A G E N D A
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
101 D Mounts Bay Road, Williamsburg, VA 23185
October 11, 2018
4:00 PM

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF MINUTES

1. Minutes Adoption - August 9, 2018 Regular Meeting

D. FINANCIAL REPORTS

1. August 2018 Financial Reports
2. September 2018 Financial Reports

E. CLOSED SESSION

F. NEW BUSINESS

1. Public Hearing-Bond Issue
2. FY18 EDA Financial Audit
3. Land Monitoring License
4. Creation of an EDA Business Liaison
5. Possible Amendments to the EDA Meeting Calendar

G. OLD BUSINESS

1. Joint Work Session Discussion

H. LIAISON REPORTS

1. BOS Liaison
2. Greater Williamsburg Chamber & Tourism Alliance
3. Planning Commission
4. Greater Williamsburg Partnership
5. JRCC Architectural Review Board
6. Real Estate Holdings Committee
7. Finance
8. Go Virginia Liaison

I. DIRECTOR'S REPORT

1. October 2018 Director's Report

J. UPCOMING DATES OF INTEREST

1. Celebration of Business Event--November 1, 2018

K. ADJOURNMENT

AGENDA ITEM NO. C.1.

ITEM SUMMARY

DATE: 9/13/2018

TO: The Economic Development Authority

FROM: Amy Jordan, EDA Secretary

SUBJECT: Minutes Adoption - August 9, 2018 Regular Meeting

ATTACHMENTS:

	Description	Type
🗋	080918 EDA Minutes	Minutes

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 3:00 PM

M I N U T E S
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
101 D Mounts Bay Road, Williamsburg, VA 23185
August 9, 2018
4:00 PM

A. CALL TO ORDER

At 4 p.m., Vice Chair Bledsoe called the meeting to order.

B. ROLL CALL

Robin Carson
Thomas Tingle
Michael Maddocks
Carlton Stockton
William Turner
Christopher Odle (arrived late)
Robin Bledsoe, Vice Chair

Also Attending:

Maxwell Hlavin, EDA Legal Counsel
Amy Jordan, EDA Secretary
Stephanie Lahr, EDA Fiscal Agent
Teresa Fellows, EDA Recording Secretary
Kate Sipes, Assistant Director of Economic Development
William Porter, Interim County Administrator
Christopher Johnson, Ombudsman
Michael Hipple, Board of Supervisors Representative

C. APPROVAL OF MINUTES

1. Minutes Adoption - July 12, 2018 Meeting

A motion to Approve was made by Robin Carson, the motion result was Passed. AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Bledsoe
Absent: Odle

D. FINANCIAL REPORTS

1. July 2018 Financial Reports

A motion to Approve was made by Robin Carson, the motion result was Passed. AYES: 6 NAYS: 0 ABSTAIN: 0 ABSENT: 1
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Bledsoe
Absent: Odle

Ms. Lahr gave an overview of the financial reports included in the Agenda Packet.

Mr. Turner asked what is the primary source of funding for the Authority.

Ms. Lahr stated that bond fee revenue and revenue from the Marina property are the primary sources of funding. If there are large projects that the Authority wants to engage in, then the Authority can ask the Board of Supervisors for additional funding for those projects.

Mr. Tingle recommended that the new Directors be given a copy of the most recent audit report.

E. CLOSED SESSION

F. NEW BUSINESS

Mr. Odle arrived to the meeting at 4:07 p.m.

1. Election of Officers

Mr. Stockton asked what the expectations were for the Chair.

Mr. Porter stated that there are no specific requirements for the Chair or specific skill sets other than to lead the Authority and work with staff.

A motion to Appoint Robin Bledsoe as Chairman was made by Christopher Odle, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Odle, Bledsoe

A motion to Appoint Christopher Odle as Vice Chairman was made by Robin Bledsoe, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Odle, Bledsoe

2. Resolutions of Appreciation

Staff noted that amended versions of the Resolutions of Appreciation had been distributed to the Authority earlier in the day, in advance of the meeting.

A motion to Approve as Amended was made by Robin Carson, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Odle, Bledsoe

3. Presentation from Ombudsman

Mr. Johnson addressed the Authority giving a presentation on the Expedited Review Guidelines (ERG) that were included in the Agenda Packet. He noted that the ERG was an administrative review process typically utilized by the County as an incentive and almost exclusively reserved for industrial projects in Greenmount Industrial Park, Stonehouse Commerce Park, James River Commerce Center and major expansions at the Anheuser-Busch Brewery. He noted that in the past 20 years, 19 projects had been granted ERG status. He

also clarified that projects that are legislative applications, which require advertised public hearings by the Planning Commission and Board of Supervisors, are not eligible for ERG status.

General discussion ensued regarding the types of projects that typically qualify for ERG status. It was noted that ERG projects are typically industrial, not retail or residential. It was also noted that the size of the project, job creation and tax revenue generated are all potential factors effecting the decision, by County Administration, on whether or not to grant ERG status. The question was raised about including Class A office space and professional services as potential projects because of the fiscal impact and betterment of the community.

Discussion also ensued regarding how the County compares with other localities and their expedited review process. County staff levels were also discussed in relation to ERG projects and how ERG status affects the workflow and processes in Community Development. It was noted that the ERG process also involves several outside agencies, such as the Virginia Department of Transportation, which the County has no control over.

Ms. Bledsoe stated that perhaps the Real Estate Committee could continue to delve into this issue, see if there are other types of projects that should be considered and look into data comparisons with other localities.

Mr. Odle stated that the parameters need to be clearly laid out, so that if a developer comes in and asked for ERG status, they can be handed the parameters and guidelines so that they can see what projects qualify.

4. Proposals for James River Commerce Center Shell Building Site

Ms. Sipes stated that at recent meetings, the EDA Real Estate Committee had discussed possible next steps for preparing EDA-owned property for development. The approved site plan for the shell building shows a building approximately 81,000 square feet in size, with room to expand. In order to more effectively market the site for a potentially larger building, the committee directed staff to develop conceptual plans showing possible site layouts for larger buildings. Staff prepared a Request for Proposal (RFP) for conceptual site layouts for three possible future uses. The RFP and the three proposals received were included in the Agenda Packet.

Mr. Odle stated that he reviewed all three proposals, and in his expertise, he would recommend going with the Vanasse Hangen Brustlin, Inc. (VHB) proposal.

Ms. Jordan clarified that the funds will be coming from the site readiness fund put aside by the Board and will not come directly out of the Authority's budget.

A motion to Authorize the Proposal from VHB was made by Michael Maddocks, the motion result was Passed.
AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Odle, Bledsoe

5. Joint Work Session Discussion

Ms. Jordan stated that the Joint Work Session with the Board of Supervisors is scheduled for September 25. The direction that she has received from County Administration is that the Chair of the Authority would be giving the presentation, rather than staff. She stated that the beginning of the Joint Work Session should include the work that the Authority is currently focusing on with site readiness and then the later half of the work session could focus on some of the regional initiatives.

Ms. Bledsoe asked Mr. Hipple for any input on what the Board would like to see from the Authority at the work session.

Mr. Hipple stated that the Board wants to know where the Authority is going, how do they plan to get there, what are the deliverables and the metrics to measure success, what do you need from the Board to accomplish those plans, what infrastructure needs do we have that we need to concentrate on so that the following year when the Authority comes back you will be able to see those metrics and successes.

Ms. Bledsoe asked for a copy of last year's presentation be sent to her, so that she can see what the Authority said it would do last year.

General discussion ensued about the infrastructure needs in the lower portion of the County where James River Commerce Center is located.

