Williamsburg Landing will pledge, assign and grant to the Master Trustee a security interest in the Equipment at the Williamsburg Landing campus as security for the payment of amounts due on the Series 2021 Obligations and any other Obligations issued under the Master Indenture. The security interest in the Equipment at the Williamsburg Landing campus will be perfected to the extent and only to

the extent that such security interest may be perfected by filing financing statements under the UCC. Continuation statements with respect to such filings must be filed periodically to continue the perfection of such security interest. The security interest in the Equipment will be subject to Permitted Liens that exist prior to or that may be created subsequent to the time the security interest in the Equipment attaches and is subject to the right of the Members of the Obligated Group to transfer Property and Equipment free of the security interest created in the Equipment under certain circumstances.

The mortgage lien and security interest on real and personal property covers only the Williamsburg Landing campus and does not cover the real and personal property at the other facilities owned or operated by Williamsburg Landing or any related entities. Under certain circumstances, if additional parity indebtedness is incurred by the Obligated Group to finance new facilities or improvements to existing facilities, the Obligated Group will be required to extend the lien and security interest of the Deed of Trust to cover such facilities (see Appendix C – Copies and Proposed Forms of the Financing Documents hereto). All facilities owned and operated by the Obligated Group, including the Mortgaged Premises but excluding any Excluded Property, are referred to herein as the “Obligated Group Facilities.” For the circumstances in which Obligated Group Facilities may be transferred from the Obligated Group, see Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Pledged Assets

Under the Master Indenture, each Member of the Obligated Group will grant to the Master Trustee a security interest in its Pledged Assets. During the continuance of an Event of Default under the Master Indenture, all Pledged Assets shall be transferred to the Master Trustee and applied as required in the Master Indenture. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

“Pledged Assets” mean Gross Receipts and all inventory, accounts (including accounts receivable and contract rights), documents, instruments, other moneys, chattel paper and general intangibles, now owned or hereafter acquired by any Member of the Obligated Group, and all proceeds thereof, all as defined in the UCC, including without limitation all rights under residency agreements with respect to, or leases of, residential units in the residence and care facilities owned by Williamsburg Landing and other facilities owned by any Members; provided, however, that Pledged Assets shall not include contract rights consisting of charitable pledges that are designated by the donor or the Member at the time made for certain specific purposes nor any assets derived from Excluded Property.

“Gross Receipts” mean all revenues, income, receipts and money (other than proceeds of borrowings) received in any period by or on behalf of each Member, including, but without limiting the generality of the foregoing, (a) revenues derived from its operations, (b) gifts, grants, bequests, donations and contributions and the income therefrom, exclusive of any gifts, grants, bequests, donations and contributions to the extent specifically restricted by the donor to a particular purpose inconsistent with their use for the payment of Indebtedness, (c) proceeds derived from (i) insurance, except to the extent otherwise required by the Master Indenture to be used for a particular purpose inconsistent with their use for the payment of Obligations, (ii) accounts, (iii) securities and other investments, (iv) inventory and other tangible and intangible property, (v) medical or hospital or disability insurance including without limitation long-term care insurance, indemnity or reimbursement programs or agreements, and (vi) contract rights and other rights and assets now or hereafter owned, held, or possessed by each Member, (d) rentals received from the leasing of real or tangible personal property and (e) Entrance Fees; provided, however, that Entrance Fees shall be considered Gross Receipts only when and to the extent they are not held in escrow for the benefit of the payor thereof pursuant to any requirement of law.

Pledged Assets are not restricted to those arising from the operation of the Williamsburg Landing campus and include assets from all other Obligated Group Facilities. The security interest created thereby will extend to those Pledged Assets that are (1) inventory or proceeds therefrom, (2) accounts (including all rights to payments for services rendered) arising in the ordinary course of the Member’s business or proceeds therefrom, (3) general intangibles and chattel paper or proceeds therefrom, all as defined by the UCC. Continuation statements with respect to such filings must be filed periodically to continue the perfection of such security interest.

Cash held by Williamsburg Landing may not be subject to any perfectible security interest under the UCC. The security interest in any item of inventory will be inferior to the interest of a buyer in the ordinary course of

business and will be inferior to a purchase money security interest, as defined in the UCC, perfected in connection with the sale to Williamsburg Landing of such item. The lien on certain other Pledged Assets may not be enforceable against third parties unless such other Pledged Assets are transferred and delivered to the Master Trustee (which transfer the Obligated Group is not required by the Master Indenture to make prior to a default thereunder and which transfer may be set aside if it occurs within 90 days of the filing of a petition of bankruptcy), is subject to exception under the UCC and may be lost if the proceeds are commingled or expended by the Obligated Group. In addition, the federal government restricts the assignment of rights arising out of Medicare, Medicaid and other federal programs.

In the event of the bankruptcy of a Member of the Obligated Group pursuant to the Federal Bankruptcy Code, any receivables in favor of such bankrupt member coming into existence and any Pledged Assets of such bankrupt member received on or after the date which is 90 days (or, in some circumstances, one year) prior to the commencement of proceedings in the Bankruptcy Court with respect to such bankrupt member may no longer be subject to the lien granted to secure the Obligations and, with respect to the Pledged Assets, the interest of the Master Trustee holding Obligations for the benefit of the Holders would be shared with general creditors of such bankrupt member. Under certain circumstances, a Bankruptcy Court or a court of equity may have the power to direct the use of Pledged Assets to meet expenses of the bankrupt entity before paying debt service on the Obligations. With respect to Pledged Assets not subject to the lien, the holders of Obligations under the Master Indenture would occupy the position of an unsecured creditor.

The Master Indenture and the Obligated Group

Upon the issuance of the Series 2021 Bonds, the only Obligations that will be outstanding are the Series 2021 Obligation, [**Obligation No. 1, Obligation No. 3, Obligation No. 4, Obligation No. 5 and Obligation No. 11**]. See “PLAN OF REFUNDING” herein. See “FINANCING DOCUMENTS AND SELECTED COVENANTS – Conditions Precedent to Additional Indebtedness.” The Series 2021 Obligation, _____, _____ and any other Obligation issued by the Members of the Obligated Group will be the joint and several obligations of each and every Member of the Obligated Group. All Obligations will rank on a parity basis with each other and will be equally and ratably secured by the Master Indenture. The Master Indenture requires all Members to make payments sufficient to pay all Obligations when due.

Williamsburg Landing is currently the sole Member of the Obligated Group. The Master Indenture provides that affiliates of any Member of the Obligated Group and other entities approved by such Members may be admitted to the Obligated Group upon the satisfaction of certain conditions. Each Member, as a co-obligor and not as guarantor, will jointly and severally covenant to pay the principal of, premium, if any and interest on all Obligations issued under the Master Indenture and to perform any and all other covenants, agreements and obligations under the Master Indenture, subject to the right of such Member to withdraw from the Obligated Group under certain circumstances. (See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.) The enforceability of the obligations of Members of the Obligated Group may be limited in certain circumstances. (See “Bankruptcy” and “Limitations on Enforceability of Remedies” in “CERTAIN BONDHOLDERS’ RISKS.”)

The Members agree in the Master Indenture that they will not create or suffer the creation or existence of any lien on any of their respective facilities, other than certain Permitted Liens. Any lien so created, although not a Permitted Lien, may nonetheless be enforceable against such Members. In addition, the Members of the Obligated Group are subject to restrictions and limitations with respect to the incurrence of indebtedness, consolidation and merger, transfer of assets and addition and withdrawal of Members of the Obligated Group. In the Master Indenture, the Members of the Obligated Group will make certain covenants with respect to the maintenance of their property. The Members of the Obligated Group will also covenant that, upon the occurrence of an Event of Default, they will pay over to the Master Trustee, if so directed, all Pledged Assets. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Covenants; Additional Indebtedness

The Members of the Obligated Group will be subject to covenants under the Master Indenture relating to maintenance of a Long-Term Debt Service Coverage Ratio, a Liquidity Covenant and restricting, among other things, incurrence of Indebtedness, creation of Liens, consolidation and merger, disposition of assets, addition of

Members to the Obligated Group and withdrawal of Members from the Obligated Group (see “FINANCING DOCUMENTS AND SELECTED COVENANTS – Conditions Precedent to Certain Additional Indebtedness” and Appendix C – Copies and Proposed Forms of the Financing Documents hereto).

THE MASTER INDENTURE PERMITS EACH MEMBER OF THE OBLIGATED GROUP TO INCUR ADDITIONAL INDEBTEDNESS EVIDENCED BY OBLIGATIONS ISSUED UNDER THE MASTER INDENTURE THAT WILL SHARE THE SECURITY FOR THE SERIES 2021 OBLIGATION ON A PARITY WITH THE SERIES 2021 OBLIGATION. SUCH ADDITIONAL OBLIGATIONS WILL NOT BE SECURED BY THE MONEY OR INVESTMENTS IN ANY FUND OR ACCOUNT HELD BY THE BOND TRUSTEE UNDER THE BOND INDENTURE AS SECURITY FOR THE SERIES 2021 BONDS.

Debt Service Reserve Fund

[The Supplemental Indenture for Series 2021 Obligation] establishes the Reserve Fund (the “Reserve Fund”) to secure the Series 2021 Obligation (and the Series 2021 Bonds). The Debt Service Reserve Requirement for the Reserve Fund is an amount equal to maximum annual debt service on the Series 2021 Bonds (and any other Obligations secured by the Reserve Fund) less amounts already on deposit in Debt Service Reserve Funds for other Obligations. Upon issuance of the Series 2021 Bonds, \$ _____* will be deposited in the Reserve Fund. Funds on deposit in the Reserve Fund will be used to make up any deficiencies in the bond funds for the Series 2021 Bonds (and any other Obligations secured by the Reserve Fund). The Master Indenture requires the Master Trustee to use amounts in the Reserve Fund to make transfers to the Bond Trustee for deposit in the Interest Account and the Principal Account of the Bond Fund to the extent necessary to pay interest on and principal of (whether at maturity, by acceleration or in satisfaction of the sinking fund requirement therefor) the Series 2021 Bonds, whenever and to the extent that the money on deposit in the Interest Account and the Principal Account of the Bond Fund is insufficient for such purposes.

The Master Trustee may establish (or combine) one or more Debt Service Reserve Funds as security for one or more Obligations issued under the Master Indenture. Each Debt Service Reserve Fund, including the Reserve Fund, may serve as security for more than one Obligation under the Master Indenture, in which case all Obligations secured under such Debt Service Reserve Fund will be secured equally and ratably by amounts on deposit in such Debt Service Reserve Fund. Each Debt Service Reserve Fund will be required to be funded in an amount equal to the applicable Debt Service Reserve Fund Requirement. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Other Covenants of Williamsburg Landing

In the Loan Agreement, Williamsburg Landing will make certain additional covenants with respect to maintenance of the Williamsburg Landing campus, use of bond proceeds and maintenance of its existence as a tax-exempt, nonprofit corporations. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Defeasance

When the interest on, and the principal and redemption premium (as the case may be) of all Series 2021 Bonds have been paid, or there have been deposited with the Bond Trustee an amount of money or other qualifying obligations (which includes securities other than government obligations) the maturing principal of which, when due and payable, shall provide sufficient amounts to pay the principal of, premium, if any, and interest due and to become due on the Series 2021 Bonds on or prior to the redemption date or maturity date thereof, such Series 2021 Bonds shall be no longer deemed outstanding under the Bond Indenture and the Bond Trustee shall cancel the obligations of the Authority to the holders of the Series 2021 Bonds. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

* Preliminary; subject to change.

WILLIAMSBURG LANDING

Williamsburg Landing is a Virginia non-stock corporation that is exempt from federal income taxation under Section 501(c)(3) of the Code. Attached as Appendix A to this Official Statement is a description of Williamsburg Landing, its operations and the facilities owned and operated by Williamsburg Landing.

FINANCIAL STATEMENTS

Purchasers of the Series 2021 Bonds should review “FINANCIAL STATEMENTS; ADDITIONAL FINANCIAL INFORMATION” in Appendix A for a discussion of the financial information regarding Williamsburg Landing included in Appendix B.

For highlights of management’s discussion and analysis of the year end operating results of Williamsburg Landing, see “FINANCIAL STATEMENTS: ADDITIONAL FINANCIAL INFORMATION – Management’s Discussion of Financial Performance” in Appendix A.

PLAN OF REFUNDING

Series 2021 Bonds

The Authority will loan the proceeds of the Series 2021 Bonds to Williamsburg Landing to provide funds, together with other available funds, to (1) refund the Authority’s _____ (collectively, the “Prior Indebtedness”), the proceeds of which were used to _____ and (2) provide amounts required for reserves, costs of issuance and other financing expenses related to the issuance of the Series 2021 Bonds.

ESTIMATED SOURCES AND USES OF FUNDS*

Williamsburg Landing’s estimates of sources and uses of funds in connection with the issuance of the Series 2021 Bonds is provided below.

SOURCES OF FUNDS

Proceeds of Series 2021 Bonds	
[Plus/Less] [Net] Original Issue [Premium/Discount].....	
Funds released from prior bond indentures	_____
TOTAL SOURCES OF FUNDS	_____

USES OF FUNDS

Refinancing of prior indebtedness of Williamsburg Landing.....	
Deposit into Debt Service Reserve Fund.....	
Costs of Issuance ⁽¹⁾	_____
TOTAL USES OF FUNDS	_____

⁽¹⁾ Includes underwriter’s discount. See “UNDERWRITING.”

* Preliminary; subject to change.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each fiscal year ending on December 31, the amounts payable to holders of the Series 2021 Bonds and the Prior Indebtedness. The Bond Trustee will make payments of principal (including mandatory sinking fund payments) annually on December 1 and payments of interest semiannually on June 1 and December 1. Payments of such amounts by the Obligated Group will be made monthly to the Bond Trustee in the manner and at the times set forth in the Bond Indenture. Totals may not foot due to rounding.

Fiscal Year Ending December 31,	Series 2021 Bonds		Prior Indebtedness¹	Total Debt Service
	Principal	Interest		
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
TOTAL				

¹ Includes the Prior Indebtedness to be refunded.

CERTAIN BONDHOLDERS' RISKS

General Risk Factors

The Series 2021 Bonds are limited obligations of the Authority, payable solely from and secured exclusively by the funds pledged thereto, including the payments to be made by Williamsburg Landing under the Loan Agreement.

A BONDHOLDER IS ADVISED TO READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE APPENDICES HERETO, AND SPECIAL REFERENCE IS MADE TO THE SECTION "SECURITY FOR THE SERIES 2021 BONDS" AND THIS SECTION FOR A DISCUSSION OF CERTAIN RISK FACTORS WHICH SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SERIES 2021 BONDS.

Certain risks are inherent in the successful development and operation of facilities such as the Community, as described in Appendix A. Such risks should be considered in evaluating the Community's ability to generate sufficient revenues to pay principal of, premium, if any, and interest on the Series 2021 Bonds when due. This section discusses some of these risks but is not intended to be a comprehensive listing of all risks associated with the payment of the Series 2021 Bonds or any other indebtedness secured on a parity with the Series 2021 Bonds.

No representation or assurance is given or can be made that revenues will be realized by the Obligated Group (which in the context of this discussion of risk factors, should be understood to include Williamsburg Landing individually and together with future Members of the Obligated Group, if any) sufficient to ensure the payment of the principal and interest on the Series 2021 Bonds in the amounts and at the times required to pay debt service on the Series 2021 Bonds when due. The ability of the Obligated Group to generate sufficient revenues may be impacted by a number of factors. Some, but not necessarily all of these risk factors are discussed in this section below; these risk factors should be considered by investors considering any purchase of the Series 2021 Bonds. Neither the Underwriter nor the Authority has made any independent investigation of the extent to which any factors may have an adverse effect on the revenues of the Obligated Group.

Limited Obligations

The Series 2021 Bonds and the interest thereon are limited obligations of the Authority, payable solely from the funds pledged therefor, and not from any other fund or source of the Authority, and are secured under the Bond Indenture and the Master Indenture as described herein.

The Series 2021 Bonds and the premium, if any, and the interest thereon shall not be deemed to constitute a debt or a pledge of faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and James City County, Virginia. Neither the Commonwealth of Virginia nor any political subdivision thereof, including the Authority and James City County, Virginia, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2021 Bonds or other costs incident thereto except from the revenues and receipts pledged therefor. Neither the faith and credit nor the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and James City County, Virginia, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2021 Bonds or other costs incident thereto.

The Series 2021 Bonds are limited obligations of the Authority and have the following sources of payment:

(1) ***Loan payments received by the Bond Trustee from Williamsburg Landing pursuant to the terms of the Loan Agreement and the Series 2021 Obligation.*** The Authority has no obligation to pay the Series 2021 Bonds except from loan payments derived from Williamsburg Landing pursuant to the Loan Agreement and the Series 2021 Obligation. The Series 2021 Bonds and the interest thereon are limited obligations of the Authority as described above under "Limited Obligations." Under the Loan Agreement and the Series 2021 Obligation, which the Authority will assign to the Bond Trustee (excluding the Unassigned Rights), Williamsburg Landing will be required to make loan payments directly to the Bond Trustee in amounts sufficient to enable the Bond Trustee to pay the principal of, premium, if any, and interest on the Series 2021 Bonds. Such loan payments are, however, anticipated to be derived solely from operation of the Community and investment earnings. Profitable operation of the Community depends in large part on achieving and maintaining certain occupancy levels throughout the term of

the Series 2021 Bonds. However, no assurance can be made that the revenues derived from the operation of the Community will be realized by Williamsburg Landing in the amounts necessary, after payment of operating expenses of the Community, to pay maturing principal of, premium, if any, and interest on the Series 2021 Bonds.