Discussion also ensued regarding the Authority's desire to have a more robust dialogue with the Board. The Authority wants to hear feedback and receive guidance. Mr. Hipple stated that he would make that known to the other Board members in advance of the work session.

G. OLD BUSINESS

H. LIAISON REPORTS

1. BOS Liaison

Mr. Hipple expressed his gratitude for all of the hard work and time given by the members of the Authority.

2. Greater Williamsburg Chamber & Tourism Alliance

No update at this time. Due to the fluctuations with the Chamber and the new Tourism fund, it was determined that it would be best to wait on making a new appointment to this group.

3. Planning Commission

No update.

4. Greater Williamsburg Partnership (GWP)

No update.

5. JRCC Architectural Review Board

No update.

7. Finance

No update.

8. Real Estate Holdings Committee

Mr. Odle stated that at the last meeting, the discussion was about getting proposals for the various types of buildings that could be built. That discussion lead to the action taken earlier to authorize the proposal from VHB. He also questioned if the committee will meet with Parks and Recreation staff to have some input on the work done at the marina.

I. DIRECTOR'S REPORT

1. August Director's Report

Ms. Jordan gave an overview of the Director's Report included in the Agenda Packet.

J. ADJOURNMENT

1. Adjourn until 4 p.m. on September 13, 2018 for the Regular Meeting

A motion to Adjourn was made by Michael Maddocks, the motion result was Passed. AYES: 7 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Tingle, Maddocks, Stockton, Turner, Odle, Bledsoe

At 5:57 p.m., Ms. Bledsoe adjourned the Authority.

Amy Jordan, Secretary

Robin Bledsoe, Chair

AGENDA ITEM NO. D.1.

ITEM SUMMARY

DATE: 9/13/2018

TO: The Economic Development Authority

FROM: Stephanie Lahr, EDA Fiscal Agent

SUBJECT: August 2018 Financial Reports

ATTACHMENTS:

	Description	Type
	August Treasurer's Report	Exhibit
	August Expenditure Report	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority Clerk	Fellows, Teresa	Approved	9/10/2018 - 2:04 PM

General Ledger Summary

Cash Report Range: 180801-1 to 180831-1

SunTrust EDA

021-305- 3511	INTEREST REVENUE		$348.80
		Sub Total:	**$348.80**
021-309- 5915	MARINA PROPERTY		$5,000.00
		Sub Total:	**$5,000.00**
021-310- 3014	JCC CONTRIBUTION		$4,125.00
		Sub Total:	**$4,125.00**
		Bank Total	**$9,473.80**

JAMES CITY COUNTY

EXPENDITURES- ALL FUNDS

11-Oct-18

James City County

jccExp: Year (2019) Period (2)

Ledger ID	Ledger Description	TOTAL BUDGET	MTD EXPENSES	ENCUMBRANCES	YTD EXPENSES	BALANCE	ACTUAL %
(021) EDA							
(259) EDA Operating							
021-259-0200	ADVERTISING	$500.00	$0.00	$0.00	$0.00	$500.00	0.00%
021-259-0203	PROFESSIONAL SERVICES	$0.00	$83.93	$0.00	$159.50	($159.50)	0.00%
021-259-0205	PROMOTION	$45,701.00	$0.00	$0.00	$6,700.90	$39,000.10	14.66%
021-259-0220	TRAVEL AND TRAINING	$1,000.00	$0.00	$0.00	$0.00	$1,000.00	0.00%
021-259-0222	LOCAL TRAVEL	$0.00	$11.47	$0.00	$11.47	($11.47)	0.00%
021-259-0235	ANNUAL AUDIT	$10,210.00	$2,000.00	$8,210.00	$2,000.00	$0.00	100.00%
021-259-0318	OPERATING SUPPLIES/MATERIALS	$500.00	$0.00	$0.00	$30.74	$469.26	6.15%
021-259-0319	OFFICE SUPPLIES	$400.00	$0.00	$0.00	$0.00	$400.00	0.00%
021-259-0710	LEGAL SERVICES	$6,000.00	$500.00	$0.00	$1,000.00	$5,000.00	16.67%
021-259-5900	REGIONAL ECON DEVEL SUPPORT	$34,500.00	$0.00	$0.00	$34,500.00	$0.00	100.00%
021-259-5902	VHSR	$1,000.00	$0.00	$0.00	$0.00	$1,000.00	0.00%
021-259-5903	JAMES RIVER COMMERCE CTR-OPS	$31,259.00	$6,968.00	$9,191.44	$6,968.00	$15,099.56	51.70%
021-259-5904	MAINLAND FARM OPER EXPENSES	$100.00	$0.00	$0.00	$0.00	$100.00	0.00%
021-259-5913	SMALL BUSINESS ASSISTANCE	$5,000.00	$0.00	$0.00	$0.00	$5,000.00	0.00%
021-259-5915	MARINA PROPERTY	$2,558.00	$0.00	$2,457.42	$0.00	$100.58	96.07%
021-259-5918	CONTINGENCY	$263,213.00	$0.00	$0.00	$0.00	$263,213.00	0.00%
	Subtotal (259) EDA Operating:	$401,941.00	$9,563.40	$19,858.86	$51,370.61	$330,711.53	17.72%

AGENDA ITEM NO. D.2.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Stephanie Lahr, EDA Fiscal Agent

SUBJECT: September 2018 Financial Reports

ATTACHMENTS:

	Description	Type
	September 2018 Treasurer's Report	Exhibit
	September 2018 Expenditure Report	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 2:41 PM

General Ledger Summary

Cash Report Range: 180904-1 to 180928-1

SunTrust EDA

021-305- 3511	INTEREST REVENUE		$349.33
		Sub Total:	**$349.33**
021-309- 5915	MARINA PROPERTY		$5,000.00
		Sub Total:	**$5,000.00**
021-310- 3014	JCC CONTRIBUTION		$2,700.00
		Sub Total:	**$2,700.00**
		Bank Total	**$8,049.33**

JAMES CITY COUNTY

EXPENDITURES- ALL FUNDS

James City County

04-Oct-18

jccExp: Year (2019) Period (3)

Ledger ID	Ledger Description	TOTAL BUDGET	MTD EXPENSES	ENCUMBRANCES	YTD EXPENSES	BALANCE	ACTUAL %
(021) EDA							
(259) EDA Operating							
021-259-0200	ADVERTISING	$500.00	$0.00	$0.00	$0.00	$500.00	0.00%
021-259-0203	PROFESSIONAL SERVICES	$0.00	$0.00	$0.00	$159.50	($159.50)	0.00%
021-259-0205	PROMOTION	$45,701.00	$0.00	$0.00	$6,700.90	$39,000.10	14.66%
021-259-0220	TRAVEL AND TRAINING	$1,000.00	$0.00	$0.00	$0.00	$1,000.00	0.00%
021-259-0222	LOCAL TRAVEL	$0.00	$0.00	$0.00	$11.47	($11.47)	0.00%
021-259-0235	ANNUAL AUDIT	$10,210.00	$0.00	$8,210.00	$2,000.00	$0.00	100.00%
021-259-0318	OPERATING SUPPLIES/MATERIALS	$500.00	$0.00	$0.00	$30.74	$469.26	6.15%
021-259-0319	OFFICE SUPPLIES	$400.00	$265.72	$0.00	$265.72	$134.28	66.43%
021-259-0710	LEGAL SERVICES	$6,000.00	$500.00	$0.00	$1,500.00	$4,500.00	25.00%
021-259-5900	REGIONAL ECON DEVEL SUPPORT	$34,500.00	$0.00	$0.00	$34,500.00	$0.00	100.00%
021-259-5902	VHSR	$1,000.00	$0.00	$0.00	$0.00	$1,000.00	0.00%
021-259-5903	JAMES RIVER COMMERCE CTR-OPS	$31,259.00	$2,700.00	$6,491.44	$9,668.00	$15,099.56	51.70%
021-259-5904	MAINLAND FARM OPER EXPENSES	$100.00	$0.00	$0.00	$0.00	$100.00	0.00%
021-259-5913	SMALL BUSINESS ASSISTANCE	$5,000.00	$0.00	$0.00	$0.00	$5,000.00	0.00%
021-259-5915	MARINA PROPERTY	$2,558.00	$0.00	$2,457.42	$0.00	$100.58	96.07%
021-259-5918	CONTINGENCY	$263,213.00	$0.00	$0.00	$0.00	$263,213.00	0.00%
	Subtotal (259) EDA Operating:	$401,941.00	$3,465.72	$17,158.86	$54,836.33	$329,945.81	17.91%

AGENDA ITEM NO. F.1.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Suzanne Mellen, Director of Financial & Management Services

SUBJECT: Public Hearing-Bond Issue

ATTACHMENTS:

	Description	Type
	Memo	Cover Memo
	Resolution	Resolution
	Attachment 1	Exhibit
	Attachment 2	Exhibit
	Attachment 3	Exhibit
	Attachment 4	Exhibit
	Attachment 5	Exhibit
	Attachment 6	Exhibit
	Attachment 7	Exhibit
	Attachment 8	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 4:30 PM

HUNTON
ANDREWS KURTH

MEMORANDUM

TO:	Directors of the Economic Development Authority of James City County, Virginia	**DATE:**	October 4, 2018
FROM:	Christopher G. Kulp Martha A. Warthen	**FILE:**	022640.42

Economic Development Authority of James City County, Virginia – Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018

At its meeting on October 11, 2018, the directors of the Economic Development Authority of James City County, Virginia (the "Authority"), will be asked to consider a resolution authorizing the issuance of revenue bonds to benefit James City County, Virginia (the "County"). In our capacity as bond counsel, we have been asked to provide an overview of the proposed bond financing.

Background

The County is requesting the Authority to issue a series of revenue bonds (the "Series 2018 Bonds") (1) to realize debt service savings by refunding the outstanding principal balance of the Authority's Taxable Lease Revenue Bonds (County Government Projects), Series 2009 Build America Bonds (the "Refunded Bonds"), (2) to finance costs of certain capital projects, including for fire vehicles and apparatus and school purposes, and (3) to pay related financing and issuance costs. The Authority is authorized under the terms of the Industrial Development and Revenue Bond Act (the "IDA Act") to undertake financings to assist the County and has done so several times in the past (as exemplified by the Refunded Bonds and the recently issued Series 2016 Bonds).

The Refunded Bonds can be redeemed beginning January 15, 2019, and proceeds of the Series 2018 Bonds will be used to establish a short-term escrow to defease the Refunded Bonds until that date. The new money projects are part of the County's approved capital improvement program.

Financing Structure

In 2016, the Authority and the County established a master financing structure that allows the Authority, under the terms of a master Agreement of Trust, to issue from time to time revenue bonds for new money and refunding purposes as requested by the County. The proceeds of the bonds are loaned by the Authority to the County pursuant to the terms of a master Financing Agreement in return for which the County has agreed, subject to annual appropriation by the County Board of Supervisors, to repay such loan in amounts sufficient to pay the debt service due on such bonds.

The Series 2018 Bonds are proposed to be issued pursuant to the terms of a supplement to the master Agreement of Trust (in this case, the Second Supplemental Agreement of Trust) and a supplement to the Financing Agreement (in this case, a First Supplemental Financing Agreement).

Based on the recommendations of the County's financial advisor to improve the marketing of the Series 2018 Bonds and to obtain a favorable rating, the County has agreed to provide a leasehold

interest in certain County-owned real property as additional security for the Series 2018 Bonds. The County has determined to use as collateral the same projects that were financed with the Refunded Bonds, namely a police station and the fire department administrative and training building. With the defeasance of the Refunded Bonds, such projects will be released from the lien and security interest of the Refunded Bonds and will then be used as collateral for the Series 2018 Bonds. This leasehold structure will be effected by (a) a ground lease of the property from the County to the Authority, (b) a financing lease of the property from the Authority back to the County and (c) an assignment agreement conveying certain of the Authority's rights under the ground lease and the financing lease to the trustee as security for the Series 2018 Bonds.

Marketing and Disclosure

The County's financial advisor expects that the Series 2018 Bonds will be offered in a publicly offered bond issue through a competitive sale. The Series 2018 Bonds will be marketed to potential investors by use of the Preliminary Official Statement, which describes the financing structure and includes economic, demographic and financial information about the County (as the ultimate source of repayment for the bonds).

Limited Revenue Pledge; No Liability of Directors

The resolution states that the Series 2018 Bonds will be secured solely by monies received from, or property pledged by, the County under the Financing Agreement and the Financing Lease. No other Authority monies or properties are at risk. Further, consistent with the IDA Act, no Authority director or officer executing the Series 2018 Bonds will be held personally liable for repayment of such bonds.

All expenses for the financing will be paid from proceeds of the Series 2018 Bonds or other available funds of the County.

RESOLUTION OF THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, APPROVING A PLAN TO FINANCE PUBLIC FACILITIES PROJECTS AND REFUND PUBLIC FACILITY OBLIGATIONS THROUGH THE ISSUANCE OF REVENUE AND REFUNDING BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $25,400,000

WHEREAS, the Economic Development Authority of James City County, Virginia (the "Authority"), pursuant to the Industrial Development and Revenue Bond Act (the "Act") under which it is created, is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations; and

WHEREAS, the Authority has previously issued its $14,935,000 Taxable Lease Revenue Bonds (County Government Project), Series 2009 Build America Bonds (the "2009 Bonds"), the proceeds of which were loaned to James City County, Virginia (the "County"), to finance costs of the (a) construction and equipping of a new police station and (b) the renovation of the law enforcement center for use by the fire department (together, the "2009 Projects"); and

WHEREAS, the Board of Supervisors of James City County, Virginia (the "Board of Supervisors"), desires to undertake, in conjunction with the Authority, the financing of the costs of capital improvements for fire vehicles and apparatus and school purposes (the "Series 2018 Project"); and

WHEREAS, the County desires to finance the Series 2018 Project and realize interest rate savings by requesting the Authority to issue its Public Facility Revenue and Refunding Bonds (County Government Project), Series 2018 (the "Bonds"), and use the proceeds to (a) finance the Series 2018 Project, (b) refund the outstanding principal balance of the 2009 Bonds (such portion to be refunded, the "Refunded Bonds") and (c) pay the financing and issuance costs related thereto; and

WHEREAS, the Bonds will be secured in part by payments appropriated from time to time by the Board of Supervisors and payable to the Authority in accordance with the terms of the Financing Agreement (as hereinafter defined); and

WHEREAS, to improve the marketing of the Bonds at attractive interest rates, Davenport & Company LLC, the County's financial advisor (the "Financial Advisor"), has recommended that the County provide additional security for the Bonds by undertaking a lease/lease-back financing arrangement with the Authority of the certain real property located in the County consisting of the completed 2009 Projects (the "Property"); and

WHEREAS, the County administration has recommended that Hunton Andrews Kurth LLP, Richmond, Virginia, be approved as bond counsel; and

WHEREAS, the Board of Supervisors has, on October 9, 2018, approved the issuance of the Bonds; and