(2) ***Revenues received from operation of the Community by a receiver upon a default under the Master Indenture.*** Attempts to have a receiver appointed to take charge of properties pledged to secure loans are frequently met with defensive measures such as the initiation of protracted litigation and/or the initiation of bankruptcy proceedings, and such defensive measures can prevent the appointment of a receiver or greatly increase the expense and time involved in having a receiver appointed. Prospects for uninterrupted payment of principal and interest on the Series 2021 Bonds in accordance with their terms are largely dependent upon the source described in (1) above, which is wholly dependent upon the success of Williamsburg Landing in operating the Community in a profitable manner.

(3) ***Proceeds realized from the sale or lease of the Community to a third party by the Master Trustee.*** Attempts to sell or foreclose on commercial property or otherwise realize upon security for obligations may be met with defensive measures such as protracted litigation and/or bankruptcy proceedings, and such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. Only the Community is pledged to secure the Series 2021 Obligation and the other Obligations under the Master Indenture. In addition, the Master Trustee could experience difficulty in selling or leasing the Community upon foreclosure or sale due to the special-purpose nature of a continuing care retirement facility and the proceeds of such sale may not be sufficient to fully pay the owners of the Series 2021 Bonds and the other holders of Obligations.

The best prospects for uninterrupted payment of principal and interest on the Series 2021 Bonds in accordance with their terms is the source described in (1) above, which is wholly dependent upon the success of Williamsburg Landing in operating the Community in a profitable manner. Even if the Community is operating profitably, other factors could affect Williamsburg Landing's ability to make loan payments under the Loan Agreement and the Series 2021 Obligation.

General Risks of Long-Term Care Facilities

There are many diverse factors not within the Obligated Group's control that have a substantial bearing on the risks generally incident to the operation of the Community. These factors include statutory and/or regulatory imposed fiscal or operating requirements or policies, adverse use of adjacent or neighboring real estate, the ability to maintain the Community, continued community acceptance of the Community, changes in demand for the Community, changes in the number of competing facilities, changes in the costs of operation of the Community, changes in either State or federal laws affecting long-term care programs, the limited income of the elderly, changes in the long-term care and health care industries, difficulties in or restrictions on the Obligated Group's ability to raise rates charged, general economic conditions and the availability of working capital. In recent years, a number of long-term care facilities throughout the United States have defaulted on various financing obligations or otherwise have failed to perform as originally expected. There can be no assurance that the Obligated Group will not experience one or more of the adverse factors that caused other facilities to struggle or fail. Certain other factors that cannot be determined at this time also may adversely affect the operation of facilities like the Community.

New and changing methods of care delivery and coverage for payment thereof, such as web-based home monitoring, telemedicine, mobile health, home and community based care and smartphone technology will likely change the way in which providers of health services to the elderly deliver home health, hospice and other community-based services. These developments will further the ability of the home health and hospice industry to care for patients in their homes. The proliferation and availability of technological changes are expected to increase the ability of the elderly to remain in their homes longer into their lives than has historically been feasible, which could result in significantly reduced demand for communities such as the Community. Efforts to reduce hospital readmissions and costs in the overall care continuum will further the use of these new and changing technologies and reimbursement models. These changes may allow other companies, including hospitals and other healthcare organizations that are not currently providing home health and hospice care, to expand their services to include home health services, hospice care or similar services. The Obligated Group may encounter increased competition in the

future that could negatively impact patient referrals to it, limit its ability to maintain or increase its market position and adversely affect the Obligated Group's financial performance.

Increases of Costs

The cost of providing health care services may increase due to many reasons, including increases in salaries paid to nurses and other health care personnel and due to shortages in such personnel that may require the use of employment agencies. Additionally, recent changes to federal wage and labor laws will likely impact the Obligated Group. The current COVID-19 pandemic has recently increased certain medical and operating costs.

Failure to Achieve or Maintain Occupancy or Turnover

The economic feasibility of the Community depends in large part upon the ability of Williamsburg Landing to attract and retain sufficient numbers of residents to the Community and to achieve and maintain substantial occupancy throughout the term of the Series 2021 Bonds. This depends to some extent on factors outside management's control such as the residents' right to terminate their Residency Agreements, subject to the conditions provided in the Residency Agreements.

Demand for services of the Community could also be affected by many factors, including (1) advances in scientific and medical technology; (2) increased or more effective competition from nursing home and long-term care facilities, assisted living facilities, other home and community based care and services and apartment complexes which target elderly residents now or hereafter located in the service area of the Community; and (3) the effects of managed care.

Moreover, if a substantial number of independent living unit residents live beyond the anticipated life expectancies assumed by management or if permanent transfers to the healthcare center are substantially less than assumed by management, or if market changes require a reduction (or limit the rate of increase) in the amount of the entrance fees payable by new residents of the Community, the amount of additional entrance fees would be reduced, with a consequent impairment of the Obligated Group's revenues. Such impairment would also result if the Obligated Group is unable to remarket independent living units becoming available when residents die, withdraw, or are permanently transferred to the health care centers.

Actual Results May Differ from Historical and Projected Results

Certain audited and unaudited historical financial information regarding Williamsburg Landing is set forth in Appendices A and B. There can be no assurance that the financial results achieved in the future will be similar to historical results. Such future results will vary from historical results and the variations may be material. Therefore, the historical financial results cannot be taken as a representation that Williamsburg Landing will be able to fulfill its obligations under the Loan Agreement, the Master Indenture and the Series 2021 Obligation.

Additions to the Obligated Group

Upon satisfaction of certain conditions in the Master Indenture, other entities can become Members of the Obligated Group. The Obligated Group currently has no plans to add additional Members to the Obligated Group. However, if and when new Members are added, the Obligated Group's financial situation and operations will likely be altered from that of the Obligated Group as currently constituted. See the form of the Master Indenture set forth in Appendix C hereto.

Transfers Out of the Obligated Group

Under the terms of the Master Indenture, the Obligated Group, subject to certain restrictions, may transfer assets to organizations outside the Obligated Group, and in certain circumstances existing Members of the Obligated Group can withdraw from the Obligated Group. See the form of the Master Indenture set forth in Appendix C hereto.

The Mortgaged Premises

Williamsburg Landing has executed the Deed of Trust encumbering the Williamsburg Landing campus to secure its obligations pursuant to the Master Indenture. The Williamsburg Landing campus and all facilities subsequently subjected to such lien are referred to herein as the “Mortgaged Premises.” Similar deeds of trust may be executed and delivered under certain circumstances involving additional Indebtedness or admission of any new Obligated Group Members. In the event that there is a default under the Master Indenture, the Master Trustee has the right to foreclose on or sell the Mortgaged Premises under certain circumstances.

Simultaneously with the delivery of the Series 2021 Bonds, the Obligated Group will deliver to the Master Trustee a mortgagee title insurance policy on the Mortgaged Premises in an aggregate amount equal to the aggregate amount of the Obligations secured thereby. There has been no survey of the Mortgaged Premises in connection with the issuance of the Series 2021 Bonds, and the mortgagee title insurance policy may contain an exception for matters that a current survey would disclose. A current survey could reveal encumbrances which may adversely affect the value realized at foreclosure.

All amounts collected upon sale of the Mortgaged Premises pursuant to the Deed of Trust will be used to pay certain costs and expenses incurred by, or otherwise related to, the sale of the Mortgaged Premises and the performance of the Master Trustee under the Deed of Trust, and then to pay amounts owing under the Master Indenture in accordance with the provisions of the Master Indenture. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

In the event that the power of sale under the Deed of Trust is actually exercised, then, in addition to the customary costs and expenses of operating and maintaining the Mortgaged Premises, the party or parties succeeding to the interest of Williamsburg Landing in the Mortgaged Premises (including the Master Trustee, if such party was to acquire the interest of Williamsburg Landing in the Mortgaged Premises) could be required to bear certain associated costs and expenses, which could include: the cost of complying with federal, state or other laws, ordinances and regulations related to the removal or remediation of certain hazardous or toxic substances; the cost of complying with laws, ordinances and regulations related to health and safety, and the continued use and occupancy of the Mortgaged Premises, such as the Americans with Disabilities Act; and costs associated with the potential reconstruction or repair of the Mortgaged Premises in the event of any casualty or condemnation.

In case of any sale under the Deed of Trust, by virtue of judicial proceedings or otherwise, the Mortgaged Premises may be sold in its entirety or in parcels, by one sale or by several sales, as may be deemed by the trustees to be appropriate and without regard to any right of Williamsburg Landing or any other person to the marshalling of assets (provided that all rights of residents under their respective residence and care or other occupancy agreements continue in full force and effect and that the beneficiary under the Deed of Trust and any purchaser accept and perform all of Williamsburg Landing’s obligations under such residence and care or other occupancy agreements).

The Mortgaged Premises is not comprised of general purpose buildings and generally would not be suitable for industrial or commercial use. Additionally, parts of the Mortgaged Premises require a license from the Commonwealth of Virginia to operate. The Mortgaged Premises is intended to be used as an independent living facility for seniors and other types of senior living, such as assisted living, nursing care and health care services. Consequently, it would be difficult to find a buyer or lessee for the Mortgaged Premises, and, upon any default, the Master Trustee may not realize the amount of the outstanding Series 2021 Obligation and other Obligations secured thereby from the sale or lease of the Mortgaged Premises in the event of foreclosure.

Any valuation of the Mortgaged Premises is based on future projections of income, expenses, capitalization rates, and the availability of a partial or total property tax exemption. Additionally, the value of the Mortgaged Premises will at all times be dependent upon many factors beyond the control of Williamsburg Landing, such as changes in general and local economic conditions, changes in the supply of or demand for competing properties in the same locality, and changes in real estate and zoning laws or other regulatory restrictions. A material change in any of these factors could materially change the value of the Mortgaged Premises. Any weakened market condition may also depress the value of the Mortgaged Premises. Any reduction in the market value of the Mortgaged Premises could adversely affect the security available to the owners of the Series 2021 Bonds. There is no assurance that the amount available upon foreclosure or sale of the Mortgaged Premises after the payment of costs will be

sufficient to pay the amounts owing by Williamsburg Landing on the Series 2021 Obligation and the other Obligations secured thereby.

In the event of sale, a prospective purchaser of the Mortgaged Premises may assign less value to the Mortgaged Premises than the value of the Mortgaged Premises while owned by Williamsburg Landing since such purchaser may not enjoy the favorable financing rates associated with the Series 2021 Bonds and other benefits. To the extent that buyers whose income is not tax-exempt may be willing to pay less for the Mortgaged Premises than nonprofit buyers, then the resale of the Mortgaged Premises after foreclosure or sale may require more time to solicit nonprofit buyers interested in assuming the financing now applicable to the Mortgaged Premises. In addition, there can be no assurance that the Mortgaged Premises could be sold at one hundred percent (100%) of its fair market value in the event of foreclosure or sale. Although the Master Trustee will have available the remedy of public sale under the Deed of Trust in the event of a default (after giving effect to any applicable grace periods, and subject to any legal rights which may operate to delay or stay such sale, such as may be applicable in the event of Williamsburg Landing's bankruptcy), there are substantial risks that the exercise of such a remedy will not result in recovery of sufficient funds to satisfy all Williamsburg Landing's obligations.

Limited Value at Foreclosure

The Mortgaged Premises have been specifically constructed for skilled nursing, personal care and senior independent living purposes. The number of entities that could be expected to purchase the Mortgaged Premises at a foreclosure sale is limited, and thus the ability of the Master Trustee to realize funds from the sale of the Mortgaged Premises for any use except as a nursing, personal care and senior independent living facility, upon an event of default may be limited. Under State law, licenses to operate skilled nursing and personal care facility are not transferable. Accordingly, an entity purchasing the Mortgaged Premises at a foreclosure sale would need to obtain its own license to operate the nursing and personal care portion of the Mortgaged Premises.

Risks of Real Estate Investment

Ownership and operation of real estate, such as the Mortgaged Premises, involves certain risks, including the risk of adverse changes in general economic and local conditions (such as the possible future oversupply and lagging demand for rental housing for the aged), adverse use of adjacent or neighboring real estate, initial and continued community acceptance of the Mortgaged Premises, increased competition from other senior living facilities, changes in the cost of operation of the Mortgaged Premises, difficulties or restrictions in Williamsburg Landing's ability to raise rents charged, damage caused by adverse weather, climate change and delays in repairing such damage, population decreases, uninsured losses, failure of residents to pay rent, operating deficits and mortgage foreclosure, lack of attractiveness of the Mortgaged Premises to residents, adverse changes in neighborhood values, and adverse changes in zoning laws, federal and local rent controls, other laws and regulations and real property tax rates. Such losses also include the possibility of fire or other casualty or condemnation. If the Mortgaged Premises, or any parts of the Mortgaged Premises, becomes uninhabitable during restoration after damage or destruction, the residence units or common areas affected may not be available during the period of restoration, which could adversely affect the ability of Williamsburg Landing to generate sufficient revenues to pay debt service on the Series 2021 Bonds.

Changes in general or local economic conditions and changes in interest rates and the availability of mortgage funding may render the sale or refinancing of the Mortgaged Premises difficult or unattractive. These conditions may have an adverse effect on the demand for the services provided by the Mortgaged Premises as well as the market price received for the Mortgaged Premises in the event of a sale or foreclosure of the Mortgaged Premises. Many other factors may adversely affect the operation of the Mortgaged Premises and cannot be determined at this time.

Uncertainty of Full Occupancy and Entrance Fee Collection

Payment of the Series 2021 Bonds is dependent on the continuing ability of the Obligated Group to (i) fill those facilities that accept residents who purchase the right to live there by paying "entrance fees" ("Entrance Fees"), (ii) collect new Entrance Fees from residents occupying apartment and cottage units vacated by deceased residents, residents permanently transferred to assisted living or nursing care facilities operated by the Obligated Group or residents leaving such facilities for other reasons, and (iii) keep the Obligated Group Facilities

substantially occupied by residents who can pay the full amount of the Entrance Fees and/or monthly service fees. See “THE COMMUNITY” in Appendix A for a description of the Obligated Group Facilities that receive Entrance Fees. See also THE FINANCIAL FEASIBILITY STUDY in Appendix C for a Summary of Revenue and Entrance Fee Assumptions.

Management assumes that regular increases in both Entrance Fees and monthly service fees will be necessary to offset increasing costs due primarily to inflation. There can be no assurance that such increases can or will be made or that increases in expenses will be no greater than assumed. Also, since many of the residents may be living on fixed incomes or incomes that do not readily change in response to changes in economic conditions, there can be no assurance that any such fee increases can be paid by residents or that such increases will not adversely affect the utilization of the Obligated Group Facilities. While Williamsburg Landing can accept new residents unable to pay in full the Entrance Fees and monthly service fees, it intends to do so only to the extent of available fellowship funds to pay their expenses. Residents are generally financially qualified prior to admission. Residents who unexpectedly become unable to make their monthly payments through no fault of their own are generally allowed to remain residents, even though the costs of caring for them could have an adverse effect on the financial condition of Williamsburg Landing. As a charitable tax-exempt organization, Williamsburg Landing may be unable or unwilling to require residents who lack adequate financial resources to leave the Community. In the future, the Obligated Group could possibly be required to accept residents unable to pay all fees or be required to provide services to a certain number of indigent persons unable to pay any fees, in order to maintain its tax exempt status. See “Financial Assistance; Obligation to Residents” below.

In addition, the number of persons who can afford payment of the substantial Entrance Fees and monthly service fees may be affected by general economic conditions. In particular, a depressed housing market may prevent prospective residents from selling their homes and generating cash to pay Entrance Fees.

The Entrance Fees and monthly fees for the Obligated Group Facilities are described in “THE COMMUNITY” in Appendix A. As set forth therein, the Obligated Group has set such fees based on, among other things, anticipated revenue needs and analysis of the market areas. If actual operating experience is substantially different from that anticipated, the revenues of the Obligated Group could be less than needed.

The ability of the Obligated Group to generate income to pay the Series 2021 Bonds will be affected by its ability to attract and retain residents who can afford to pay the Entrance Fees and the monthly service fees associated with the Obligated Group Facilities. Other residential care facilities have demonstrated a wide variety of factors that can adversely affect occupancy.

Sale of Homes; Economic Conditions

Many prospective residents of the Facility will be required to sell their current homes to pay the Entrance Fees prior to occupancy or to meet other financial obligations under their residency agreements. If prospective residents encounter difficulties in selling their current homes due to local or national economic conditions affecting the sale and finance of residential real estate, such prospective residents may not have sufficient funds to pay the Entrance Fees or to meet other obligations under their residency agreements, thereby causing a delay in remarketing of vacated independent living units, which would have an adverse impact on the revenues of the Obligated Group. Furthermore, the number of persons who can afford payment of the Entrance Fees and monthly fees may be affected by general economic conditions.

Competition

The Community is located in an area where other continuing care retirement facilities and other competitive facilities exist or may be developed. The Community may also face additional competition in the future as a result of changing demographic conditions and the construction of new, or the renovation or expansion of existing, continuing care facilities in the geographic area served by the Community. Williamsburg Landing will also face competition from other forms of retirement living including condominiums, apartment buildings and facilities not specifically designed for the elderly, some of which may be designed to offer similar facilities, but not necessarily similar services, at lower prices. In addition, there are few entry barriers to future competitors because competing facilities generally do not require a certificate of need approval for residential living facilities. All of

these factors combine to make the elderly housing industry volatile and subject to material change that cannot be currently predicted. See “THE COMMUNITY” in Appendix A.