WHEREAS, there have been circulated prior to this meeting drafts of the following documents (collectively, the "Documents"), proposed in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds:

(a) Second Supplemental Agreement of Trust (including as an exhibit the form of the Bonds), supplementing the Agreement of Trust dated as of June 1, 2016, both between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee"), as previously supplemented (collectively, the "Trust Agreement"), all between the Authority and the Trustee, pursuant to which the Bonds are to be issued and which is to be acknowledged and consented to by the County;

(b) First Supplemental Financing Agreement (the "Supplemental Financing Agreement"), supplementing a Financing Agreement dated as of June 1, 2016 (together, the "Financing Agreement"), both between the Authority and the County, pursuant to which the Authority will loan the proceeds of the Bonds to the County and the County will undertake, subject to appropriation, to make payments to the Authority in amounts sufficient to pay the principal of and premium, if any, and interest on the Bonds and certain other related costs;

(c) Preliminary Official Statement of the Authority relating to the public offering of the Bonds (the "Preliminary Official Statement");

(d) Notice of Sale (attached as Appendix H to the Preliminary Official Statement) (the "Notice of Sale") (applicable only if the Bonds are sold through a competitive sale);

(e) Deed and Agreement of Ground Lease (the "Ground Lease"), between the Authority and the County, conveying to the Authority a leasehold interest in certain County real property as hereinafter described (the "Property");

(f) Deed and Agreement of Financing Lease (the "Financing Lease"), between the Authority and the County, conveying to the County a subleasehold interest in the Property; and

(g) Assignment Agreement (the "Assignment Agreement"), between the Authority and the Trustee, assigning to the Trustee certain rights of the Authority under the Ground Lease and the Financing Lease;

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

1. The Authority hereby finds that the refunding of the Refunded Bonds and the undertaking of the Series 2018 Project will be in the best interests of the County and its citizens and hereby authorizes the Authority, in collaboration with the County, to undertake the following

financing plan to accomplish the same. The Authority will issue the Bonds in an aggregate principal amount not to exceed $25,400,000. The Authority will use the proceeds of the Bonds to refund the Refunded Bonds, to finance the Series 2018 Project, and to pay the financing and issuance costs related thereto. Pursuant to the Financing Agreement, the County will undertake to make certain Basic Payments and Additional Payments (each as defined in the Financing Agreement) to the Authority in amounts sufficient to amortize the Bonds, to pay the fees or expenses of the Authority and the Trustee and to pay certain other related costs. The obligation of the Authority to pay principal of and premium, if any, and interest on the Bonds will be limited to Basic Payments and Additional Payments received from the County. The Bonds will be secured in part by an assignment of the Basic Payments and certain Additional Payments due under the Financing Agreement, all for the benefit of the holders of the Bonds. The undertaking by the County to make Basic Payments and Additional Payments will be subject to the appropriation by the Board of Supervisors from time to time of sufficient amounts for such purposes. As additional security for the Bonds, the County will grant to the Authority a leasehold interest in the Property pursuant to the terms of the Ground Lease with an expiration not later than December 31, 2044. The Authority will sublease the Property to the County pursuant to the terms of the Financing Lease, with an expiration contemporaneous with the final payment of the Bonds. Payments due under the Financing Lease will be credited in an amount and time to the extent the County makes all Basic Payments and Additional Payments due under the Financing Agreement with respect to the Bonds. The plan of financing the Series 2018 Project, the refunding of the Refunded Bonds and the leasing of the Property shall contain such additional requirements and provisions as may be approved by the County Administrator and the Chairman or Vice Chairman of the Authority.

2. Subject to Section 3, the Authority hereby authorizes the issuance of the Bonds pursuant to the Trust Agreement; provided that (a) the principal amount shall not exceed $25,400,000, (b) the true or "Canadian" interest cost of the Bonds shall not exceed 5.00% (taking into account any original issue discount or premium), (c) the Bonds shall mature in installments or be subject to mandatory sinking fund redemption installments ending not later than December 31, 2039, (d) the Bonds shall be sold to the purchaser thereof at a price not less than 98% of the aggregate principal amount thereof (without taking into account any original issue discount or premium) and (e) the Bonds shall be subject to optional redemption, if at all, at a premium not to exceed 3.00% of their principal amount. The Chairman and Vice-Chairman of the Authority, either of whom may act, are also authorized to approve, in collaboration with the County Administrator, a lesser principal amount for the Bonds, a maturity schedule (including serial maturities and term maturities for the Bonds) and redemption provisions of the Bonds, all as such officer shall determine to be in the best interest of the Authority and the County.

3. The Authority approves the following terms of the sale of the Bonds.

(a) The Bonds shall be sold through a competitive sale or a negotiated sale, as requested by the County Administrator.

(b) If the County Administrator determines that the Bonds shall be sold by competitive sale, the County Administrator is authorized, on behalf of the Authority, to receive bids for such Bonds and award such Bonds to the bidder providing the lowest "true" or "Canadian" interest cost, subject to the limitations set forth in Section 2.

Following a competitive sale, the County Administrator shall file a certificate with the Authority and the Board of Supervisors setting forth the final terms of the Bonds. The actions of the County Administrator in selling the Bonds by competitive sale shall be conclusive, and no further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Authority.

(c) If the Bonds are sold by competitive bid, the County Administrator is authorized and directed, on behalf of the Authority and in collaboration with the Financial Advisor, to take all proper steps to advertise the Bonds for sale substantially in accordance with the form of Notice of Sale, which is hereby approved; provided that the County Administrator, in collaboration with the Financial Advisor, may make such changes in the Notice of Sale not inconsistent with this Resolution as he may consider to be in the best interest of the County.

(d) If the County Administrator determines that the Bonds shall be sold by negotiated sale, the County Administrator is authorized, on behalf of the Authority and in collaboration with the Financial Advisor, to choose an investment bank or firm to serve as underwriter for the Bonds and to execute and deliver to the underwriter a bond purchase agreement (the "Bond Purchase Agreement") substantially in the form approved by the County Administrator and the County Attorney, in consultation with the County's bond counsel and Financial Advisor. The Chairman and Vice Chairman of the Authority, either of whom may act, are authorized to execute and deliver the final Bond Purchase Agreement reflecting such final pricing and other completions, omissions, insertions and changes as such officers shall agree to make. No further action with respect to the sale and issuance of the Bonds shall be necessary on the part of the Authority.

4. The Chairman and Vice Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Documents (excluding the Preliminary Official Statement and the Notice of Sale), which shall be in substantially the forms circulated prior to this meeting, which are hereby approved, with such completions, omissions, insertions and changes not inconsistent with this Resolution as may be approved by the officer executing them, his or her execution thereof to constitute conclusive evidence of such officer's approval of any such completions, omissions, insertions and changes.

5. The Authority authorizes the distribution of the Preliminary Official Statement in form deemed "near final" as of its date, within the meaning of Rule 15c2-12 of the Securities and Exchange Commission, to prospective purchasers of the Bonds, with such completions, omissions, insertions and changes as may be approved by the Chairman or Vice-Chairman of the Authority, in collaboration with the County and the Financial Advisor. Such distribution shall constitute conclusive evidence of the approval of the Chairman or Vice-Chairman as to any such completions, omissions, inserts and changes and that the Authority has deemed the Preliminary Official Statement to be near final as of its date.

6. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to approve such completions, omissions, insertions and other changes to the Preliminary Official Statement necessary to reflect the terms of the sale of the Bonds and the details thereof appropriate to complete it as an official statement in final form (the

"Official Statement") and to execute and deliver the Official Statement when the same has been approved by the County. The County Administrator is hereby authorized on behalf of the Authority to distribute the Official Statement to the purchaser of the Bonds. Execution of the Official Statement by the Chairman or Vice-Chairman shall constitute conclusive evidence of his or her approval of any such completions, omissions, insertions and changes and that the Official Statement has been deemed final by the Authority as of its date within the meaning of Rule 15c2-12 of the Securities and Exchange Commission.

7. The Chairman and Vice-Chairman of the Authority, either of whom may act, are hereby authorized and directed to execute the Bonds by manual or facsimile signature, the Secretary and Assistant Secretary, either of whom may act, are hereby authorized and directed to affix the seal of the Authority to or print a facsimile thereof on the Bonds and attest the same by manual or facsimile signature, and the officers of the Authority are hereby authorized and directed to deliver the Bonds to the Trustee for authentication and delivery to the purchaser thereof upon payment therefor.

8. All costs and expenses in connection with the financing of the Series 2018 Project, the refunding of the Refunded Bonds and the issuance of the Bonds, including the Authority's fees and expenses and the fees and expenses of bond counsel, counsel for the Authority, and the Financial Advisor for the sale of the Bonds shall be paid from the proceeds of the Bonds or other legally available funds of the County. If for any reason the Bonds are not issued, it is understood that all such expenses shall be paid by the County from its legally available funds and that the Authority shall have no responsibility therefor.

9. The officers of the Authority are hereby authorized and directed to execute, deliver and file all certificates and documents and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds, including without limitation (a) execution and delivery of a certificate setting forth the expected use and investment of the proceeds of the Bonds to show that such expected use and investment will not violate the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, and regulations thereunder, applicable to "arbitrage bonds," (b) making any elections, at the request of the County, that such officers deem desirable regarding any provision requiring rebate to the United States of "arbitrage profits" earned on investment of proceeds of the Bonds, (c) providing for the County to pay any such rebate amount, (d) filing Internal Revenue Service Form 8038-G, and (e) executing any documents necessary to effect the refunding of the Refunded Bonds and the termination or modification of any security interest granted in the Property in connection therewith and to take all such further action as they may consider necessary or desirable in connection with the issuance and sale of the Bonds and the refunding of the Refunded Bonds. The foregoing shall be subject to the advice, approval and direction of bond counsel.

10. The Authority consents to the recommendation by the County that Hunton Andrews Kurth LLP serve as bond counsel for the issuance and sale of the Bonds.

11. Any authorization herein to execute a document shall include authorization to deliver it to the other parties thereto and to record such document where appropriate.

12. All other acts of the officers of the Authority that are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance and sale of the Bonds and the refunding of the Refunded Bonds are hereby approved and ratified.

13. This Resolution shall take effect immediately.

APPENDIX C

JAMES CITY COUNTY, VIRGINIA

[The inclusion of this information does not imply that James City County, Virginia, is legally obligated to make payments on any Bonds outstanding under the Trust Agreement, including the Series 2018 Bonds.]

TABLE OF CONTENTS

Page

INTRODUCTION 1
Government Services and Facilities 1
Form and Organization of Government 1
Economic Development 2
ECONOMIC AND DEMOGRAPHIC FACTORS 2
Population 2
Income 3
Housing, Construction, and Financial Activity 3
Employment 5
Tourism 6
Health Care 7
Education 7
Colleges and Universities 8
Public Safety 8
Transportation 9
Water and Wastewater Services 9
FINANCIAL INFORMATION 10
Budgetary Process 10
Current Operating Budget 10
Five-Year Summary of Governmental Funds 11
Fiscal Year 2018 Performance 13
Operating Data 14
Capital Improvements Program 17
Outstanding Bonded Debt and Debt Service 17
Other Indebtedness and Obligations 20
Retirement Systems 20
Post-Employment Benefits Other Than Pensions 21
Published Financial Information 21

INTRODUCTION

James City County, Virginia (the "County"), is the site of Jamestown, which in 1607 became the first permanent English settlement in the New World. The United States Congress called Jamestown the birthplace of Virginia and American Government.

The County is conveniently located between the major metropolitan areas of Richmond and Norfolk. Adjacent to the County is the City of Williamsburg, Virginia (the "City"), home to historic Colonial Williamsburg and the College of William and Mary. During the 1970's and 1980's, tourism plus commercial and residential development expanded dramatically in the County and surrounding areas. Today, the County is home to approximately 74,722 residents and encompasses 147 square miles, the largest land area on the Virginia peninsula. Services provided by the County include a transit system, law enforcement, fire protection, parks and a recreation center, public-private health center, and social services that promote self-sufficiency.

Government Services and Facilities

The County provides a comprehensive range of local government services characteristic of its form of government under Virginia law. Although legally separate and independent, the City and the County are closely linked. The City is the County seat and the two jurisdictions share an elected Treasurer, Clerk of the Circuit Court, Commonwealth's Attorney and Sheriff. The County and the City share a public school system and courts. The County is also a partner in many regional entities such as the jail, library system, transit, public health department and behavioral health system. Cooperative agreements exist for fire, emergency medical, social services and recreation.

Form and Organization of Government

The County is governed by a five-member Board of Supervisors (the "Board"). Each member is elected by the voters in his or her district for a term of four years. Terms are staggered with representatives from two districts being elected one year and the other three representatives being elected two years later. At its annual organizational meeting, the Board elects a chairman and vice chairman from among the five supervisors. The Board passes all local ordinances and determines all local policies that govern the County. It appoints a County Administrator as well as most boards and commissions. It also appropriates funds for County operations and generally overseas all County functions.

The County Administrator is the chief administrative officer of the County and is responsible to the Board for executing policies established by the Board. The County Administrator acts as Clerk to the Board and handles the daily administrative operations of the County as well as its strategic planning.

In addition to the elected members of the Board, five constitutional officers are elected. These officers are the Commissioner of the Revenue, the Treasurer, the Clerk of the Circuit Court, the Commonwealth's Attorney and the Sheriff. The Treasurer, the Clerk of Circuit Court, the Commonwealth's Attorney and the Sheriff are elected jointly by the voters of the County and the City. The County and the City courts are part of the 9th Judicial District. The three judges serving the area represent Juvenile, District and Circuit Courts and are appointed by the General Assembly of Virginia. The Circuit Court Judge appoints the members of the County's Board of Zoning Appeals and members of the County's Electoral Board which, in turn, appoints the General Registrar.

The County's schools are operated by the Williamsburg-James City County School Board, which consists of two at-large members appointed by the City and five members elected by the voters of the County. Each of the County members are elected by the voters in his or her district for a term of four years, and the terms are staggered with representatives from two districts being elected one year and the other three representatives being elected two years later.

Economic Development

The Department of Economic Development's mission is to foster development and expansion of a diversified and healthy base of primary business and industry that will better balance the tax base, increase job opportunities and enhance both the quality and standard of living in the County. The department focuses on the retention and expansion of the County's existing primary businesses and industries, plus the recruitment of new businesses and industries.

The Economic Development Authority of James City County, Virginia (the "Economic Development Authority") coordinates industrial revenue bond financings for qualifying businesses and charitable entities and manages inducements and loans to businesses. The Economic Development Authority works in collaboration with a variety of organizations to strengthen the economic base in the County through efforts such as James River Commerce Center (a 219 acre industrial park). Most recently, the Economic Development Authority has entered into a regional partnership with the City of Williamsburg and York County to market the area as a region to business and enterprise.