Caution Regarding Forward-Looking Statements

When used in this Official Statement and in any continuing disclosure by the Obligated Group, in the Obligated Group’s press releases and in oral statements made with the approval of an authorized representative of the Obligated Group, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project” or similar expressions are intended to identify “forward looking statements.” Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those presently anticipated or projected. The Obligated Group cautions readers not to place undue reliance on any such forward-looking statements. The Obligated Group advises readers that certain factors could affect the financial performance of the Obligated Group and could cause the actual results of the Obligated Group for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

COVID-19 and Future Pandemics or any Future Similar Related or Unrelated Disease Outbreaks

The COVID-19 pandemic, together with public and private sector responses to the virus, has affected, and is expected to continue to affect for the foreseeable future, normal economic operations worldwide, including in Virginia. Although the full impact of COVID-19 on the Obligated Group’s operations or its future operating revenues and expenses cannot be fully predicted at this time, the COVID-19 situation had, and may continue to have, an impact on the Obligated Group’s finances and operations. Further, the Obligated Group’s business and financial results may be affected by a similar related or unrelated international, national, or localized outbreak of a highly contagious disease, epidemic, or pandemic. While most residents and staff at the Communities have been vaccinated against COVID-19, an outbreak of COVID-19 or another international, national, or localized outbreak of highly contagious disease, epidemic, or pandemic could result in decreased occupancy, temporary shutdown or diversion of residents, direct or indirect liability, increased costs, staffing shortages, marketing and branding concerns and other adverse impacts on the Obligated Group. For specific information on the Obligated Group’s response to the COVID-19 pandemic, including its efforts to comply with guidelines of the Centers for Disease Control and Prevention, Centers for Medicaid and Medicare Services and the Commonwealth of Virginia, and the impact of the COVID-19 pandemic on the Obligated Group’s finances, see “COVID-19 PANDEMIC” in Appendix A hereto.

Further, the COVID-19 pandemic has altered the behavior of businesses and people in a manner that is having substantial negative effects on local, regional and global economies. Stock markets in the U.S. and globally have recently seen significant volatility attributed to COVID-19 concerns. The continued spread of COVID-19 or any other similar international, national, or localized outbreaks of contagious diseases in the future may materially adversely impact global, national, state and local economies and, accordingly, may materially adversely impact the financial condition of the Obligated Group.

Utilization Demand

Several factors could, if implemented, affect demand for services provided at the Community including: (i) efforts by insurers and governmental agencies to reduce utilization of skilled nursing home and long-term care facilities by such means as preventive medicine and home health care programs; (ii) advances in scientific and medical technology; (iii) a decline in the population, a change in the age composition of the population or a decline in the economic conditions of the service area for the Community; and (iv) increased or more effective competition from retirement communities and long-term care facilities now or hereafter located in the service area of the Community.

Economic Stability

In recent years there have been many challenges to global and national economic stability which have, at times, resulted in substantial disruption to the financial markets and losses to investment portfolios resulting in reduced availability for credit, aggressive fluctuations in interest rates, reduced economic activities and general financial strain. Any future market turmoil could affect the market and demand for the Series 2021 Bonds in addition to adversely affecting the value of any investments of the Obligated Group, the market value

of homes in the market area of the Obligated Group and the ability of residents and prospective residents to pay entrance fees, monthly fees or otherwise meet their financial obligations under their agreements with Williamsburg Landing.

Nature of Income of the Elderly

A large percentage of the monthly income of some residents of the Community is fixed income derived from pensions and social security. If, due to inflation or otherwise, substantial increases in monthly fees are required to cover increases in operating costs, nursing care costs, wages, benefits and other expenses, residents may have difficulty paying or may be unable to pay such increased monthly fees. Williamsburg Landing's actuary conducts a financial analysis of each potential resident before a Residency Agreement is executed to determine the likely ability of the resident to meet the financial obligations to Williamsburg Landing; however, no assurance may be given that future events, including life expectancy, will not result in residents encountering difficulty in paying monthly fees.

Financial Assistance

Williamsburg Landing may assist residents financially who become unable to pay monthly service and other fees of Williamsburg Landing by reason of circumstances beyond their control through its Samaritan Fund. See "BENEVOLENT CARE" in Appendix A hereto. The increased cost of care resulting from cost increases generally and financial assistance to a significant number of residents could adversely affect the financial condition of Williamsburg Landing.

State Regulation; Rights and Activities of Residents

Under Virginia laws, the Obligated Group's assisted living units are regulated by the Virginia Department of Social Services as "assisted living facilities" and the nursing care beds are subject to extensive legislative, regulatory and inspection requirements of various federal and state agencies. The Virginia Continuing Care Provider Registration and Disclosure Act, Section 38.2-4900 et seq. of the Code of Virginia (the "Virginia Continuing Care Law") requires the Obligated Group to provide to the Commonwealth and each resident a detailed disclosure statement and in certain circumstances requires the escrowing of deposits of entrance fees. The Virginia Continuing Care Law also regulates the form of resident contracts and establishes certain rights of residents, including the right to organize, to obtain refunds under certain circumstances and not to have resident contracts cancelled except for good cause. The Virginia Continuing Care Law gives the State Corporation Commission of Virginia the power to promulgate regulations and issue injunctions and cease-and-desist orders.

The Obligated Group's management believes that it is in material compliance with the Virginia Continuing Care Law and that continued compliance will not materially affect its operation, but there is no certainty that the Virginia Continuing Care Law or actions by the State Corporation Commission of Virginia will not adversely affect operation of the Community or the financial condition of the Obligated Group.

The enactment of further legislation restricting operation of life care facilities, creating additional residents' rights or requiring certain financial reserves could adversely affect the financial condition of the Obligated Group. In addition, the ability of the Master Trustee to foreclose its lien on the Community or enforce other rights under the Financing Instruments may be adversely affected by litigation on behalf of residents. Although under the current Residency Agreements, residents will have no special lien or claim against any property of the Obligated Group, there can be no certainty that residents could not successfully claim or otherwise restrict the use of the Obligated Group's property in bankruptcy proceedings or other disputes. Although the Obligated Group expects to continue to use the continuing care concept of contracting with residents, it is under no obligation to do so.

Certificate of Public Need

Under the Virginia Medical Care Facilities Certificate of Public Need Law, the Obligated Group must obtain a Certificate of Public Need ("COPN") for any significant changes in its capacity to provide health care services, for the addition of certain health care services, or for certain capital expenditures. The COPN law generally may affect the Obligated Group's ability to undertake other improvements to the Community necessary to

attract new residents. Further, legislation is periodically introduced in the Virginia legislature that could amend the COPN law and could result in unforeseen impacts on the Obligated Group's services and operations. At this time, no determination can be made as to whether such state legislation will be enacted or, if enacted, its impact on the Community.

[Williamsburg Landing has a COPN for ___ nursing beds and currently offers __ nursing beds at Williamsburg Landing. All of the nursing beds currently offered at Williamsburg Landing are capable of receiving direct admits from the general public. Williamsburg Landing has the ability to construct additional nursing beds in the future should it chose to do so.]

National Legislation

The Obligated Group is subject to federal and state regulatory actions, legislative and policy changes by those governmental and private agencies that administer the Medicare and Medicaid programs and other third-party payors, and actions by, among others, the National Labor Relations Board and other federal, state and local governments and private agencies. A wide variety of bills and regulations intended to regulate, control or alter the method of financing health care costs and health care operations are often proposed and introduced in Congress, state legislatures and regulatory agencies. Because of the many possible financial effects that could result from enactment of any bills or regulatory actions proposing to regulate the health care industry, it is not possible at this time to predict with assurance the effect on the business of the Obligated Group, if any, of such laws, bills or regulatory actions.

Third-Party Payments

Skilled nursing facilities that accept payment from Medicare and Medicaid are required to comply with federal and state laws that affect the rights of residents, including the Federal Nursing Home Reform Act and related regulations. In addition, state laws establish the rights and responsibilities of residents of nursing homes and assisted living facilities. Failure to comply with these laws can result in regulatory action, monetary fines, loss or restriction of licensure or certification, prohibitions on admitting new residents and other remedies. There is no certainty that compliance with the laws or regulatory actions under them will not adversely affect operation of the Communities or the financial condition of the Obligated Group.

The health care industry in general is subject to regulation by a number of federal, state and local governmental agencies, including the Centers for Medicare and Medicaid Services. As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare and Medicaid programs. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Community.

[At this time, ___ of the skilled nursing beds are certified for Medicare and approximately __% and __% of the Obligated Group's fiscal years 2020 and 2021, respectively, annual operating revenues are derived from Medicare. ___ of the skilled nursing beds are certified for Medicaid and approximately __% and __% of the Obligated Group's fiscal years 2020 and 2021, respectively, annual operating revenues are derived from Medicaid as described in "THE COMMUNITY" in Appendix A.]

Federal and State Health Care Laws and Regulations; Medicare and Medicaid

The Obligated Group's independent living units are not currently subject to significant federal governmental regulation, other than laws and regulations applicable generally to developers and operators of residential real estate. For example, the Obligated Group must comply with the Federal Fair Housing Act and Fair Housing Amendments Act of 1988, 42 U.S.C.A. §3601 et seq., as amended, (which among other things, prohibits discrimination in housing) and the Americans with Disabilities Act of 1990, 42 U.S.C.A. §12101 et seq., as amended (which mandates the elimination of discrimination against individuals with disabilities and imposes certain standards relating to the construction and/or renovation of certain buildings and structures). Compliance with such

regulatory requirements may adversely affect the Obligated Group's financial results. Failure to comply with such requirements could also result in the imposition of various fines and other remedies.

Skilled nursing facilities ("SNFs") that accept payment from Medicare and Medicaid are required to comply with federal and state laws that affect the rights of residents, including the Federal Nursing Home Reform Act and related regulations. In addition, state laws establish the rights and responsibilities of residents of nursing homes and assisted living facilities. Failure to comply with these laws can result in regulatory action, monetary fines, loss or restriction of licensure or certification, prohibitions on admitting new residents and other remedies. There is no certainty that compliance with the laws or regulatory actions under them will not adversely affect operation of the Community or the financial condition of the Obligated Group.

There is an expanding and increasingly complex body of law, regulation and policy (both federal and state) relating to the Medicaid and Medicare programs, which is not directly related to payments under such programs. This includes operating requirements, reporting and other technical rules as well as broadly stated prohibitions regarding improper inducements for referrals, referrals by physicians for designated health services to entities with which the physicians have a prohibited financial relationship, and payment of kickbacks in connection with the purchase of goods and services. Violations of prohibitions against false claims, improper inducements and payments, prohibited physician referrals, and illegal kickbacks may result in civil and/or criminal sanctions, refunding of payments and penalties. Civil penalties range from monetary fines that may be levied on a per-violation basis to temporary or permanent exclusion from the Medicaid and Medicare programs. The determination that any of the facilities of the Obligated Group were in violation of these laws could have a material adverse effect on finances of the Obligated Group.

Medicare is a federal insurance program that, among other things, provides reimbursement for nursing facility care in Medicare-certified facilities. Generally, a resident will qualify for Medicare reimbursement only if the resident's admission to the nursing home facility is immediately subsequent to the resident's three or more day stay at an acute care facility. Medicare reimbursement for nursing care is limited to a renewable 100-day period for each qualified resident. Medicare currently reimburses providers of nursing care utilizing a case-mix classification model, the Patient Driven Payment Model (PDPM). PDPM is carried out under the Skilled Nursing Facility (SNF) Prospective Payment System (PPS) by classifying skilled nursing facility residents in a covered Part A stay. The Patient Driven Payment Model was effective 10/1/2019 and includes five case-mix adjusted components (based on data driven patient characteristics) and a variable per diem (VPD) adjustment that adjusts the per diem rate over the course of the stay. The skilled nursing facility (SNF) prospective payment system's federal rates account for differences in area wage levels, using a wage index issued by CMS. The SNF PPS wage index does not take into account geographic reclassification, but is calculated using hospital wage data and applied to SNFs.

Other future legislation, regulation or actions by the federal government are expected to continue the trend toward more limitations on reimbursement for long term care services. At present, no determination can be made concerning whether or in what form such legislation or regulation could be introduced and enacted. Similarly, the impact of future cost control programs and future regulations upon the Obligated Group's financial performance cannot be determined at this time. The current congressional discussions regarding decreasing the federal budget in connection with raising the federal debt may result in lowering Medicare payments to providers such as the Obligated Group.

Medicare Reimbursement. Medicare reimbursement to SNFs depends on several factors, including the character of the facility, the beneficiary's circumstances, and the type of items and services provided. Extended care services furnished by SNFs are generally only covered if the patient spent at least three consecutive days as a hospital inpatient prior to admission to the SNF and if the patient was admitted to the SNF within 30 days of discharge from a qualifying hospital stay. Medicare Part A generally covers institutional health services, including hospital, home health, nursing home care, and certain other services, and Medicare Part B generally covers certain physician services, medical supplies, and durable medical equipment. The Medicare Advantage Program, also known as Medicare Part C, enables Medicare beneficiaries to choose to obtain their Part A and Part B benefits through a variety of risk-based plans. Medicare Part D assists beneficiaries with paying for prescription drugs. Medicare is administered by the Centers for Medicare & Medicaid Services ("CMS"), an agency of the U.S. Department of Health and Human Services ("HHS"). HHS's rule-making authority is substantial, and its rules are extensive and complex. Substantial deference is given by courts to rules promulgated by HHS.

Participation in any federal healthcare program is heavily regulated. Providers and suppliers that participate in the Medicare program must agree to be bound by the terms and conditions of the program, such as meeting quality standards for rendering covered services and adopting and enforcing policies to protect patients from certain discriminatory practices and must disclose certain ownership interests and/or managing control information. If a healthcare entity fails to substantially comply with any applicable conditions of participation in the Medicare and Medicaid programs or performs certain prohibited acts, the entity's participation in these programs may be terminated, and civil and/or criminal penalties may be imposed as well as repayment of amounts paid to the healthcare entity.

The government uses Medicare reimbursement as a key tool to implement healthcare policies, to allocate healthcare resources and to control utilization, facility and provider development and expansion, and technology use and development. Changes in Medicare funding levels and the transition of Medicare enrollees into Medicare managed care plans, could have an adverse effect on the Obligated Group's revenues. There is frequent debate over the federal budget commitment to the Medicare program. Congress has consistently attempted to curb the growth of federal spending on healthcare programs. The pressure to curb the rate of increase in federal spending in healthcare programs overall and on a per-beneficiary basis is expected to increase as the United States population ages. Among other effects, this pressure may result in reduced payment rates for healthcare services and in increased utilization of managed care in the Medicare and Medicaid programs. In addition, Congress and other governmental agencies, and uninsured patients through certain federal and state class action litigation, have focused on the availability of healthcare to indigent and uninsured or underinsured patients, and the obligations of tax-exempt, not-for-profit healthcare organizations to these populations. Additional legislation or regulation in these areas could have an adverse effect on the results of operations of Williamsburg Landing.

The Affordable Care Act, discussed in more detail below, affects how healthcare services are covered, delivered, and reimbursed while expanding coverage to previously uninsured individuals and reducing government healthcare spending. In addition to the reimbursement reductions and adjustments under the Affordable Care Act and as discussed herein, the Budget Control Act of 2011 requires automatic spending reductions to reduce the federal deficit, including Medicare spending reductions of up to 2% per fiscal year, with a uniform percentage reduction across all Medicare programs. These automatic spending reductions began in 2013, with CMS imposing a 2% reduction on Medicare claims, and have been extended through 2025. CMS contracts with non-government organizations or agencies to serve as the fiscal agents between providers and CMS to process enrollment in and claims for payment by the Medicare program. These agents apply the Medicare coverage rules to determine the appropriateness of claims. To service Part A and Part B providers, CMS has contracted the Medicare fiscal intermediary and Medicare carrier functions to Medicare Administrative Contractors ("MACs"), which are geographically assigned.

The Balanced Budget Act of 1997 mandates the implementation of a per diem prospective payment system ("PPS") for SNFs covering all costs (routine, ancillary and capital) related to the services furnished to beneficiaries under Part A of the Medicare program. Major elements of the current system include the following:

Rates. Federal rates are set using allowable costs from FY 1995 cost reports. The rates also include an estimate of the cost of services which, prior to July 1, 1998, had been paid under Part B but furnished to SNF residents during a Part A covered stay. FY 1995 costs are updated to FY 1998 by a SNF market basket minus 1 percentage point for each of fiscal years 1996, 1997 and 1998. Providers which received new provider exemptions in FY 1995 are excluded from the data base. Routine cost limit exceptions payments are also excluded. The data is aggregated nationally by urban and rural area to determine standardized federal per diem rates to which case mix and wage adjustments apply.

Case Mix Adjustment. Payments under the SNF PPS are case-mix adjusted in order to reflect the relative resource intensity that would typically be associated with a given patient's clinical condition, as identified through the resident assessment process. The SNF PPS also includes an administrative presumption whereby a beneficiary who is correctly assigned one of the designated, more intensive case-mix classifiers on the initial 5-day, Medicare-required assessment is automatically classified as meeting the SNF level of care definition up to and including the assessment reference date (ARD) for that assessment. (A beneficiary who is not assigned one of the designated case-mix classifiers is not automatically classified as either meeting or not meeting the definition, but instead receives an individual level of care determination using the existing administrative criteria.)

- o For services furnished prior to October 1, 2019, CMS has designated for this purpose all groups encompassed by the following categories under the Resource Utilization Groups, version IV (RUG-IV) model: Rehabilitation plus Extensive Services; Ultra High Rehabilitation; Very High Rehabilitation; High Rehabilitation; Medium Rehabilitation; Low Rehabilitation; Extensive Services; Special Care High; Special Care Low; and Clinically Complex.
- o For services furnished on or after October 1, 2019, CMS designates for this purpose the following classifiers under the Patient Driven Payment Model (PDPM): Those nursing groups encompassed by the Extensive Services, Special Care High, Special Care Low, and Clinically Complex nursing categories; PT and OT groups TA, TB, TC, TD, TE, TF, TG, TJ, TK, TN, and TO; SLP groups SC, SE, SF, SH, SI, SJ, SK, and SL; and the NTA component's uppermost (12+) comorbidity group.

Geographic Adjustment. The labor portion of the federal rates is adjusted for geographic variation in wages using the hospital wage index.

Annual Updates. Payment rates are adjusted each Federal fiscal year using a SNF market basket index (PDF).

Transition. A three-year transition that blends a facility-specific payment rate with the federal case mix adjusted rate is used. The facility-specific rate includes allowable costs (from FY 1995 cost reports) including exceptions payments. Payments associated with 'new provider' exemptions are included but limited to 150 percent of the routine cost limit. It also includes an add-on for related Part B costs similar to the federal rate.

Payments of Medicare patients in SNFs are now based on a Patient-Driven Payment Model ("PDPM"). Under the current PDPM, SNFs are paid a single per diem rate per based upon the resident's clinical characteristics. PDPM rates are based on the expected resource needs of patients and cover routine services, therapy services and nursing costs. SNF PDPM payment rates are adjusted annually. There is no guarantee that the SNF rates, as they may change from time to time, will cover the actual costs of providing care to Medicare SNF patients.

The Health Care Reform Statutes also required the Secretary of the United States Department of Health and Human Services ("DHHS") to develop a "value based" purchasing program (based on performance and quality measures and other factors) for SNFs. DHHS is required to publish the measures selected with respect to fiscal year 2014, including procedures for the public to review such data. This will eventually result in a mandatory requirement for nursing homes reporting on key performance and other quality performance measures and the development of a pay for performance program for SNFs which will impact reimbursement to SNFs. Compliance with the performance and other quality performance measures will be essential for full reimbursement under the Medicare Program. In 2014, the Health Care Reform Statutes require that the annual update to the standard federal rate for discharges during the rate year will be reduced by two percentage points for each facility that does not report quality data. The Secretary is also required to study the impact of expanding Medicare's health care acquired conditions reduced payment policy to SNFs. Because the Health Care Reform Statutes are relatively new, the full impact of these provisions is unknown and subsequent laws, regulation and guidance impacting Medicare policy and reimbursement may provide additional changes which may adversely impact skilled nursing homes.

Medicare has also increased its efforts to recover overpayments. CMS is expanding its use of Recovery Audit Contractors ("RACs") to further assure accurate payments to providers. RACs search for potentially improper Medicare payments from prior years that may have been detected through CMS existing program integrity efforts.

RACs use their own software and review processes to determine areas for review. Once a RAC identifies a potentially improper claim as a result of an audit, it applies an assessment to the provider's Medicare reimbursement in an amount estimated to equal the overpayment from the provider pending resolution of the audit. In 2014, the RAC project returned approximately \$2.4 billion to the Medicare program, with Florida accounting for \$139 million of this amount. Such audits may result in reduced reimbursement for past alleged overpayments and may slow future Medicare payments to providers pending resolution of appeals process with RACs, as well as increase purported Medicare overpayments and associated costs for the Obligated Group.

Other future legislation, regulation or actions by the federal government are expected to continue to trend toward more restrictive limitations on reimbursement for the long-term care services. At present, no determination can be made concerning whether, or in what form, such legislation or regulation could be introduced and enacted. Similarly, the impact of future cost control programs and future regulations upon the financial performance of the Obligated Group cannot be determined at this time.

Medicare Reporting Requirements. Medicare regulations provide that all entities furnishing services for which payment may be made under Medicare are required to submit certain information to CMS. Persons who fail to submit the required information or who fail to report the information accurately and completely are subject to civil or criminal money penalties. As these requirements are numerous, technical and complex, there can be no assurance that one or more Members of the Obligated Group may not incur such penalties in the future. These penalties could have a material adverse effect on the Obligated Groups revenues and/or its ability to operate.

Government Health Program Regulations Governing Fraud and Abuse and Certain Referrals. Federal and state health care fraud and abuse laws generally regulate services furnished to beneficiaries of federal and state (including Medicare) and private health insurance plans, and they impose penalties for improper billing and other abuses. Under these laws, health care providers may be punished for billing for services that were not provided, not medically necessary, provided by an improper person, accompanied by an illegal inducement to use or not use another service or product, or billed in a manner that does not comply with applicable government requirements. Violations of these laws are punishable by a range of criminal, civil and administrative sanctions. If the Obligated Group violates one of the fraud and abuse laws, among other possible sanctions, federal or state authorities could recover amounts paid, exclude the Obligated Group from participation in the Medicare program, impose civil monetary penalties, and suspend Medicare payments. The federal government (and individuals acting on its behalf) have brought many investigations, prosecutions and civil enforcement actions under the fraud and abuse laws in recent years. In some cases, the scope of the fraud and abuse laws are so broad that they may result in liability for business transactions that are traditional or commonplace in the health care industry.

There is an increasingly expanding and complex body of state and federal law, regulation and policy relating to relationships between providers of health care services to patients and potential referral sources such as, but not limited to, physicians. The federal and state illegal remuneration statutes and anti-kickback statutes applicable to Medicare, Medicaid, and all federal and state health care programs ("Government Programs") prohibits the offer, payment, solicitation, or receipt of any remuneration, directly or indirectly, covertly or overtly, in cash or in kind, for (1) the referral of patients, or arranging for the referral of patients, for the provision of items or services for which payment may be made under the Government Programs; or (2) the purchase, lease or order, or arranging for the purchase, lease or order, of any good, facility, service or item for which payment may be made under the Government Programs. A violation of the illegal remuneration statute constitutes a felony criminal offense, and applicable sanctions include imprisonment of up to five years, fines up to \$25,000 per violation and exclusion from the Medicare program. In addition, the government may pursue civil penalties of up to \$50,000 per violation plus three times the amount of any government overpayment.

The federal civil False Claims Act ("Civil FCA") prohibits anyone from knowingly submitting a false, fictitious or fraudulent claim to the federal government. Violation of the Civil FCA can result in civil money penalties and fines, including treble damages. Private individuals may initiate actions on behalf of the federal government in lawsuits called qui tam actions. The plaintiffs, or "whistleblowers," can recover significant amounts from the damages awarded to the government. In several cases, Civil FCA violations have been alleged solely on the existence of alleged kickback arrangements or violations of Section 1877 of the Social Security Act (commonly known as the "Stark Law"), even in the absence of evidence that false claims had been submitted as a result of those arrangements. The Patient Protection and Affordable Care Act ("ACA") creates Civil FCA liability for knowingly

failing to report and return an overpayment within a specified time. The federal criminal False Claims Act (“Criminal FCA”) prohibits the knowing and willful making of a false statement or misrepresentation of a material fact in submitting a claim to the government. Sanctions for violation of the Criminal FCA include imprisonment, fines, and exclusions.

The Civil Monetary Penalties Law in part authorizes the government to impose money penalties against individuals and entities committing a variety of acts. For example, penalties may be imposed for the knowing presentation of claims that are (i) incorrectly coded for payment, (ii) for services that are known to be medically unnecessary, (iii) for services furnished by an excluded party, or (iv) otherwise false. An entity that offers remuneration to an individual that the entity knows is likely to induce the individual to receive care from a particular provider may also be fined. Moreover, the Obligated Group may not knowingly make a payment, directly or indirectly, to a physician as an inducement to reduce or limit services to Medicare or Medicaid patients under the physician’s direct care. ACA amended the Civil Monetary Penalties Law to authorize civil monetary penalties for a number of additional activities, including (i) knowingly making or using a false record or statement material to a false or fraudulent claim for payment; (ii) failing to grant the Office of Inspector General timely access for audits, investigations or evaluations; and (iii) failing to report and return a known overpayment within statutory time limits. Violations of the Civil Monetary Penalties Law can result in substantial civil money penalties plus three times the amount claimed.

In addition to the anti-kickback and illegal remuneration statutes, the Stark Law imposes certain restrictions upon referring physicians and providers of certain designated health services, including long term care services, under the Medicare and Medicaid programs. Subject to certain exceptions, the Stark Law provides that if a physician (or a family member of a physician) has a financial relationship with an entity (i) the physician may not make a referral to the entity for the furnishing of designated health services reimbursable under the Medicare and Medicaid programs, and (ii) the entity may not bill for designated health services furnished pursuant to a prohibited referral. Entities and physicians committing an act in violation of the Stark Law are subject to civil money penalties and exclusion from the Medicare and Medicaid programs. Mandated by ACA, the recently published Medicare self-referral disclosure protocol (“SRDP”) is intended to allow providers to self-disclose actual or potential violations of the Stark Law. ACA provides for discretion to reduce penalties for providers submitting an SRDP. As a result of the scarcity of case law interpreting the Stark Law, there can be no assurance that the Obligated Group will not be found in violation of the Stark Law or that self-disclosure of a potential violation would result in reduced penalties for the Obligated Group.

Sanctions could be applied in many situations where skilled nursing facilities participate in joint ventures with entities that may be in a position to make referrals or to which skilled nursing facilities may be in a position to make referrals, enter into personal service and management contracts, enter into space and equipment rental agreements, waive co-payments and deductibles, etc. Such sanctions could result in a material adverse effect on the financial position of the Obligated Group, exclusion from Government Programs, loss of license or disciplinary action by licensing agencies, and/or substantial civil monetary penalties.

Management of the Obligated Group does not believe that it is involved in activities that pose a significant risk of sanctions under these referral laws. However, there can be no assurance that such challenge or investigation will not occur in the future.

Audits. Most health care providers are audited for compliance with the requirements for participation in the Medicare program. If audits discover alleged overpayments, the Obligated Group could be required to pay a substantial repayment of prior payments. The federal government contracts with third-party RACs, on a contingent fee basis, to audit the propriety of payments to Medicare providers. The centers for Medicare and Medicaid Services recently passed rules resulting in several more types of Medicare and or Medicaid audits. Medicare zone program integrity contractors (“ZPICs”) transitioned from the program safeguard contractor (“PSC”) program, target potential fraud and abuse and are tasked with ensuring the integrity of all Medicare-related claims per assigned jurisdiction. PSCs, ZPICs, affiliated contractors (“ACs”), and Medicare administrative contractors (“MACs”) must ensure that they pay the right amount for covered and correctly coded services rendered to eligible beneficiaries by legitimate providers. Four parallel strategies are employed in meeting this goal: (i) preventing fraud through effective enrollment and through education of providers and beneficiaries, (ii) early detection through, for example, medical review and data analysis, (iii) close coordination with partners, including PSCs, ZPICs, ACs, MACs, and

law enforcement agencies, and (iv) fair and firm enforcement policies. The Obligated Group has not received claims or been a party to settlement negotiations outside of the routine audit processes. Nevertheless, ultimate liability could exceed reserves, and any excess could be substantial. Medicare regulations also provide for withholding payment in certain circumstances, which could adversely affect the Obligated Group's cash flow.

Virginia Medicaid. [Although Williamsburg Landing currently has no Medicaid certified beds, it is currently applying for such certification.] Virginia has accepted federal Medicaid expansion effective January 1, 2019. Certain state health care reimbursement policies and programs may affect Virginia Medicaid reimbursement. Examples of such policies are described below:

Virginia Medicaid Managed Care Programs. Certain states, including Virginia, have transitioned all or a portion of their state Medicaid programs to Medicaid managed care programs. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations that accept a set per member per month (capitation payment) payment for these services. Providers serving Medicaid managed care beneficiaries may be reimbursed at a rate which does not adequately reflect the cost of care provided and may experience increased administrative burdens.

Virginia Medicaid Waivers. Virginia has previously entered into, and may in the future enter into, one or more "State Medicaid Waivers" with the federal government. A State Medicaid Waiver is a request that the federal government waive certain Medicaid program requirements so that the state can test new ways to deliver or pay for care in its Medicaid program. Management cannot predict whether Virginia will apply for any new State Medicaid Waivers in the future, whether its existing State Medicaid Waivers will be allowed to expire, or whether either event will materially adversely affect the business or financial condition of the Obligated Group.

Virginia Provider Fee Programs. Certain states, including Virginia, have created programs that impose a fee or tax on health care providers, the proceeds of which are intended to be used as a mechanism to generate new in-state funds that can be matched with federal funds so that the state receives additional federal Medicaid funding. In many cases, the cost of the tax is paid back to providers through an increase in the Medicaid reimbursement rate for their patient services. The Obligated Group has benefitted overall from the provider fee program. The elimination or reduction in Virginia's current provider fee program could materially adversely affect the business or financial condition of the Obligated Group. Congress has considered proposals to limit the use of provider taxes. This would restrict states' ability to generate increased federal matching funds for Medicaid, shifting additional costs to states. If Virginia were not able to find additional funds to replace provider tax funding with other state sources, limits on provider taxes could result in Virginia Medicaid program cuts.

Limitations on Enforceability of Remedies

The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Bond Indenture, the Master Indenture, the Loan Agreement and the Deed of Trust. Any attempt by the Bond Trustee or Master Trustee to enforce such remedies may require judicial action, which is often subject to discretion and delay. Under existing law, certain of the legal and equitable remedies specified in the Bond Indenture, the Master Indenture, the Loan Agreement and the Deed of Trust may not be readily available.

Any default in the performance of most of the covenants set forth in the Bond Indenture, the Master Indenture, the Loan Agreement or the Deed of Trust would constitute an Event of Default only following notice and lapse of time, as further described in Appendix C – Copies and Proposed Forms of the Financing Documents. The Master Trustee may give such notice of a default under the Master Indenture at any time in its discretion, but is not required to give such notice without the request of the holders of at least 25% in aggregate principal amount of the Obligations outstanding under the Master Indenture. Events of Default specified by the Master Indenture are remediable through enforcement action taken by the Master Trustee in its discretion or at the request of the holders of not less than 25% in aggregate principal amount of the Obligations outstanding under the Master Indenture, subject to the right of the holders of a majority in aggregate principal amount of Obligations then outstanding to waive such Event of Default and otherwise direct all proceedings to be taken in connection with the enforcement of the terms and conditions of the Master Indenture or any other proceedings thereunder.

Upon issuance of the Series 2021 Bonds, the principal amount of the Series 2021 Obligation will constitute approximately ___%* of all Obligations outstanding under the Master Indenture. The proportion of the principal amount of the Series 2021 Obligation to the principal amount of all Obligations at any time outstanding under the Master Indenture is subject to change. The bank or trust company serving as Bond Trustee or Master Trustee may acquire other Obligations, either as holder for its own account or in a fiduciary capacity similar to that of the Master Trustee. In exercising its duties and discretion, the Master Trustee might exercise its rights under different Obligations differently, reducing such proportion that otherwise might have been sufficient for the Master Trustee to control enforcement proceedings under the Master Indenture. The Master Trustee and Bond Trustee may in certain circumstances have other conflicts of interest. Upon an acceleration of the Series 2021 Obligation with the other Obligations issued under the Master Indenture, after paying the expenses and other amounts due the Master Trustee, amounts available to pay the Obligations will be prorated among all holders of Obligations without preference or priority of principal or premium over interest or of interest over principal or premium, or of any Obligation over any other Obligation.

Organized Resident Activity

Williamsburg Landing may, from time to time, be subject to pressure from organized groups of residents seeking, among other things, to raise the level of services or to maintain the level of monthly service fees with respect to the Community or other charges without increase. Moreover, Williamsburg Landing may be subject to conflicting pressures from different groups of residents, some of whom may seek an increase in the level of services while others wish to hold down monthly service fees and other charges. No assurance can be given that Williamsburg Landing will be able satisfactorily to meet the needs of such resident groups.

Personnel

Williamsburg Landing employed approximately ___ full-time and part-time employees as of _____, 2021. Management of Williamsburg Landing believes that its salary and benefits package is competitive with other comparable institutions in the respective areas in which Williamsburg Landing operates and that its employee relations are satisfactory. The health care industry has at times experienced a shortage of qualified health care personnel. Williamsburg Landing competes with other health care providers and with non-health care providers for both professional and nonprofessional employees. Williamsburg Landing, like many similar institutions, has experienced turnover with its personnel. However, while Williamsburg Landing has been able to retain the services of an adequate number of qualified personnel to staff its Community appropriately and maintain its standards of quality care, there can be no assurance that continued shortages will not in the future affect its ability to attract and maintain an adequate staff of qualified health care personnel. A lack of qualified personnel could result in significant increases in labor costs or otherwise adversely affect its operating results. In addition, if Williamsburg Landing is forced to employ temporary staff through employment agencies, its employment costs will be substantially increased.

Labor Union Activity and Staffing

Although the employees of the Obligated Group are not represented by a union and management is not aware of any labor organizational efforts, health care facilities in Virginia are being subjected to increasing union organizational efforts. The unionization of the Obligated Group's employees could have an adverse effect on the Obligated Group's financial condition. Furthermore, although the Obligated Group has been able to attract desirable employees in the past, low unemployment in the Williamsburg area may adversely affect the availability of and the wages of future staff, which in turn may adversely affect the Obligated Group's financial condition. In recent years, the residential and health care industry has also suffered from a shortage of skilled nursing personnel that has forced up nursing wage scales. Management of the Obligated Group believes that it will be able to retain current personnel and hire any additional required staff, but the presence of other residential health care providers may make it difficult over time to attract and retain skilled personnel.

* Preliminary; subject to change.

Malpractice Claims and Losses

The Obligated Group maintains professional and general liability insurance through _____. The operations of the Obligated Group may be affected by increases in the incidence of malpractice lawsuits against elder care facilities and care providers in general and by increases in the dollar amount of client damage recoveries. These may result in increased insurance premiums and an increased difficulty in obtaining or renewing malpractice insurance. It is not possible at this time to determine either the extent to which malpractice coverage will continue to be available to the Obligated Group or the premiums at which such coverage can be obtained.

Insurance and Legal Proceedings

The provision of personal and health care services entails an inherent risk of liability. In recent years, participants in the senior living and health care services industry have become subject to an increasing number of lawsuits alleging negligence, malpractice or related legal theories, many of which involve large claims and result in the incurrence of significant defense costs. Williamsburg Landing carries insurance coverage in amounts deemed adequate by management and consistent with other comparable institutions. However, there can be no assurance that any current or future claims will not be covered by or exceed applicable insurance coverage. A claim against Williamsburg Landing not covered by, or in excess of, Williamsburg Landing's insurance could have a material adverse effect upon Williamsburg Landing.