ECONOMIC AND DEMOGRAPHIC FACTORS

Population

According to estimates by the County, the County's 2017 population is approximately 74,722. The following table presents the population figures for selected years.

POPULATION AND RATES OF CHANGE
JAMES CITY COUNTY, THE COMMONWEALTH OF VIRGINIA AND THE UNITED STATES
SELECTED YEARS

Year	County	Rate of Change	Commonwealth of Virginia	Rate of Change	United States	Rate of Change
1950	6,317	--	3,318,680	--	150,697,361	--
1960	11,539	82.67%	3,966,949	19.53%	178,464,236	18.43%
1970	17,853	54.72	4,651,448	17.26	203,211,926	13.87
1980	22,763	27.50	5,346,797	14.95	226,545,805	11.48
1990	34,859	53.14	6,187,358	15.72	248,709,873	9.78
2000	48,102	37.99	7,079,030	14.41	281,421,906	13.15
2010	67,009	39.31	8,001,024	13.02	308,745,538	9.71
2011	68,874	2.78	8,107,548	1.33	311,644,280	0.94
2012	69,546	0.98	8,188,656	1.00	313,993,272	0.75
2013	70,231	0.99	8,261,689	0.89	316,234,505	0.71
2014	71,140	1.29	8,316,902	0.67	318,622,525	0.76
2015	73,325	3.07	8,366,767	0.60	321,039,839	0.76
2016	73,615	0.40	8,414,380	0.57	323,405,935	0.74
2017	74,722	1.50	8,470,020	0.66	325,719,178	0.72

Sources: 2011 through 2017 population figures for James City County and the Commonwealth of Virginia are from the Weldon Cooper Center; all other years are from the U.S. Department of Commerce, Bureau of the Census.

Income

Presented below are comparative tables on per capita income and median household income for selected years.

PER CAPITA INCOME

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016[2]
James City County[1]	$50,739	$53,715	$51,109	$51,535	$54,220	$55,940	$55,508	$57,028	$59,404	$59,632
Commonwealth of Virginia	44,554	45,707	44,232	45,340	47,548	49,302	48,490	50,157	42,184	52,957
United States	39,821	41,082	39,376	40,277	42,461	44,282	44,493	46,494	48,451	49,246

Source: U.S. Department of Commerce, Bureau of Economic Analysis.
[1] Numbers are for the County and the City of Williamsburg combined.
[2] Latest information available.

MEDIAN HOUSEHOLD INCOME

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
James City County[1]	$71,618	$71,988	$74,706	$71,667	$79,435	$73,632	$72,622	$73,968	$83,455	$87,910
Commonwealth of Virginia	61,044	60,316	60,674	61,882	61,741	62,666	64,902	66,262	68,114	71,535
United States	52,029	50,221	50,046	50,502	51,371	52,250	53,657	55,775	**	**

Source: U.S. Census Bureau.
[1] Numbers are for the County alone; they do not include the City of Williamsburg.
** Statistics not yet available.

Housing, Construction, and Financial Activity

The data in the tables below are presented to illustrate various housing characteristics for the County. As of December 31, 2017, the total number of dwelling units in the County was estimated to be 33,183, an increase of approximately 1.45% from December 31, 2008.

TOTAL DWELLING UNITS

Calendar Year	Total Unit Count
2008	27,427
2009	27,757
2010	30,151[1]
2011	30,544
2012	30,923
2013	31,343
2014	31,724
2015	32,724
2016	33,183
2017	33,665

Source: James City County Planning Division.
[1] The number of dwelling units for calendar year 2010 was calibrated to account for official 2010 Census housing information.

[Remainder of page intentionally left blank.]

Selected data is presented below to illustrate the level of new construction that has occurred in the County.

TOTAL NUMBER OF BUILDING PERMITS ISSUED AND VALUE

	Construction					
	Commercial/Industrial		Residential		Total	
Fiscal Year	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value
2008	225	$63,187,911	973	$130,064,874	1,198	$193,252,785
2009	183	45,242,077	790	89,989,687	973	135,231,764
2010	128	24,599,420	830	99,077,199	958	123,676,619
2011	144	48,473,968	809	106,315,258	953	154,789,226
2012	172	45,837,716	802	100,812,412	974	146,650,128
2013	139	27,700,522	835	117,237,035	974	144,937,557
2014	166	33,169,762	741	123,841,836	907	157,011,598
2015	147	16,449,776	822	129,526,342	969	145,976,118
2016	227	35,201,616	759	113,133,643	986	148,335,259
2017	196	78,253,358	868	127,815,408	1,064	206,068,766

Source: James City County Building and Safety Permits Division.

[Remainder of page intentionally left blank.]

Employment

The following table presents the employment and average weekly wages in the County for the first quarter of 2018.

AVERAGE EMPLOYMENT AND AVERAGE WEEKLY WAGE
First Quarter 2018[1]

Industry Group	Average Employment For Quarter[1]	Percent of Total	Weekly Wage Per Employee
Private			
Retail Trade	4,048	17.71%	$ 401
Health Care and Social Assistance	3,574	15.64	745
Accommodation and Food Services	3,298	14.43	381
Arts, Entertainment, and Recreation	2,217	9.70	328
Manufacturing	1,814	7.94	1,427
Construction	1,482	6.48	947
Professional, Scientific, and Technical Service	1,362	5.96	1,405
Management of Companies and Enterprises	1,039	4.55	1,676
Administrative and Support and Waste Management	1,014	4.44	674
Real Estate and Rental and Leasing	725	3.17	890
Wholesale Trade	683	2.99	875
Other Services (except Public Administration)	672	2.94	550
Finance and Insurance	446	1.95	1,734
Educational Services	272	1.19	475
Information	144	0.63	918
Unclassified establishments	40	0.17	588
Agriculture, Forestry, Fishing and Hunting	28	0.12	309
	22,858	100.00%	
Public			
Local Government	3,242	73.13%	$763
State Government	1,115	25.15	753
Federal Government	76	1.71	932
Total Public	4,433	100.00%	
Total	27,291		

Source: Virginia Employment Commission.
[1] Data excludes self-employed persons and non-disclosed data for the following industries: Mining, Quarrying and Oil and Gas Extraction; Transportation and Warehousing; and Utilities.

The average annual unemployment rates for the County, the Commonwealth and the United States for recent years are set forth in the following table.

AVERAGE ANNUAL UNEMPLOYMENT RATES
Calendar Year

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018[1]
James City County	3.2%	5.4%	6.3%	6.1%	5.7%	5.3%	4.9%	4.3%	3.9%	3.6%	2.9%
Commonwealth of Virginia	3.9	6.7	7.1	6.6	6.1	5.7	5.2	4.5	4.1	3.8	2.9
United States	5.8	9.3	9.6	8.9	8.1	7.4	6.2	5.3	4.9	4.4	4.1

Source: Virginia Employment Commission; Bureau of Labor Statistics, Local Area Unemployment Statistics.
[1] 2018 Unemployment Rate as of July 2018.

A variety of industrial and commercial service employers are located within the County. The table below presents data regarding the major employers in the County, including the products and services they provide and the approximate number of employees.

MAJOR PRINCIPAL EMPLOYERS
Fiscal Year Ended June 30, 2017

Firm	Type of Business	Approximate Number of Employees
Busch Gardens	Theme Park	1,000+
Williamsburg-James City County Public Schools	Educational Institution	1,000+
Eastern State Hospital	Hospital	1,000+
James City County	Local Government	500-999
Anheuser-Busch, Inc.	Manufacturing	500-999
Riverside Regional Medical Center	Healthcare	500-999
Kingsmill Resort & Spa	Accommodation	500-999
Wal-Mart Distribution	Distribution	250-499
Owens & Minor	Healthcare logistics	250-499
Jamestown-Yorktown Foundation	Educational Institution	250-499

Source: James City County Department of Economic Development and the Virginia Employment Commission.