In addition, Williamsburg Landing's insurance policies must be renewed annually. Because the increased litigation in the retirement and nursing care business has resulted in increased insurance premiums and an increased difficulty in obtaining insurance at reasonable rates, there can be no assurance that insurance coverage will continue to be available to Williamsburg Landing at reasonable premiums, if at all.

In its role as an owner and operator of real properties, the Obligated Group may be subject to liability for investigating and remedying any hazardous substances that have come to be located on its real property, including any such substances that may have migrated off of its real property. In addition, Williamsburg Landing's operations include the handling, use, storage and disposal of hazardous, infectious and toxic materials and wastes. Such handling, use or release by Williamsburg Landing may produce risks of damage to individuals, property or the environment; interruption of operations or increased costs; legal liability, damages, injunctions or fines, or the triggering of investigations, administrative proceedings, penalties or other government agency actions. There can be no assurance that Williamsburg Landing will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of Williamsburg Landing. Williamsburg Landing is not aware of any environmental liability with respect to any of its properties that it believes would have a material adverse effect on Williamsburg Landing's business, financial condition, or results of operations. Williamsburg Landing believes that its operations and Facilities are in compliance in all material respects with all federal, state, and local laws, ordinances, and regulations regarding hazardous or toxic substances or petroleum products.

Williamsburg Landing currently is not a party to any legal proceeding that its management believes would have a material adverse effect on its business, financial condition, or results of operations.

The Master Indenture requires Williamsburg Landing to carry certain insurance. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto. Uninsured claims and increases in insurance premiums could, to the extent not covered by increased revenues, adversely affect the financial condition of Williamsburg Landing.

Environmental Matters

Health care providers are subject to a wide variety of federal, state and local environmental and occupational health and safety laws and regulations which address, among other things, health care operations, facilities and properties owned or operated by health care providers. Among the type of regulatory requirements faced by health care providers are (a) air and water quality control requirements, (b) waste management requirements, including medical waste disposal, (c) specific regulatory requirements applicable to asbestos, polychlorinated biphenyls and radioactive substances, (d) requirements for providing notice to employees and

members of the public about hazardous materials handled by or located at the clinics, (e) requirements for training employees in the proper handling and management of hazardous materials and wastes and (f) other requirements.

In its role as the owner and operator of properties or facilities, Williamsburg Landing may be subject to liability for investigating and remedying any hazardous substances that may have migrated off of its property. Typical health care operations include, but are not limited to, in various combinations, the handling, use, storage, transportation, disposal and discharge of hazardous, infectious, toxic, radioactive, flammable and other hazardous materials, wastes, pollutants or contaminants. As such, health care operations are particularly susceptible to the practical, financial and legal risks associated with compliance with such laws and regulations. Such risks may (a) result in damage to individuals, property or the environment, (b) interrupt operations and increase their cost, (c) result in legal liability, damages, injunctions or fines and (d) result in investigations, administrative proceedings, penalties or other governmental agency actions. There is no assurance that Williamsburg Landing will not encounter such risks in the future, and such risks may result in material adverse consequences to the operations or financial condition of Williamsburg Landing.

At the present time management of Williamsburg Landing is not aware of any pending or threatened claim, investigation or enforcement action regarding such environmental issues which, if determined adversely to Williamsburg Landing, would have a material adverse effect on its operations or financial condition.

Tax-Exempt Status of Williamsburg Landing

Williamsburg Landing has received a letter from the Internal Revenue Service (“IRS”) recognizing it as exempt from federal income taxes pursuant to Section 501(c)(3) of the Code of 1986, as amended (an “Exempt Organization”). In order to maintain such status, Williamsburg Landing will be required to conduct its operations in a manner consistent with representations it has previously made to the IRS and with current and future IRS regulations and rulings governing Exempt Organizations operating facilities for the residence and care of the elderly. In recent years, the IRS and members of Congress have expressed concern about the need for more restrictive rules governing Exempt Organizations generally and, in particular, the acceptance of low to moderate income residents by retirement communities in order to utilize tax-exempt financing. Loss of tax-exempt status would likely have a significant adverse effect on Williamsburg Landing and its operations and could result in the includability of interest on the Series 2021 Bonds in gross income for federal income tax purposes for holders of the Series 2021 Bonds retroactively to their date of issue. See “TAX MATTERS”. Although Williamsburg Landing has covenanted in the Loan Agreement to take all appropriate measures to maintain its tax-exempt status, compliance with current and future regulations and rulings of the IRS could adversely affect its ability to charge and collect revenues, finance or refinance indebtedness on a tax exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2021 Bonds.

Market for Series 2021 Bonds; Absence of Rating

The Series 2021 Bonds have not received any credit rating by any securities rating agency. The absence of any such rating could adversely affect the ability of holders to sell the Series 2021 Bonds or the price at which the Series 2021 Bonds can be sold. Although it is the present practice of the Underwriter to make a secondary market in the bond issues that they offer, they are under no obligation to do so. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular bond issue, these secondary marketing practices in connection with a particular bond issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially lower than the original purchase price. While there can be no guarantee or assurance that their present secondary marketing practices will always be continued, the Underwriter presently intends to make a secondary market in the Series 2021 Bonds, subject to the foregoing limitations. Nevertheless, there can be no guarantee that there will be a secondary market for the Series 2021 Bonds or, if a secondary market exists, that the Series 2021 Bonds can be sold for any particular price.

Additions and Changes in the Obligated Group

The Master Indenture allows Williamsburg Landing, in certain circumstances, to add members to the Obligated Group. Although any entity that becomes an Obligated Group Member is required to guarantee or to assume joint and several liability for the Master Obligations issued under the Master Indenture, the enforceability of

the guaranty or assumption may be limited under the Federal Bankruptcy Code or the Virginia Uniform Voidable Transaction Act or similar laws affecting creditors' rights if the Obligated Group Member was insolvent or undercapitalized at the time of (or became insolvent or undercapitalized by reason of) the guaranty or assumption and did not receive "reasonably equivalent value" for the guaranty or assumption.

When an entity becomes an Obligated Group Member, the allowable amount of debt which may be incurred under the Master Indenture by the Obligated Group Members may increase because the amount of such debt that the Obligated Group Members may incur is based on the historical or projected combined revenues of the Obligated Group Members. If an Obligated Group Member incurred additional debt based upon the revenues of another Obligated Group Member whose guaranty or assumption subsequently was held unenforceable, the interests of the owners of the Series 2021 Bonds would be diluted, because all outstanding debt then must be paid from a diminished, legally accessible flow of revenues.

The security interest in Gross Receipts granted by the Obligated Group Members to the Master Trustee pursuant to the Master Indenture may be affected by various matters, including (i) federal bankruptcy laws which could, among other things, preclude enforceability of the security interest as to Gross Receipts arising subsequent to the commencement of bankruptcy proceedings and limit such enforceability as to Gross Receipts arising prior to such commencement, to the extent a security interest therein would constitute a voidable preference, (ii) rights of third parties in cash, securities and instruments not in possession of the Master Trustee, including accounts and general intangibles converted to cash, (iii) rights arising in favor of the United States of America or any agency thereof, (iv) present or future prohibitions against assignment in any federal statutes or regulations, (v) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and rights of donors of property, (vi) claims that might obtain priority if continuation statements are not filed in accordance with applicable laws, (vii) the rights of holders of prior perfected security interest in equipment and other goods owned by the Obligated Group Members and in the proceeds of sale of such property, (viii) statutory liens, and (ix) the rights of parties secured by Permitted Liens (as defined in Appendix C hereto). If an event of default does occur, it is uncertain that the Master Trustee could successfully obtain an adequate remedy at law or in equity on behalf of the owners of the Series 2021 Bonds. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Additional Indebtedness

The Master Indenture permits any Member of the Obligated Group to incur additional Indebtedness, which may be equally and ratably secured with the Series 2021 Obligation. Any such additional parity indebtedness would be entitled to share ratably with the holders of the Series 2021 Obligation, as set forth in the Master Indenture, in any money realized from the exercise of remedies in the event of a default under the Master Indenture. The issuance of additional parity indebtedness could impair the ability of Williamsburg Landing to maintain its compliance with certain covenants described in the proposed form of Master Indenture in Appendix C hereto. There is no assurance that, despite compliance with the conditions upon which additional Indebtedness may be incurred at the time such debt is created, the ability of Williamsburg Landing to make the necessary payments to repay the Series 2021 Obligation may not be materially adversely affected upon the incurrence of additional Indebtedness. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Risk of Early Redemption

Purchasers of the Series 2021 Bonds, including those who purchase Series 2021 Bonds at a price in excess of their principal amount or who hold such bonds trading at a price in excess of par, should consider the fact that the Series 2021 Bonds are subject to optional and mandatory redemption at a redemption price equal to their principal amount plus accrued interest upon the occurrence of certain events. This could occur, for example, in the event that the Series 2021 Bonds are prepaid as a result of a casualty or condemnation award affecting the Mortgaged Premises or there is a default under the Deed of Trust. See "THE SERIES 2021 BONDS." Under such circumstances, a purchaser of the Series 2021 Bonds whose bonds are called for early redemption may not have the opportunity to hold such bonds for a time period consistent with such purchaser's original investment intentions and may lose any premium paid for the Series 2021 Bonds.

Bankruptcy

Although the security under the Deed of Trust and the lien on the Pledged Assets given for the benefit of holders of Obligations are superior to the claims of other creditors (subject to the limitations set forth in “SECURITY FOR THE SERIES 2021 BONDS”), bankruptcy and similar proceedings against Williamsburg Landing and usual equity principles may affect the enforcement of rights to such security. The filing by, or against, Williamsburg Landing or the Authority for relief under the United States Bankruptcy Code (the “Bankruptcy Code”) would have an adverse effect on the ability of the Master Trustee and holders of the Series 2021 Bonds to enforce their claim or claims to the security granted by the Master Indenture, and their claim or claims to money owed them as unsecured claimants, if any. The filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against Williamsburg Landing or the Authority, as applicable, and their respective property and as an automatic stay of any act or proceeding to enforce a lien against such property. Moreover, following such a filing the revenues and accounts receivable and other property of Williamsburg Landing or the Authority, as applicable, acquired after the filing (and under some conditions prior to the filing) would not be subject to the liens and security interests created under the Master Indenture. In addition, the bankruptcy court has the power to issue any order, process or judgment that is necessary or appropriate to carry out the provisions of the Bankruptcy Code; such a court order could require that the property of Williamsburg Landing or the Authority, as applicable, including the Gross Receipts of Williamsburg Landing and proceeds thereof, to be used for the benefit of Williamsburg Landing, despite the lien and security interest of the Master Trustee and the Deed of Trust therein.

The amount of the secured claim which could be filed by the Master Trustee on behalf of the holders of the Series 2021 Bonds would be limited to the value of the Pledged Assets and the Mortgaged Premises. This amount would likely be less than the principal amount of all Obligations including the Series 2021 Obligation, since the failure of the Mortgaged Premises to produce sufficient revenues to pay operating expenses and debt service requirements prior to the bankruptcy would reduce the value of the Mortgaged Premises. To the extent the amount owed with respect to the Series 2021 Obligation and any other Obligations exceeded the value of the Mortgaged Premises and the Pledged Assets as of the date of the valuation, the excess would be an unsecured claim which would rank on parity with the claims of unsecured general creditors of Williamsburg Landing. As a result, if the Mortgaged Premises was sold following commencement of a bankruptcy proceeding, it is unclear how much the holders of the Series 2021 Bonds would receive.

In a bankruptcy proceeding, the debtor could file a plan of reorganization which modifies the rights of creditors generally, or any class of creditors, secured or unsecured. The holders of the Series 2021 Bonds may only receive post-petition interest on the Series 2021 Bonds to the extent the value of their security exceeds their claim. The plan, when confirmed by the court, binds all creditors who had notice or knowledge of the plan and discharges all claims against the debtor provided for in the plan.

No plan may be confirmed unless, among other conditions, the plan is in the best interests of creditors, is feasible and has been accepted by each class of claims impaired thereunder. Each class of claims has accepted the plan if at least two-thirds in dollar amount and more than one-half in number of the allowed claims of the class that are voted with respect to the plan are cast in its favor. Even if the plan is not so accepted, it may be confirmed if the court finds that the plan is fair and equitable with respect to each class of non-accepting creditors impaired thereunder and does not discriminate unfairly in favor of junior creditors. More particularly, the Bankruptcy Code would permit the liquidation of Williamsburg Landing or the adoption of a reorganization plan for Williamsburg Landing or the Authority, as applicable, even though such plan had not been accepted by (1) the holders of a majority in aggregate principal amount of the Series 2021 Bonds, if the plan is “fair and equitable” and does not discriminate unfairly against the holders of the Series 2021 Bonds as a class and is in the “best interest of the creditors,” which may mean that the holders of the Series 2021 Bonds are provided with the benefit of their original lien or the “indubitable equivalent;” or (2) any holder of the Series 2021 Bonds if the holders of the Series 2021 Bonds, as a class, are deemed unimpaired under the plan.

In addition, if the bankruptcy court were to conclude that the holders of the Series 2021 Bonds have “adequate protection,” it may (1) substitute other security for the security subject to the lien of the Master Indenture or (2) subordinate the lien of the holders of the Series 2021 Bonds to persons who supply credit to Williamsburg Landing or the Authority, as applicable, after commencement of the case. In the event of the bankruptcy of Williamsburg Landing or the Authority, any amount realized by the Master Trustee or holders of the Series 2021 Bonds may depend on the bankruptcy court’s interpretation of “indubitable equivalent” and “adequate protection”

under the existing circumstances. Any transfers made to the holders of the Series 2021 Bonds or the Master Trustee at or prior to the commencement of the case may be avoided and recaptured if such transfers are (1) avoidable by a judicial lien creditor who obtained its lien on the date the case commenced (regardless of whether such a creditor actually exists), (2) preferential or fraudulent or (3) voidable under applicable law by any actual unsecured creditor. The holders of the Series 2021 Bonds may also be subject to avoidance and recapture of post-petition transfers, turnover of property of the debtor which they, the Master Trustee or a custodian hold and assumption, assignment or rejection of executory contracts.

Certain judicial decisions have cast doubt upon the right of a trustee, in the event of a health care facility's bankruptcy, to collect and retain for the benefit of holders of the Series 2021 Bonds portions of revenues consisting of Medicare and other governmental receivables.

See also subsections "Mortgage; Equipment" and "Pledged Assets" in "SECURITY FOR THE SERIES 2021 BONDS."

Amendments to Documents

Certain amendments to the Master Indenture, the Bond Indenture, the Loan Agreement and the Deed of Trust may be made without notice to or the consent of the holders of the Series 2021 Bonds. Such amendments could affect the security for the Series 2021 Bonds. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

Certain Amendments to Bond Indenture and Master Indenture

In general, the Bond Indenture permits amendments to be made thereto (except for certain amendments that do not require Bondholder consent) only with the consent of the holders of a majority in aggregate principal amount of the Bonds of all series Outstanding affected by such amendment and not less than a majority in aggregate principal amount of all other Series 2021 Bonds so affected. The Bond Indenture further provides that without the consent of the owners of all Bonds at the time Outstanding nothing therein contained shall permit, or be construed as permitting, any of the following:

- (1) an extension of the maturity of the principal of or the interest on any Series 2021 Bond, or
- (2) a reduction in the principal amount of any Series 2021 Bond or the rate of interest thereon, or
- (3) an extension of time or a reduction in amount of any payment required by any sinking fund that may be applicable to any Series 2021 Bond, or
- (4) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or
- (5) a reduction in the aggregate principal amount of Series 2021 Bonds required for consent to such supplemental indenture, without the consent and approval of the holders of all of the Series 2021 Bonds then outstanding.

Notwithstanding the foregoing, the Bond Indenture provides that (i) during any period of time in which an Event of Default has occurred and is continuing, an amendment of the type described in clauses described in clauses (1), (2), (3), (4) or (5) above may be made with the consent of the Holders of at least eighty percent (80%) in aggregate principal amount of all Outstanding Series 2021 Bonds; provided, however, any such amendment shall not result in a change in preference or priority of any Series 2021 Bond over any other Series 2021 Bond and no such amendment described in clauses (1), (2), (3), (4) or (5) shall result in a disproportionate change, reduction or modification with respect to any Series 2021 Bonds.

This provision is intended to make it easier for Williamsburg Landing to restructure its indebtedness, including the Series 2021 Bonds, if an Event of Default has occurred, without having to file for bankruptcy under the federal Bankruptcy Code. In the absence of a provision such as this in the Bond Indenture, such a change in payment terms of the Series 2021 Bonds could only be made under a plan of reorganization approved by a Bankruptcy Court. The consent of the holders of 100% of the Series 2021 Bonds would be extremely difficult to obtain, and a bankruptcy filing would necessarily involve delay and expense which could affect the ability of

Williamsburg Landing to accomplish a successful reorganization. The eighty percent (80%) consent requirement would only be in effect if an Event of Default occurred and was continuing.

Prospective purchasers of the Series 2021 Bonds are advised that this provision means there is a risk that if an Event of Default occurs, there may be an amendment made to the Bond Indenture which affects the payment provisions of the Series 2021 Bonds such purchaser holds, the priority of payment of such Series 2021 Bonds or other matters described in clauses (1) through (5) above. This amendment may be made without the consent of such purchasers, if the holders of eighty percent (80%) in aggregate principal amount of the Series 2021 Bonds of the same maturity consent to such amendment, and the other conditions to such are met.

The Master Indenture contains a similar provision to that described above; provided, however, that the consent of all of the Holders of the Series 2021 Obligation is required for such changes and the consent of the Holders of at least eighty percent (80%) in aggregate principal amount of the Series 2021 Obligation and all future Obligations issued under the Master Indenture is required for such changes. See Appendix C – Copies and Proposed Forms of Principal Financing Documents hereto.

Certain Matters Relating to Enforceability of the Master Indenture

The obligations of the Obligated Group and any future Member of the Obligated Group under the Series 2021 Obligations will be limited to the same extent as the obligations of debtors typically are affected by bankruptcy, insolvency and the application of general principles of creditors' rights and as additionally described below.

The accounts of the Obligated Group and any future Member of the Obligated Group will be combined for financial reporting purposes and will be used in determining whether various covenants and tests contained in the Master Indenture (including tests relating to the incurrence of Additional Indebtedness) are met, notwithstanding the uncertainties as to the enforceability of certain obligations of the Obligated Group contained in the Master Indenture which bear on the availability of the assets and revenues of the Obligated Group to pay debt service on Master Obligations, including the Series 2021 Obligation pledged under the Master Indenture as security for the Series 2021 Bonds. The obligations described herein of the Obligated Group to make payments of debt service on Master Obligations issued under the Master Indenture (including transfers in connection with voluntary dissolution or liquidation) may not be enforceable to the extent (1) enforceability may be limited by applicable bankruptcy, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights and by general equitable principles and (2) such payments (a) are requested with respect to payments on any Master Obligations issued by a Member other than the Member from which such payment is requested, issued for a purpose which is not consistent with the charitable purposes of the Member of the Obligated Group from which such payment is requested or issued for the benefit of a Member of the Obligated Group which is not a "governmental unit" within the meaning of Section 141 of the Code or any person organized under the laws of the United States of America, or any state thereof, that is an organization described in Section 501(c)(3) of the Code exempt from federal income taxation under Section 501(a) of the Code; (b) are requested to be made from any money or assets which are donor-restricted or which are subject to a direct or express trust which does not permit the use of such money or assets for such a payment; (c) would result in the cessation or discontinuation of any material portion of the health care or related services previously provided by the Member of the Obligated Group from which such payment is requested; or (d) are requested to be made pursuant to any loan violating applicable usury laws. The extent to which the assets of any future Member of the Obligated Group may fall within the categories (b) and (c) above with respect to the Series 2021 Obligation cannot now be determined. The amount of such assets which could fall within such categories could be substantial.

A Member of the Obligated Group may not be required to make any payment on any Obligation, or portion thereof, the proceeds of which were not loaned or otherwise disbursed to such Member of the Obligated Group to the extent that such payment would render such Member of the Obligated Group insolvent or which would conflict with or not be permitted by or which is subject to recovery for the benefit of other creditors of such Member of the Obligated Group under applicable laws. There is no clear precedent in the law as to whether such payments from a Member of the Obligated Group in order to pay debt service on the Series 2021 Obligation may be voided by a trustee in bankruptcy in the event of bankruptcy of a Member of the Obligated Group, or by third-party creditors in an action brought pursuant to Virginia fraudulent conveyance statutes. Under the Bankruptcy Code, a trustee in bankruptcy and, under Virginia fraudulent conveyance statutes and common law, a creditor of a related guarantor,

may avoid any obligation incurred by a related guarantor if, among other bases therefor, (1) the guarantor has not received fair consideration or reasonably equivalent value in exchange for the guaranty and (2) the guaranty renders the guarantor insolvent, as defined in the Bankruptcy Code or Virginia fraudulent conveyance statutes, or the guarantor is undercapitalized.

Application by courts of the tests of “insolvency,” “reasonably equivalent value” and “fair consideration” has resulted in a conflicting body of case law. It is possible that, in an action to force a Member of the Obligated Group to pay debt service on an Obligation for which it was not the direct beneficiary, a court might not enforce such a payment in the event it is determined that such Member is analogous to a guarantor of the debt of the Obligated Group who directly benefited from the borrowing and that sufficient consideration for such Member’s guaranty was not received and that the incurrence of such Obligation has rendered or will render the such Member insolvent.

Liquidation of Security May Not be Sufficient in the Event of a Default

The Bond Trustee and the Authority must look solely to the Mortgaged Premises, the Pledged Assets, and any funds held under the Bond Indenture and the Master Indenture to pay and satisfy the Series 2021 Bonds in accordance with their terms. The Bondholders are dependent upon the success of the Community and the value of the assets of Williamsburg Landing for the payment of the principal of, redemption price, if any, and interest on, the Series 2021 Bonds. Williamsburg Landing has not made any representations to Bondholders regarding the current market value of the Community. In the event of a default, the value of the Mortgaged Premises may be less than the amount of the outstanding Series 2021 Bonds, since the Mortgaged Premises exists for the narrow use as a continuing care retirement community. The special design features of a continuing care facility and the continuing rights of residents under continuing care and lease agreements may make it difficult to convert the Mortgaged Premises to other uses, which may have the effect of reducing its attractiveness to potential purchasers.

Availability of Remedies

The remedies available to the Bond Trustee, the Master Trustee and the owners of the Series 2021 Bonds upon an event of default under the Bond Indenture and the Master Indenture are in many respects dependent upon judicial actions that are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including, specifically, the United States Bankruptcy Code, the remedies provided in the Bond Indenture and the Master Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principals of equity and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors’ generally and laws relating to fraudulent conveyances.

Limitations on Security Interest in Pledged Assets and Other Collateral

The security interest in the Pledged Assets and the proceeds thereof will be perfected to the extent, and only to the extent, that such security interest may be perfected by filing financing statements under the Uniform Commercial Code of the Commonwealth of Virginia (the “UCC”). Continuation statements with respect to such filings must be filed periodically as required by law to continue the perfection of such security interest. To the extent that the security interest in such property cannot be perfected by filing a financing statement, the security interest therein may not be enforceable against third parties unless such collateral is transferred to the Master Trustee (which is required only upon the occurrence of an Event of Default under the Master Indenture). In such event, the Master Trustee may not be able to compel certain third-party payors to make payment directly to the Master Trustee. The enforcement of the security interest in such collateral may further be limited by the following: (a) statutory liens, (b) rights arising in favor of the United States of America or any agency thereof, (c) current or future prohibitions against assignment contained in any federal or State statutes or regulations, (d) constructive trusts, equitable liens or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction and (e) federal bankruptcy laws, Commonwealth of Virginia receivership or fraudulent conveyance laws or similar laws affecting creditors’ rights that may affect the enforceability of the Master Indenture or the security interest in such collateral.

See also subsections “Mortgage; Equipment” and “Pledged Assets” in the section “SECURITY FOR THE SERIES 2021 BONDS” herein on limitations on security interest in the Pledged Assets and the Equipment.

Health Care Reform

The enactment of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 and the Health Care and Education Reconciliation Act of 2021 (collectively, “ACA”) represents a significant reform of federal health care legislation. Additionally, Congress continues to consider the adoption of additional laws to modify several aspects of such legislation. The ACA has significantly altered and continues to alter the delivery of healthcare in the United States, including healthcare coverage, financing and payment, and legal obligations of health insurers, providers, and employers. The ACA and its continued implementation have been and remain politically controversial and subject to potential legislative or judicial changes and challenges. Therefore, it is not possible to predict the impact any modifications or full or partial repeal of the ACA, or any replacement health care legislation may have on the Obligated Group. Any legal, legislative, or executive actions that alter the health care marketplace, reduce federal spending, increase the number of individuals without insurance coverage, reduces the number of individuals seeking health care services, or otherwise alters or affects the health care marketplace could have a material effect on the Obligated Group.

Many ACA provisions could have a significant impact on health care providers, including their operations and revenues, and such impact could be negative. For example, expanded health insurance coverage, in particular, could affect the composition of the population enrolled in various public and private health plans, potentially resulting in a capacity strain on provider networks or unanticipated service costs. The ACA attempts to increase competition among private health insurers by providing for transparent state insurance exchanges. The ACA also prevents private insurers from adjusting insurance premiums based on health status, gender, or other specified factors. Further, to offset the cost of expanded health care coverage and implementation of reform, the ACA includes cuts in Medicare reimbursement and increased taxes. Cost-cutting provisions will impact health care providers by reducing or eliminating reimbursement for failure to satisfy certain quality requirements and reduction of Medicare market basket updates.

The ACA reduces payments for services to federally-insured patients because Congress expected that providers will realize savings in bad debt and charity care expenses, since they are expected to provide care to fewer uninsured patients as a result of mandated increases in insurance coverage. The constitutionality of certain ACA provisions designed to expand health insurance coverage has faced numerous challenges. While the private insurance mandate has been upheld by the Supreme Court, certain provisions were found to be unconstitutional. Members of Congress continue to propose a repeal or amendment of the ACA and there is no assurance that it will be continued in its current form. It is difficult to predict the full impact of the ACA’s continued implementation due to the law’s complexity, lack of implementing regulations or interpretive guidance and gradual implementation, as well as an inability to foresee how states, businesses and individuals will respond to the choices afforded them by the law. The Obligated Group is therefore unable to predict the full impact of the ACA on it at this time.

Health care providers are likely to be subjected to decreased reimbursement as a result of implementation of recommendations of the ACA-created Independent Payment Advisory Board, whose directive is to reduce Medicare cost growth. The Board’s recommended reductions would be automatically implemented unless Congress adopts alternative legislation that meets equivalent savings targets. ACA provisions relating to SNFs include requirements that facilities (i) make certain disclosures regarding ownership; (ii) implement compliance and ethics programs; and (iii) make certain disclosures regarding expenditures for wages and benefits for direct care staff. In addition, the ACA may affect SNF reimbursement through the creation of value-based purchasing payment and post- acute care payment bundling programs and may place limitations on SNF payments for health care acquired conditions. Investors are encouraged to review legislative, legal, and regulatory developments as they occur and to assess the elements and potential effects of the health care reform initiative as it evolves.

Third-Party Payments and Managed Care

General. In the environment of increasing managed care, the Obligated Group can expect additional challenges in maintaining its resident population and attendant revenues. Third-party payors, such as health maintenance organizations, direct their subscribers to providers who have agreed to accept discounted rates or reduced per diem charges. Continuing care retirement communities are less sensitive to this directed utilization than

standalone skilled nursing facilities; however, the risk may increase and the Obligated Group may be required to accept residents under such conditions should managed care cost reduction measures now pervasive in the health care industry continue to grow.

The health care industry in general is subject to regulation by a number of federal, state and local governmental agencies. As a result, the industry is sensitive to legislative changes in such programs and is affected by reductions in governmental spending for such programs. Congress has in the past enacted a number of provisions that affect health care providers, and additional legislative changes can be expected. Previous legislative actions have included limitation of payments to nursing homes under the Medicare program. Additional legislation dealing with nursing home revenues could be introduced that, if enacted, might have an adverse impact upon the revenues of the Obligated Group.

Uncertainty of Investment Income

A portion of Williamsburg Landing's revenues available to pay debt service is expected to come from investment income and net realized gains on the investment of available funds. The amount of such interest earnings and gains will fluctuate with changes in prevailing interest rates and financial market conditions. Williamsburg Landing's investment earnings were approximately \$_____ in the fiscal year ended December 31, 2020.

Cybersecurity

Like many organizations, the Obligated Group is highly dependent on digital technologies. These systems necessarily hold large quantities of highly sensitive protected health information that is highly valued on the black market. As a result, the electronic systems and networks of organizations like the Obligated Group are considered likely targets for cyber-attacks and other potential breaches of their systems. In addition to regulatory fines and penalties, the healthcare entities subject to the breaches may be liable for the costs of remediating the breaches, damages to individuals whose information has been breached, reputational damage and business loss, and damage to the information technology infrastructure. The Obligated Group has taken, and continues to take, measures to protect its information technology system against such cyber-attacks, but there can be no assurance that the Obligated Group will not experience a significant breach. If such a breach occurs, the financial consequences of such a breach could have a materially adverse impact on the Obligated Group. Williamsburg Landing does carry cybersecurity insurance.

Associated with the Bank Debt and Other Bank Financing

[The Series 2021B Bonds and the Taxable Loan and their relationship to the Series 2021 Bonds create certain risks to the holders of the Series 2021 Bonds not associated with a transaction consisting of a single series of fixed rate, publicly offered bonds.

The Series 2021B Obligation and the 2021 Taxable Obligation will constitute approximately 54%* of all Obligations outstanding under the Master Indenture at the time the Series 2021 Bonds are issued. Accordingly, Truist Bank will have a significant degree of control over the declaration of defaults and the exercise of remedies as well as amendments to the Master Indenture.

The financing documents under which such debt is issued to Truist Bank (the "Bank Debt Documents") contain certain covenants of the Obligated Group that are either not contained in the Master Indenture or the Loan Agreement or that are similar but vary in some respects from the covenants contained in the Master Indenture and the Loan Agreement. Notably, the Bank Debt Documents contain the following covenants that different from those in the Master Indenture:

1. Long-Term Debt Service Coverage Ratio: If (i) such ratio is under 1.20 but Days' Cash on Hand, the Bank Debt Documents require Williamsburg Landing to hire a Consultant even if Days' Cash on Hand exceeds 300 days, (ii) such ratio is under 1.20 and Days' Cash on Hand is less than 300 days for two

* Preliminary; subject to change.

consecutive Fiscal Years, it is an event of default under the Bank Debt Documents and (iii) the Long-Term Debt Service Coverage Ratio is less than 1.00 for any Fiscal Year, it is an event of default under the Bank Debt Documents.

2. **Liquidity Covenant.** The Bank Debt Documents provide that (i) Days' Cash on Hand shall be a minimum of 150 days, tested semiannually, (ii) if the Days' Cash on Hand is below 150 days, the Bank Debt Documents require Williamsburg Landing to hire a Consultant and (iii) if the Days' Cash on Hand is below 120 days, it is an event of default under the Bank Debt Documents.

3. **Disposition of Cash.** The Bank Debt Documents prohibit Williamsburg Landing (i) from making loans if after giving effect to the loan, Williamsburg Landing would have less than 400 Days' Cash on Hand, and (ii) from making payments on Subordinate Indebtedness if after such payments Williamsburg Landing would have less than 350 Days' Cash on Hand or a Long-Term Debt Service Coverage Ratio of less than 1.35.

Thus, although Williamsburg Landing may be in compliance with the provisions of the Master Indenture, it may nonetheless be in default under the terms of the Bank Debt Documents, which could lead to early acceleration and redemption of the Bank Debt. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto to see the covenants contained in the Master Indenture and the Loan Agreement. Williamsburg Landing's reporting requirements under the Bank Debt Documents are consistent with its reporting requirements described in "FINANCIAL REPORTING AND CONTINUING DISCLOSURE" and Appendix E except that Williamsburg Landing is required to provide its next year's annual budget within 30 days after the end of a Fiscal Year.]

In addition to the Prior Indebtedness and the Series 2021 Bonds, the Obligated Group may incur additional debt in the future, through private placements with one or more financial institutions (each, "Bank Debt"). The terms of each Bank Debt will likely be negotiated separately and could create certain risks that could negatively affect the Obligated Group's ability to make the payments on the Series 2021 Bonds. The risks associated with Bank Debt include, but are not limited to, the following:

(a) being variable rate (which would subject the Obligated Group to interest rate risk, if interest rates were to increase);

(b) having a balloon payment at maturity or call date (which would subject the Obligated Group to either a large payment of cash at maturity or require the Obligated Group to obtain alternate financing, and there could be no guarantee that the Obligated Group could accomplish either); and

(c) having financial covenants that are more restrictive than those in the Master Indenture, the Bond Indenture, the Loan Agreement or the Series 2021 Obligation (which could result in a situation where the Obligated Group is in default of its obligations under Bank Debt but not the Series 2021 Bonds and thus result in an acceleration of the Series 2021 Bonds), and

(d) having the holder of the Bank Debt exercise certain remedies if the Obligated Group defaults on its obligations under the Master Indenture (specifically, if the holder of one or more issues of Bank Debt controls a significant proportion of the Obligations outstanding under the Master Indenture, that holder could exercise certain remedies in a default scenario).

Risks Associated with Swaps

The Obligated Group may enter into interest rate swaps or hedge agreements from time to time. Such agreements may be issued as Derivative Obligations under the Master Indenture, and may provide that all payments due thereunder, including termination payments, be on parity with all Obligations under the Master Indenture, including the Series 2021 Obligation. Any interest rate swap or other hedge agreement to which any Member of the Obligated Group is a party may, at any time, have a negative value. There may also be automatic termination events under the swap agreements and other provisions that give the Obligated Group or the swap provider the right to terminate the applicable swap agreement. If either a swap or other hedge counterparty or the Obligated Group

terminates such an agreement when the agreement has a negative value to the Obligated Group, the Obligated Group would generally be obligated to make a termination payment to the counterparty in the amount of such negative value, and such payment could be substantial. An early termination of a swap or hedge agreement entered into by the Obligated Group could reduce the amount of funds available to the Obligated Group to pay the principal of and interest due on the Series 2021 Bonds. In addition, if certain events occur, the Obligated Group may be required to deliver collateral to secure the amount that would be owed to the counterparty under any interest rate swap or other hedge agreement if such agreement were to be terminated at that time, and the amount of collateral required to be delivered could be substantial. A required posting of collateral could reduce the amount of funds available to the Obligated Group to pay the principal of and interest due on the Series 2021 Bonds.