The table presented below is a summary of recent County taxable retail sales.

TAXABLE RETAIL SALES

Fiscal Year	Taxable Retail Sales
2008	$ 822,202,251
2009	787,049,384
2010	779,388,132
2011	838,306,392
2012	900,327,488
2013	928,447,217
2014	950,407,956
2015	1,002,337,085
2016	993,784,681
2017	982,030,980

Source: Virginia Department of Taxation.

Tourism

The tourism industry makes a substantial contribution to the County's and Virginia's economy. According to the Virginia Tourism Corporation (VTC), in 2017, Greater Williamsburg area visitors contributed approximately $431.9 million to the James City County economy and almost $1.3 billion to the economy of the Greater Williamsburg area. The current hotel room inventory in the Greater Williamsburg area is approximately 8,360 with an inventory of 2,262 in the County. In addition, there are multiple timeshare properties representing 6,812 additional rooms in the region, with an inventory of 3,654 in the County.

HOTEL ROOMS TAX RECEIPTS
Fiscal Year 2008 to Fiscal Year 2017

Fiscal Year	Total Hotel Room Tax Receipts
2008	$3,318,746
2009	2,764,063
2010	2,553,820
2011	2,520,379
2012	2,753,408
2013	3,008,660
2014	3,149,512
2015	3,350,328
2016	3,472,440
2017	3,628,872

Source: James City County Department of Financial Management Services.

Health Care

Located in upper York County is Sentara Williamsburg Regional Medical Center, a comprehensive medical center with an Emergency Department, all private patient rooms, and an array of inpatient and outpatient services. The hospital has a cardiac catheterization lab and advanced imaging services that feature a 32-slice Computed Tomography (CT) scanner. This five-story, approximately 339,000 square foot facility adjoins the existing Geddy Outpatient Center via an enclosed connector on the first and second floors.

Riverside Doctors Hospital opened in the City of Williamsburg in May of 2013. This two story, 100,000 square foot facility includes an emergency department and is certified as a primary stroke center.

The largest non-military medical provider on the peninsula is Riverside Regional Medical Center in the City of Newport News, Virginia ("Newport News"). This 576-bed facility offers comprehensive medical care in 29 specialties, Level II trauma care, complete cardiac care, complete cancer treatment, laser surgeries, hospice, neonatal ICU, home care and health education programs.

Other hospitals located in the area are Sentara Hampton General Hospital, Mary Immaculate Hospital, Newport News General Hospital, Riverside Rehabilitation Institute, Veteran's Administration Medical Center, McDonald Army Hospital, Langley Air Force Base Hospital, Riverside Psychiatric Institute and Eastern State Hospital. For specialized needs, such as acute care for children, serious trauma or burns, peninsula area citizens can go to Norfolk to the Children's Hospital of the King's Daughters, devoted exclusively to children, and Sentara Norfolk General Hospital, which features a Level I trauma center and Nightingale helicopter service. The Medical College of Virginia in Richmond is located just an hour drive northwest.

Education

The Williamsburg-James City County Public Schools Division (the "Public Schools") was formed in 1954 as a joint venture of the City and County to provide quality public education to the children within the two localities. Local financing for its operating and capital budgets is governed by a contract between the two localities.

The Public Schools are managed by a School Board consisting of seven members. There are five County members who are elected by County voters for four year terms. There are two City members of the School Board who are appointed for three year terms by the City Council.

The School Board has the power and responsibility to set policy and ensure that the Public Schools follow state and federal guidelines. The School Board appoints the superintendent; establishes goals and adopts policies

that become the basis for instructional programs in accordance with state regulations and local needs; sets student policies; manages school facilities and identifies additional facility requirements; and maintains public relations.

There were nine elementary schools, three middle schools and three high schools for the 2017-2018 school year. Summarized in the following tables are selected items of information concerning the total annual school membership (enrollment) and the percentage change.

PUBLIC SCHOOLS STUDENT POPULATION

School Year	Number of Students	Percent Change
2008-2009	10,248	1.1%
2009-2010	10,503	2.5
2010-2011	10,549	0.4
2011-2012	10,671	1.2
2012-2013	10,748	0.7
2013-2014	10,998	2.3
2014-2015	11,116	1.1
2015-2016	11,303	1.7
2016-2017	11,431	1.1
2017-2018	11,477	0.4

Source: Williamsburg – James City County Public Schools.

Colleges and Universities

There are several colleges and universities within a short distance of the County.

The College of William and Mary was founded in the City over three hundred years ago. Current enrollment is approximately 8,700 students. The College sponsors the Virginia Institute of Marine Science at Gloucester Point, Virginia, and it participates in the Southeastern Universities Research Association's support of the Jefferson Labs in Newport News.

Hampton University, located approximately 40 miles from the County in the City of Hampton, was founded in 1868 and has an enrollment of approximately 4,600 students.

Christopher Newport University, located approximately 30 miles from the County in Newport News, has an enrollment of approximately 4,950 students.

Thomas Nelson Community College ("TNCC") is a two-year public college with a campus in Hampton and a campus in the County (the "James City Campus"). The James City Campus is a state-of-the-art academic, administrative, physical plant and student and faculty support facility in a three-story, 120,000 square-foot building on the Historic Triangle campus located on 74 acres next to the Warhill High School in the County. TNCC has an enrollment of approximately 12,200 students. Students can transfer class credits earned at TNCC to most four year universities with no loss of credits.

Public Safety

Police Department. The Police Department is responsible for enforcing the law, preserving the peace, crime prevention services and animal control. The department has more than 100 sworn officers and annually responds to over 22,000 calls for service. The department is accredited by the Virginia Law Enforcement Professional Standards Commission, which rates agencies on over seven hundred different standards and criteria.

Fire Department. The Fire Department is responsible for providing protective action services to the citizens and visitors of James City County. Those protective services include fire protection, emergency medical

services, open water and dive rescue, fire prevention, fire code enforcement, and public education. The Fire Department is also responsible for the Emergency Communications system that includes the 911 dispatch center, 800 mHz radio system. The third component of the Fire Department is Emergency Management, which is responsible for the planning, response, and mitigation of emergency situations including natural disasters, hazardous material incidents, any instances at the Surry Nuclear Power Plant, and for overseeing the citizen emergency notification systems. The Fire Department has a staff of 147 including 109 uniformed and 38 civilians.

Transportation

Interstate 64 links the County with the Tidewater communities to the east and with Interstate 95 and the entire interstate corridor of the eastern seaboard to the west. The commercial and industrial areas in the County are within minutes of Interstate I-64 and within 45 minutes of Interstates I-95 and I-295.

Three international airports, all within 45 minutes of the County, provide air transportation and cargo facilities: Richmond International Airport to the west and Williamsburg/Newport News International and Norfolk International airports to the east. These airports handle international and domestic passenger flights and all-cargo flights daily. Williamsburg-Jamestown airport serves as a regional general aviation airport for turbo-prop and corporate aircraft.

The CSX rail line that passes through the County provides rail service to the County. Along with Interstate I-64, the rail line provides access to the Hampton Roads ports some 40 minutes to the east. Hampton Roads is the second largest commercial port area on the East Coast.