Federal Tax Matters

Possible Changes in Williamsburg Landing's Tax Status. The possible modification or repeal of certain existing federal income or state tax laws or other loss by Williamsburg Landing of the present advantages of certain provisions of the federal income or state tax laws could materially and adversely affect the status of Williamsburg Landing and thereby the revenues of Williamsburg Landing. Williamsburg Landing has obtained a determination letter from the IRS to the effect that Williamsburg Landing is exempt from federal income taxation under Section 501(a) of the Code by virtue of being an organization described in Section 501(c)(3) of the Code. As an exempt organization, Williamsburg Landing is subject to a number of requirements affecting its operation. The failure of Williamsburg Landing to remain qualified as an exempt organization would affect the funds available to Williamsburg Landing for payments to be made under the Loan Agreement. Failure of Williamsburg Landing or the Authority to comply with certain requirements of the Code, or adoption of amendments to the Code to restrict the use of tax-exempt bonds for facilities such as those being refunded with Series 2021 Bond proceeds, could cause interest on the Series 2021 Bonds to be included in the gross income of holders of Series 2021 Bonds or former holders of Series 2021 Bonds for federal income tax purposes.

It is not possible to predict the scope or effect of future legislative or regulatory actions with respect to taxation of charitable organizations. There can be, however, no assurance that future changes in the laws and regulations of the federal, state or local governments will not materially and adversely affect the operations and revenues of Williamsburg Landing by requiring it to pay income taxes.

Intermediate Sanctions. Section 4958 of the Code, provides the IRS with an "intermediate" tax enforcement tool to combat violations by tax-exempt organizations of the private inurement prohibition of the Code. Previous to the "intermediate sanctions law," the IRS could punish such violations only through revocation of an entity's tax-exempt status. Intermediate sanctions may be imposed where there is an "excess benefit transaction," defined to include a disqualified person (i.e., a director, officer or other related party) (1) engaging in a non-fair market value transaction with the tax-exempt organization; (2) receiving excessive compensation from the tax-exempt organization; or (3) receiving payment in an arrangement that violates the private inurement proscription. A disqualified person who benefits from an excess benefit transaction will be subject to a "first tier" penalty excise tax equal to 25% of the amount of the excess benefit. Organizational managers who participate in an excess benefit transaction knowing it to be improper are subject to a first-tier penalty excise tax of 10% of the amount of the excess benefit, subject to a maximum penalty of \$10,000. A "second tier" penalty excise tax of 200% of the amount of the excess benefit may be imposed on the disqualified person (but not the organizational manager) if the excess benefit transaction is not corrected in a specified time period.

Bond Audit. IRS officials have stated that more resources will be allocated to audits of tax-exempt bonds in the charitable organization sector. The Series 2021 Bonds may be subject to audit, from time to time, by the IRS. Williamsburg Landing believes that the Series 2021 Bonds properly comply with applicable tax laws and regulations. In addition, Bond Counsel will render an opinion with respect to the tax-exempt status of the Series 2021 Bonds, as described under the heading "TAX MATTERS" below. No ruling with respect to the tax-exempt status of the Series 2021 Bonds has been or will be sought from the IRS, however, and opinions of counsel are not binding on the IRS or the courts, and are not guarantees. There can be no assurance, therefore, that an audit of the Series 2021 Bonds will not adversely affect the Series 2021 Bonds.

Other Tax Status Issues. The IRS has also issued Revenue Rulings dealing specifically with the manner in which a facility providing residential services to the elderly must operate in order to maintain its exemption under

Section 501(c)(3). Revenue Rulings 61-72 and 72-124 hold that, if otherwise qualified, a facility providing residential services to the elderly is exempt under Section 501(c)(3) if the organization (1) is dedicated to providing, and in fact provides or otherwise makes available services for, care and housing to aged individuals who otherwise would be unable to provide for themselves without hardship, (2) to the extent of its financial ability, renders services to all or a reasonable proportion of its residents at substantially below actual cost, and (3) renders services that minister to the needs of the elderly and relieve hardship or distress. Revenue Ruling 79-18 holds that a facility providing residential services to the elderly may admit only those tenants who are able to pay full rental charges, provided that those charges are set at a level that is within the financial reach of a significant segment of the community's elderly persons, and that the organization is committed by established policy to maintaining persons as residents, even if they become unable to pay the monthly charges after being admitted to the facility.

Other Legislation. Section 7872 of the Code (Treatment of Loans with Below Market Interest Rates), provides for, in certain circumstances, the imputation of interest income to a lender when the rate of interest charged by the lender is below prevailing market rates (as determined under a formula) or, even if the below market interest rate loan would otherwise be exempt from the provisions of Section 7872, when one of the principal purposes for such below market rate loan is the avoidance of federal income taxation.

A refundable entrance fee payment made by a resident to certain continuing care facilities has been determined under Section 7872 to constitute a below market interest rate loan by the resident to the facility to the extent that the resident is not receiving a market rate of interest on the refundable portion of the entrance fee. Section 7872(h) provides a "safe harbor" exemption for certain types of refundable entrance fees. The statutory language of Section 7872 does not permit a conclusive determination as to whether the Residency Agreements come within the scope of the continuing care facility safe harbor or within the statute itself.

Provided the residency agreement falls within the scope of Section 7872, the safe harbor exemption under Section 7872(h) is applicable (i) if such loan was made pursuant to a continuing care contract, (ii) if the resident (or the resident's spouse) has attained age 62 before the close of the year and (iii) irrespective of the amount of the "loan" by the resident (or the resident's spouse) to the continuing care facility. Section 425 of the Tax Relief and Health Care Act of 2006 amended Section 7872(h) to make the exemption for loans to qualifying care facilities permanent.

Any determination of applicability of Section 7872 could have the effect of discouraging potential residents from becoming or remaining residents of the Facility.

In recent years the IRS and members of Congress have expressed concern about the need for more restrictive rules governing the tax-exempt status of 501(c)(3) organizations generally and of retirement communities in particular. Legislation has been previously introduced restricting the ability of such organizations to utilize tax-exempt bonds unless they maintain a required percentage of low to moderate income residents. Although Williamsburg Landing has covenanted to take all appropriate measures to maintain its tax-exempt status, compliance with current and future regulations and rulings of the IRS could adversely affect the ability of Williamsburg Landing to charge and collect revenues at the level required by the Loan Agreement, finance or refinance indebtedness on a tax-exempt basis or otherwise generate revenues necessary to provide for payment of the Series 2021 Bonds.

Other Risk Factors

Various other risk factors, such as fluctuations in interest rates and changes in tax laws affecting Williamsburg Landing's cost of capital, could also affect the future financial strength or operational efficiency of Williamsburg Landing, and therefore its ability to make required payments of principal and interest on the Series 2021 Obligations. A significant portion of the budget of Williamsburg Landing relates to fixed expenses, which cannot be easily reduced or eliminated.

The occurrence of any of the following events, or other unanticipated events, could adversely affect the operations of Williamsburg Landing:

- (1) Litigation;
- (2) Reinstatement or establishment of mandatory governmental wage, rent or price controls;

- (3) Inability to control increases in operating costs, including salaries, wages and fringe benefits, supplies and other expenses, given an inability to obtain corresponding increases in revenues from residents whose incomes will largely be fixed;
- (4) Adoption of other federal, state or local legislation or regulations having an adverse effect on the future operating or financial performance of Williamsburg Landing;
- (5) The cost and availability of energy;
- (6) Increased unemployment or other adverse economic conditions in the service areas of the Obligated Group which would increase the proportion of patients who are unable to pay fully for the cost of their care
- (7) Any increase in the quantity of indigent care provided which is mandated by law or required due to increased needs of the Community in order to maintain the charitable status of Williamsburg Landing;
- (8) Inflation or other adverse economic conditions;
- (9) Inability to control the diminution of patients' assets or insurance coverage with the result that the patients' charges are reimbursed from government reimbursement programs rather than private payments;
- (10) Changes in tax, pension, social security or other laws and regulations affecting the provisions of health care and other services to the elderly;
- (11) The occurrence of natural disasters, including hurricanes, volcanic eruptions and typhoons, floods or earthquakes, which may damage the Community, interrupt utility service to the Community, or otherwise impair the operation and generation of revenues from the Community;
- (12) Cost and availability of any insurance, such as malpractice, fire, automobile and general comprehensive liability, that organizations such as Williamsburg Landing generally carry.
- (13) The actuarial assumptions regarding life expectancy and inflation used by the Obligated Group to calculate Entrance Fees and Monthly Service Fees prove inaccurate.
- (14) Unionization, employee strikes and other adverse labor actions which could result in a substantial increase in expenditures without a corresponding increase in revenues.

UNDERWRITING

The Authority, Williamsburg Landing and the Underwriter will enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") which provides that the Underwriter will purchase the Series 2021 Bonds at a purchase price reflecting an underwriter's discount of \$ _____.

The obligation of the Underwriter to pay for the Series 2021 Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement, including delivery of specified opinions of counsel and of a certificate of Williamsburg Landing that there has been no material adverse change in its condition (financial or otherwise) from that set forth in this Official Statement. Williamsburg Landing has agreed in the Bond Purchase Agreement to indemnify the Underwriter against certain liabilities relating to this Official Statement.

The Underwriter may offer and sell Series 2021 Bonds to certain dealers (including dealer banks and dealers depositing Series 2021 Bonds into investment trusts) and others at prices lower than the public offering prices stated on the inside cover of this Official Statement. Such initial public offering prices may be changed from time to time by the Underwriter.

SERIES 2021 BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS

The Act provides that bonds issued pursuant thereto shall be securities in which all public officers and public bodies of the Commonwealth of Virginia and all its political subdivisions, all insurance companies, trust

companies, banking associations, investment companies, executors, trustees and other fiduciaries may properly and legally invest funds. No representation is made as to the eligibility of the Series 2021 Bonds for investment or any other purpose under any law of any other state. The Act also provides that bonds issued pursuant thereto may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the Commonwealth of Virginia for any purpose for which the deposit of bonds or obligations of the Commonwealth of Virginia is now or may hereafter be authorized by law.

TAX MATTERS

Opinion of Bond Counsel - Federal Income Tax Status of Interest

The opinion of McGuireWoods LLP, Richmond, Virginia, (“Bond Counsel”), will state that, under current law and assuming the compliance with the Covenants, as hereinafter defined, by the Authority, Williamsburg Landing and certain other persons and entities, interest on the Series 2021 Bonds (i) is excludable from the gross income of the owners of the Series 2021 Bonds for purposes of federal income taxation under Section 103 of the Code, and (ii) is not a specific item of tax preference for purposes of the federal alternative minimum tax. See Appendix D for the form of the opinion of Bond Counsel for the Series 2021 Bonds.

Bond Counsel will express no opinion regarding other federal tax consequences arising with respect to the Series 2021 Bonds.

Bond Counsel’s opinion speaks as of its date, is based on current legal authority and precedent, covers certain matters not directly addressed by such authority and precedent, and represents Bond Counsel’s judgment as to the proper treatment of interest on the Series 2021 Bonds for federal income tax purposes. Bond Counsel’s opinion does not contain or provide any opinion or assurance regarding the future activities of the Authority or the Obligated Group or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Authority and Williamsburg Landing have covenanted, however, to comply with the requirements of the Code.

Reliance and Assumptions; Effect of Certain Changes

As to questions of fact materials to its opinion, Bond Counsel is relying upon and assuming the accuracy of certifications and representations of the Authority, Williamsburg Landing, public officials and certain other third parties, which Bond Counsel has not independently verified.

In addition, Bond Counsel is assuming continuing compliance with the Covenants (as hereinafter defined) by the Authority and Williamsburg Landing. The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied after the issuance of the Series 2021 Bonds in order for interest on the Series 2021 Bonds to be and remain excludable from gross income for purposes of federal income taxation. These requirements include, by way of example and not limitation, the requirement that each Member of the Obligated Group maintain its status as an organization described in Section 501(c)(3) of the Code, restrictions on the use, expenditure and investment of the proceeds of the Series 2021 Bonds and the use of the property refunded by the Series 2021 Bonds, limitations on the source of the payment of and the security for the Series 2021 Bonds, and the obligation to rebate certain excess earnings on the gross proceeds of the Series 2021 Bonds to the Treasury of the United States (the “Treasury”). The Bond Indenture, the Loan Agreement and the tax certificate delivered at closing contain covenants (the “Covenants”) under which the Authority and Williamsburg Landing have agreed to comply. A failure to comply with the Covenants could cause interest on the Series 2021 Bonds to become includable in gross income for federal income tax purposes retroactively to their date of issue. In the event of noncompliance with the Covenants, the available enforcement remedies may be limited by applicable provisions of law and, therefore, may not be adequate to prevent interest on the Series 2021 Bonds from becoming includable in gross income for federal income tax purposes. Compliance by the Authority with its respective Covenants does not require the Authority to make any financial contribution for which it does not receive funds from the Obligated Group.

Bond Counsel has no responsibility to monitor compliance with the Covenants after the date of issue of the Series 2021 Bonds.

Certain requirements and procedures contained, incorporated or referred to in the Bond Indenture, the Loan Agreement and the tax certificate, including the Covenants, may be changed and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth therein. Bond Counsel expresses no opinion concerning any effect on the excludability of interest on the Series 2021 Bonds from gross income for federal income tax purposes of any such subsequent change or action that may be made, taken or omitted upon the advice or approval of counsel other than Bond Counsel.

Certain Collateral Federal Tax Consequences

The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021 Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner thereof. Prospective purchasers of the Series 2021 Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning or disposing of the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, certain corporations (including S corporations and foreign corporations), certain foreign corporations subject to the “branch profits tax,” individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations and taxpayers attempting to qualify for the earned income tax credit.

In addition, prospective purchasers should be aware that the interest paid on, and the proceeds of the sale of, tax-exempt obligations, including the Series 2021 Bonds, are in many cases required to be reported to the IRS in a manner similar to interest paid on taxable obligations. Additionally, backup withholding may apply to any such payments made after March 31, 2007 to any owner of a Series 2021 Bond who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any owner of a Series 2021 Bond who is notified by the IRS of a failure to report all interest and dividends required to be shown on federal income tax returns. The reporting and withholding requirements do not in and of themselves affect the excludability of interest on the Series 2021 Bonds from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Original Issue Discount

The “original issue discount” (“OID”) on any Series 2021 Bond is the excess of such bond’s stated redemption price at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of such bond. The “issue price” of a bond is the initial offering price to the public at which price a substantial amount of such bonds of the same maturity was sold. The issue price for each maturity of the Series 2021 Bonds is expected to be the initial public offering price set forth on the inside front cover page of this Official Statement, but is subject to change based on actual sales. Accrued OID on the Series 2021 Bonds with OID (the “OID Bonds”) is excludable from gross income for purposes of federal and Virginia income taxation. However, the portion of the OID that is deemed to have accrued to the owner of an OID Bond in each year may be included in determining the alternative minimum tax with respect to the Series 2021 Bonds and the distribution requirements of certain investment companies and may result in some of the collateral federal income tax consequences mentioned in the preceding subsection. Therefore, owners of OID Bonds should be aware that the accrual of OID in each year may result in alternative minimum tax liability, additional distribution requirements or other collateral federal and Virginia income tax consequences although the owner may not have received cash in such year.

OID is treated under Section 1288 of the Code as accruing under a constant yield method that takes into account compounding on a semiannual or more frequent basis. If an OID Bond is sold or otherwise disposed of between semiannual compounding dates, then the OID which would have accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

In the case of an original owner of an OID Bond, the amount of OID that is treated as having accrued on such OID Bond is added to the owner’s cost basis in determining, for federal income tax purposes, gain or loss upon

its disposition (including its sale, redemption or payment at maturity). The amounts received upon such disposition that are attributable to accrued OID will be excluded from the gross income of the recipients for federal income tax purposes. The accrual of OID and its effect on the redemption, sale or other disposition of OID Bonds that are not purchased in the initial offering at the initial offering price may be determined according to rules that differ from those described above.

Prospective purchasers of OID Bonds should consult their own tax advisors with respect to the precise determination for federal income tax purposes of the OID accrued upon sale or redemption of such OID Bonds and with respect to state and local tax consequences of owning OID Bonds.

Bond Premium

In general, if an owner acquires a bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that bond (a “Premium Bond”). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles. An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost. Prospective purchasers of any Premium Bond should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of such Premium Bond.

Effects of Future Enforcement, Regulatory and Legislative Actions

The IRS has established a program to audit tax-exempt obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the IRS does audit the Series 2021 Bonds, the IRS will, under its current procedures, treat the Authority as the taxpayer. As such, the beneficial owners of the Series 2021 Bonds will have only limited rights, if any, to participate in the audit or any administrative or judicial review or appeal thereof. Any action of the IRS, including but not limited to the selection of the Series 2021 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the marketability or market value of the Series 2021 Bonds.

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and various state legislatures. Such legislation may effect changes in federal or state income tax rates and the application of federal or state income tax laws (including the substitution of another type of tax), or may repeal or reduce the benefit of the excludability of interest on the tax-exempt obligations from gross income for federal or state income tax purposes.

The U.S. Department of the Treasury and the IRS are continuously drafting regulations to interpret and apply the provisions of the Code and court proceedings may be filed the outcome of which could modify the federal or state tax treatment of tax-exempt obligations. There can be no assurance that legislation proposed or enacted after the date of issue of the Series 2021 Bonds, regulatory interpretation of the Code or actions by a court involving either the Series 2021 Bonds or other tax-exempt obligations will not have an adverse effect on the Series 2021 Bonds’ federal or state tax status, marketability or market price of the Series 2021 Bonds or on the economic value of the tax-exempt status of the interest on the Series 2021 Bonds.

Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the potential consequences of any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Opinion of Bond Counsel -Virginia Income Tax Consequences

Bond Counsel's opinion also will state that, under current law, interest on the Series 2021 Bonds is excludable from the gross income of the owners thereof for purposes of income taxation by the Commonwealth of Virginia. Bond Counsel will express no opinion regarding (i) other tax consequences arising with respect to the Bonds under the laws of the Commonwealth of Virginia or (ii) any consequences arising with respect to the Series 2021 Bonds under the tax laws of any state or local jurisdiction other than the Commonwealth of Virginia. Prospective purchasers of the Series 2021 Bonds should consult their own tax advisors regarding the tax status of interest on the Series 2021 Bonds in a particular state or local jurisdiction other than the Commonwealth of Virginia.

LEGALITY

Certain legal matters relating to the authorization, issuance and sale of the Series 2021 Bonds are subject to the approving opinion of McGuireWoods LLP, Richmond, Virginia, Bond Counsel. Such opinion will be available at the time of delivery of the Series 2021 Bonds. Bond Counsel's opinion, in substantially the form set forth in Appendix E, will be limited to matters relating to the authorization and validity of the Series 2021 Bonds and to the exemption of interest on the Series 2021 Bonds under current Federal and Virginia income tax laws and will make no statement as to the ability of the Obligated Group to provide for payment of the Series 2021 Bonds.

Certain legal matters will be passed upon for the Authority by the Office of the County Attorney for James City County, Virginia; for Williamsburg Landing by its counsel, Kaufman & Canoles, P.C., Richmond, Virginia, and for the Underwriter by its counsel, Womble Bond Dickinson (US) LLP, Raleigh, North Carolina.

LITIGATION

There is now no litigation of any nature to which the Authority is a party pending or, to the knowledge of the Authority, threatened against it to restrain or enjoin the issuance, sale, execution or delivery of the Series 2021 Bonds or in any way contesting or affecting the validity of the Series 2021 Bonds or any proceedings taken with respect to the issuance or sale thereof, or in any way contesting or affecting the validity of or application of any moneys or the security provided for the Series 2021 Bonds or the existence or powers of the Authority in connection with the issuance of the Series 2021 Bonds; provided, however, the foregoing does not include any litigation that may have been filed but not served against the Authority and of which it has no knowledge. **[Please confirm.]**

Williamsburg Landing is, from time to time, subject to occasional litigation or proceedings brought by residents, employees or families of current or former residents as is customary for organizations of its type; however, management of Williamsburg Landing is of the opinion that there is no litigation or any proceedings of any nature pending or, to its knowledge, threatened against Williamsburg Landing that, if decided adverse to Williamsburg Landing, would have a material adverse effect on the financial position of Williamsburg Landing. **[Please confirm.]**

RELATIONSHIP OF PARTIES

[McGuireWoods LLP, which serves as Bond Counsel, provides legal services to Williamsburg Landing and its affiliates from time to time, and also serves as counsel to the Underwriter in unrelated matters.] Kaufman & Canoles, P.C. acts as general counsel to Williamsburg Landing.

FINANCING DOCUMENTS AND SELECTED COVENANTS

The Bond Indenture, the Master Indenture and the Loan Agreement contain certain covenants of the Obligated Group with respect to maintenance of the Obligated Group Facilities, incurrence of additional debt, creation of Liens, disposition of assets, use of bond proceeds, maintenance of Williamsburg Landing's existence as a tax-exempt, nonprofit corporation and information reporting. See Appendix C – Copies and Proposed Forms of the Financing Documents hereto. Below is a summary of selected covenants contained in the Financing Instruments and reference is made to the respective documents, copies of which are on file with the Master Trustee, for a complete statement of the rights, duties and obligations of the parties thereto.

Rate Covenant

Under the Master Indenture, the Obligated Group covenants to set rates and charges for the Obligated Group Facilities and the services and products provided therein, without considering any forecasted capital gains or losses, such that the Long Term Debt Service Coverage Ratio calculated at the end of each Fiscal Year will not be less than 1.20; provided, however, that in any case where Long Term Indebtedness has been incurred to acquire or construct capital improvements that include living units or beds, such Long Term Indebtedness shall not be taken into account in making the foregoing calculation until the earlier to occur of (1) the first full Fiscal Year next succeeding the date on which the occupancy of living units or beds in such capital improvements is expected to reach 85%, or (2) the first full Fiscal Year following the Fiscal Year in which occurs that date which is 18 months from the date such capital improvements were completed. This covenant permits the Obligated Group to exclude from the calculation of required debt service coverage, for certain limited periods, payments on indebtedness incurred for capital improvements although such payments will be made from revenues generated by the Obligated Group. Revenues included in the calculation of the Long Term Debt Service Coverage Ratio include revenues from all Facilities of the Obligated Group, not just Mortgaged Premises.

If, for any Fiscal Year (beginning in the Fiscal Year ending **[December 31, 2022]**), the Long Term Debt Service Coverage Ratio is less than 1.20 but not below 1.00 and the Days' Cash on Hand is at least 300, then the covenant described above shall be deemed to have been met; provided, however, in any case where Long Term Indebtedness has been incurred to acquire or construct capital improvements that include living units or beds, until the earlier to occur of (1) the first full Fiscal Year next succeeding the date on which the occupancy of living units or beds in such capital improvements is expected to reach 85%, or (2) the first full Fiscal Year following the Fiscal Year in which occurs that date which is 18 months from the date such capital improvements were completed, the Days' Cash on Hand shall be calculated excluding such Long Term Indebtedness and shall not include any funds or portions of such funds held by a trustee, fiscal agent or depository with respect to such Long Term Indebtedness.

If, for any Fiscal Year, the Long Term Debt Service Coverage Ratio is less than 1.20 and the Days' Cash on Hand is less than 300, the Obligated Group covenants, within 30 days following the calculation, to retain a Consultant to make recommendations to increase such Long Term Debt Service Coverage Ratio in the following Fiscal Year to 1.20. Within 60 days of retaining such Consultant, the Group Representative will file the Consultant's report and recommendations with the Master Trustee, each Member and EMMA. So long as the Obligated Group shall follow such Consultant's recommendations to the extent permitted by law, the covenant described above shall be deemed to have been met, unless (1) for any two successive Fiscal Years, the Long Term Debt Service Coverage Ratio is less than 1.20 and the Obligated Group has less than 180 Days' Cash on Hand as of each such Fiscal Year, or (2) the Long-Term debt Service Coverage Ratio is less than 1.00 for any single Fiscal Year. Therefore, failure to maintain a Long-Term Debt Service Coverage Ratio of at least 1.00 for any single Fiscal Year will be an Event of Default under the Master Indenture.

If a report of a Consultant is delivered to the Master Trustee which states that governmental restrictions have been imposed which make it impossible for the coverage requirements above to be met, then such coverage requirement shall be reduced to the maximum coverage permitted by such governmental restrictions but in no event shall the Long Term Debt Service Coverage Ratio be less than 1.00.

This section shall not be construed to (1) limit the right of the Members to establish and implement policies for the admission of residents to the Obligated Group Facilities, (2) prohibit the Members from providing services without charge or at reduced rates to persons unable to pay in whole or in part if reasonably deemed necessary by the Members to retain their tax-exempt status under applicable law or to comply with any applicable requirements of law then in effect, or (3) limit the ability of Members to grant fellowships to residents from funds received from non-recurring revenue sources designated specifically for such purpose.

Liquidity Covenant

The Obligated Group will agree to conduct its business so that, on each Liquidity Testing Date, the Obligated Group has not less than 120 Days' Cash on Hand. If the Obligated Group does not have at least 120 Days' Cash on Hand as of any Liquidity Testing Date, the Group Representative shall promptly notify the Master Trustee. If the number of Days' Cash on Hand as of a Liquidity Testing Date is less than 120 but greater than 90, the Group Representative shall, not later than 30 days after receipt of the financial statements disclosing such

deficiency, deliver to the Master Trustee a management report setting forth in reasonable detail the reasons for such deficiency and adopting a specific plan setting forth the steps to be taken to achieve the required Days' Cash on Hand by the end of the third fiscal quarter immediately following the Liquidity Testing Date on which the Days' Cash on Hand was less than 120. If the number of Days' Cash on Hand for any Liquidity Testing Date is less than 90, or if the Obligated Group has not achieved 120 Days' Cash on Hand by the end of the third fiscal quarter following the issuance of the management report, the Group Representative shall, not later than 60 days after receipt of the financial statements disclosing such deficiency, as applicable, obtain a Consultant's report setting forth in detail the reasons for such deficiency and a specific plan setting forth the steps designed to achieve 120 Days' Cash on Hand by the end of the third fiscal quarter immediately following the Liquidity Testing Date on which the Days' Cash on Hand was less than 90, or by the end of the fifth fiscal quarter immediately following the Liquidity Testing Date on which the Days' Cash on Hand was less than 120 but greater than 90, as the case may be.

The Obligated Group shall follow any management report and plan or any Consultant's recommendations and plan, except to the extent that (i) any of the Consultant's recommendations conflict with law or existing contracts, (ii) the implementation of such recommendations would have an adverse effect on the validity of the Series 2021 Bonds or the exclusion of interest on the Series 2021 Bonds from the gross income of the owners thereof for purposes of federal income taxation or (iii) the Board of Directors of Williamsburg Landing determines by resolution that such recommendations are unreasonable, impractical or unfeasible. So long as the Obligated Group shall deliver the management report and plan or retain a Consultant and so long as the Obligated Group shall follow such management report and plan or such Consultant's recommendations and plan to the fullest extent feasible, such requirement of the Loan Agreement shall be deemed to have been complied with for a Liquidity Testing Date even if the Days' Cash on Hand is less than 120 on such Liquidity Testing Date, and such circumstances shall not constitute an event of default under the Master Indenture. Liquidity Testing Date means each **[December 31, beginning December 31, 2022]**.

See Appendix C – Copies and Proposed Forms of the Financing Documents hereto.

FINANCIAL REPORTING AND CONTINUING DISCLOSURE

Financial Reporting

The Master Indenture requires that the Obligated Group Representative provide to the Master Trustee the following:

(a) As soon as practical, but in any case within 120 days after the end of the applicable Fiscal Year (or the first business day thereafter), a copy of the audited Financial Statements as of the end of such fiscal reporting period, accompanied by the report of independent certified public accountants thereon. Such audited Financial Statements are to be prepared in accordance with generally accepted accounting principles and are to include such statements as necessary for a fair presentation of unrestricted fund financial position, results of operations and changes in unrestricted net assets and financial position as of the end of such fiscal reporting period. For the purposes of this Section, "audited Financial Statements" means (1) the audited Financial Statements of Williamsburg Landing, and (2) the audited Financial Statements of each Member of the Obligated Group (to the extent not included in the audited Financial Statements of another Member), all such audited Financial Statements prepared in accordance with generally accepted accounting standards and presented in the form of supplementary information to the consolidated statements of Williamsburg Landing; provided, however, that such Financial Statements shall exclude the financial results of Affiliates that are not Members unless a Member owns the stock thereof, regardless of whether generally accepted accounting principles would dictate consolidation with such Affiliate.

(b) If an Event of Default shall have occurred and be continuing, such other financial statements and information concerning its operations and financial affairs (or of any consolidated or combined group of companies, including its consolidated or combined Affiliates, including any Member) as the Master Trustee may from time to time reasonably request, and each Member is to provide access to its facilities for the purpose of inspection by the Master Trustee during regular business hours or at such other times as the Master Trustee may reasonably request; provided that such obligation to file or allow inspection shall exclude donor records, patient records and personnel records.

(c) Within 60 days after its receipt thereof (or the first business day thereafter), a copy of each report required hereunder to be prepared by a Consultant or an Insurance Consultant.

(d) As soon as practical, but in any case within 120 days after the end of the applicable Fiscal Year (or the first business day thereafter), the annual disclosure statement, if any, filed with the Commonwealth of Virginia pursuant to the Virginia Continuing Care Provider Registration and Disclosure Act with respect to any facility located within the Commonwealth of Virginia.

(e) Any material that the Corporation submits (directly or indirectly) to the Municipal Securities Rulemaking Board (or any successor entity) for dissemination to the public in the electronic format prescribed by the Municipal Securities Rulemaking Board (or such successor entity).

The Master Trustee has no duty to review or analyze any Financial Statements delivered to it under the Master Indenture and holds such Financial Statements solely as a repository for the benefit of the Holders; the Master Trustee is not to be deemed to have notice of any information contained therein or Event of Default which may be disclosed therein in any manner.

Continuing Disclosure – General

To permit compliance by the Underwriter of the Series 2021 Bonds with the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, as amended (the “Rule”), Williamsburg Landing will execute at closing a Continuing Disclosure Certificate (the “CDC”) requiring Williamsburg Landing to provide certain quarterly and annual financial information and event notices required by the Rule. The Authority will not undertake any continuing disclosure responsibilities. The proposed form of the CDC is set forth in Appendix F. Such information will be filed through the Electronic Municipal Market Access System (“EMMA”) maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org.

Information Required

Williamsburg Landing has covenanted in the CDC to file through EMMA (1) certain annual operational and financial information (the “Annual Financial Information”) no later than 120 days (or the first business day thereafter) following the end of each Fiscal Year of Williamsburg Landing, commencing with the Fiscal Year ended **[December 31, 2021]**, and (2) certain quarterly operational and financial information (the “Quarterly Financial Information”) with respect to any fiscal quarter no later than 45 days following the end of each fiscal quarter (or the first business day thereafter) of Williamsburg Landing, commencing with the fiscal quarter ended **[December 31, 2021.]**

As described in Appendix F, the CDC requires Williamsburg Landing to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2021 Bonds at any particular time. Williamsburg Landing or the Obligated Group may from time to time disclose certain information and data in addition to that required by the CDC. If Williamsburg Landing or the Obligated Group chooses to provide any additional information, it shall have no obligation to continue to update such information or to include it in any future disclosure filing.

Failure by the Obligated Group to comply with the continuing disclosure provisions of the Disclosure Agreement shall be an event of default under the Loan Agreement giving rise to the right to accelerate payments on the Series 2021 Obligation if not cured within 30 days after notice (subject to extension by the Bond Trustee and in certain other circumstances) given by the Authority or the Bond Trustee to the Obligated Group. See Appendix D – Copies and Proposed Forms of the Financing Documents hereto.

In the event of any failure of the Obligated Group to provide the required continuing disclosure, any Bondholder may, after notice to the Obligated Group and Bond Trustee, bring an action seeking specific performance of the Obligated Group’s obligations to provide such continuing disclosure. No assurance can be given as to the outcome of any such proceeding.

Compliance with Past Undertakings

[To be reviewed and discussed.] Other than the foregoing, Williamsburg Landing has complied, in all material respects, with the terms of all its prior continuing disclosure requirements during the five years preceding the date of this Official Statement.

MISCELLANEOUS

Williamsburg Landing has furnished all information in this Official Statement except in “THE AUTHORITY,” “UNDERWRITING,” and “TAX MATTERS” and with respect to litigation affecting the Authority. The Authority assumes no responsibility for the accuracy or completeness of information other than in “THE AUTHORITY” and with respect to the Authority in “LITIGATION.”

The delivery of this Official Statement has been duly authorized by the Authority and approved by Williamsburg Landing.

APPENDIX A
WILLIAMSBURG LANDING, INC.

APPENDIX B
FINANCIAL STATEMENTS

APPENDIX C

COPIES AND PROPOSED FORMS OF THE FINANCING DOCUMENTS

APPENDIX D

PROPOSED FORM OF APPROVING OPINION OF BOND COUNSEL

APPENDIX E

PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX F
THE DTC BOOK-ENTRY ONLY SYSTEM

ITEM SUMMARY

DATE: 8/17/2021
TO: The Economic Development Authority
FROM: Christopher Johnson- EDA Secretary
SUBJECT: Director's Report

ATTACHMENTS:

	Description	Type
☐	Director's Report	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority Clerk	Sipes, Kate	Approved	8/13/2021 - 2:31 PM

MEMORANDUM

DATE: August 17, 2021
TO: The Economic Development Authority
FROM: Christopher M. Johnson, Director of Economic Development
SUBJECT: Director's Report, July-August 2021

Greater Williamsburg Partnership (GWP) - Staff participated in the monthly GWP meeting with staff from the City of Williamsburg, York County, and the College of William & Mary. Executive Director Von Gilbreath retired at the end of July and the locality Economic Development Directors are working with the Chief Administrative Officials on implementing a transition plan until the position is filled.

Business Facilities Rankings - For the first time in the history of the *Business Facilities* rankings, the magazine designated Virginia as the top state for business climate. Virginia also received a variety of other high rankings, such as No. 1 for tech talent pipeline and cybersecurity.

Printpack - The Virginia Department of Labor and Industry held a ceremony on Aug. 3, announcing that Printpack was approved as a Virginia STAR Worksite under the Virginia Occupational Safety and Health Voluntary Protection Program, the agency's highest level of recognition for excellence in safety and health management systems. Printpack is one of only 36 Virginia companies designated as a STAR Worksite.

The Edge District - As a way to promote businesses in the recently established Edge District, the Greater Williamsburg Business Council hosted ribbon cutting ceremonies for 13 businesses on July 29 in an event called Running With Scissors which featured two County businesses, Eight Shires Colonial Distillery, and Moody's Kitchen.

James City County Marina - Staff continues to support Parks & Recreation with the ongoing construction project at the James City County Marina. Staff met with representatives of a regional race management company regarding a potential race series in spring 2022.

James River Commerce Center Site Readiness - Staff continues to engage in meetings with prospects for the James River Commerce Center. Site Plans for two projects have been designated for expedited review with Community Development staff.

Regional Events/Initiatives:

- Staff participated in a Virginia Peninsula Chamber of Commerce webinar titled "Sports in the 757".
- Staff participated in two Virginia Economic Developers Association impactED conference calls.

News:

- K'Bola Cuban Restaurant & Bar opened at 5201 Center Street in New Town.

Upcoming Dates:

- **Ribbon Cuttings:** Allure Creperie & Café, 5715-62A Richmond Road, Aug. 16, 10 a.m.; The Enclave at Kingsmill, August 19, 4 p.m.
- **Jamestown Jams Concert Series** at Jamestown Beach Event Park on Friday, Aug. 27 with The Deloreans and Friday, Sept. 24 with J. Baxter & The Sauce.