Water and Wastewater Services

The James City Service Authority (the "JCSA") is a public body politic and corporate of the Commonwealth of Virginia. The JCSA was created in 1969 by the Board of Supervisors pursuant to the Virginia Water and Sewer Authorities Act (Code of Virginia, 1950, as amended). The JCSA was created to acquire, construct, operate and maintain, to the extent determined by the JCSA to be financially feasible, an integrated water system and an integrated sewer collection system in the County. The JSCA Board of Directors is appointed by the Board of Supervisors. Since 1976, the Board of Supervisors has appointed its members as Directors of the JCSA to more fully coordinate JCSA activities with those of the County in the planning and development of utility systems.

The Board of Supervisors has authorized water and sewer operations for the JCSA within the Primary Service Area (the "PSA") in the County. With the approval of the County, the JCSA has extended services beyond the PSA to several public sites in the County, including three public schools, Freedom Park and two major planned communities, Greensprings West and Governor's Land. The JCSA also provides water and/or sewer service to limited sections of York County and the City of Williamsburg with the concurrence of the appropriate governing bodies.

The JCSA's water system includes the central water system and Five Forks Water Treatment Facility with ten water production facilities, and eight independent water production facilities that are located outside the PSA. There are approximately 410 miles of water transmission and distribution lines throughout the entire system. The water system facilities supply approximately 5.1 million gallons of water per day to 22,540 water customers.

The JCSA's sewer system includes 76 pump stations with approximately 440 miles of sewer collection lines. The sewer system facilities collect and move approximately 5.4 million gallons of sewage per day for 24,286 sewer customers. The JCSA has no sewage treatment facilities. Sewage treatment for areas served by the JCSA, as well as for other Hampton Roads communities, is provided by the Hampton Roads Sanitation District.

The JCSA's operating funds are self-supporting, and the JCSA receives no share of any County tax levies. The JCSA's Board of Directors has the sole power to set water and sewer utility rates. The Board of Directors adopted an inverted block or inclining rate structure in 1996 for residential customers which incorporates a unit charge that increases with increasing consumption. The primary objective of the inverted block structure is to promote water conservation, particularly from large volume residential customers.

As a result of a comprehensive water and sewer rate study in fiscal year 2015, the Board of Directors adopted a new rate structure in fiscal year 2016 that included a fixed charge for water and sewer service and proposed incremental service rate increases in subsequent fiscal years to ensure the long-term financial stability of the JCSA. The goals of this initiative are to reduce revenue variability and adequately provide for both current water and wastewater operating needs and future capital infrastructure repairs, upgrades and expansion required by asset age and regulations. Fixed charges and service rates increased in fiscal year 2018 in accordance with the plan.

FINANCIAL INFORMATION

Budgetary Process

The Code of Virginia requires the County Administrator to submit, for informative and fiscal planning purposes, a balanced, proposed operating budget to the Board of Supervisors at least 90 days before the beginning of each fiscal year, which commences July 1. Inclusion of any item in the proposed budget does not constitute an obligation or commitment on the part of the Board of Supervisors to appropriate funds for such item or purpose.

The budget includes a two-year financial plan for operations and a five-year plan for capital projects. Public hearings are conducted to obtain citizen comments. Prior to June 30, only the first year of the financial plan is legally enacted through passage of an Appropriations Resolution. The Appropriations Resolution places legal restrictions on expenditures at the fund and function level. The appropriation for each fund and function can be revised only by the Board; however, the County Administrator may amend the budget within functions. The School Board is authorized to transfer budgeted amounts within the Public Schools' categories. Supplemental appropriations may be made without amending the budget.

Each department is required to review its performance versus budget on a monthly basis. In addition, a formal review of actual revenues and expenses versus budget is performed mid-year on a County-wide basis.

All County general fund appropriations lapse June 30.

Current Operating Budget

On May 8, 2018, the Board of Supervisors adopted a total budget for the fiscal year ending June 30, 2019.

The adopted budget for fiscal year 2019 includes increases in revenues and expenses over the adopted budget for fiscal year 2018. General fund revenues for fiscal year 2019 are projected to increase by approximately 4.9% compared to the 2018 adopted budget.

[Remainder of page intentionally left blank.]

The following table shows the County's General Fund budgeted revenues and expenditures for fiscal years 2018 and 2019.

GENERAL FUND OPERATING BUDGET
REVENUES AND EXPENDITURES

	Fiscal Year 2018 Adopted	Fiscal Year 2019 Adopted
REVENUES:		
General property taxes	$129,089,000	$133,300,000
Other local taxes	23,390,000	28,350,000
Licenses, Permits and Fees	9,063,000	9,499,000
Fines and Forfeitures	330,000	280,000
Use of Money and Property	220,000	220,000
Revenue from the Commonwealth	27,672,000	27,803,000
Revenue from the Federal Government	8,000	8,000
Charges for Current Services	6,255,000	6,140,000
Miscellaneous Revenues	223,000	250,000
Total Revenues	$196,250,000	$205,850,000
EXPENDITURES:		
County Operations:		
General Administration	$ 3,270,921	$ 2,780,368
Court Services	4,020,036	4,053,931
Public Safety	25,232,074	26,645,571
Financial Information	4,745,303	4,629,193
Information Resources Management	2,801,591	4,235,154
Community Development	3,611,078	3,281,679
General Services	9,836,044	11,597,636
Parks and Recreation	6,052,970	6,393,877
Other Operations	13,667,9983	142,232,591
Total Expenditures	$196,250,000	$205,850,000

Source: James City County Department of Financial Management Services; Fiscal Year 2017 and 2018 Adopted Budgets.

Five-Year Summary of Governmental Funds

The financial data shown in the following table present a summary of revenues, expenditures and other sources and uses of the County's Governmental Funds for each of the five fiscal years through the period ended June 30, 2017. The Governmental Funds consist of the General Fund, the Capital Projects Fund, the Debt Service Fund and the Non-Major Governmental Funds.

This summary has been compiled from the basic financial statements of the County for Fiscal Years 2013 through 2017. Financial data for the Fiscal Year ended June 30, 2017, should be read in conjunction with the Basic Financial Statements and Notes thereto, submitted by Dixon Hughes Goodman LLP, Newport News, Virginia, and included herein as Appendix D. Dixon Hughes Goodman LLP has not reviewed this Appendix or the Official Statement generally or any other matters related to the issuance of the Series 2018 Bonds.

GOVERNMENTAL FUNDS
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Year End June 30,

	2013	2014	2015	2016	2017
REVENUES:					
General property taxes	$109,112,196	$112,151,342	$112,542,078	$124,363,595	$128,094,252
Other local taxes	21,208,061	21,435,046	22,771,626	24,027,667	24,555,363
Licenses, permits, and fees	7,623,652	8,134,299	8,443,821	8,779,496	9,049,208
Fines and forfeitures	295,355	293,625	271,615	309,278	270,716
Use of money and property	330,514	339,358	232,388	263,745	402,544
Charges for services	5,736,864	5,549,607	5,944,750	6,623,273	6,471,404
Miscellaneous	1,473,964	1,875,484	4,217,842	1,932,580	2,924,978
Intergovernmental	34,672,161	33,945,431	34,169,438	34,635,171	35,092,799
Total Revenues	$180,452,767	$183,724,192	$188,593,558	$200,934,805	$206,861,264
EXPENDITURES:					
General government	$ 9,399,885	$ 9,643,858	$ 9,432,889	$ 9,678,060	$ 9,770,250
Judicial administration	5,250,974	5,514,609	5,599,728	5,463,744	5,870,569
Public works	7,606,884	7,353,940	6,976,533	27,878,252	28,443,672
Health and welfare	6,785,380	7,061,327	7,193,841	7,082,202	7,833,811
Education	75,931,599	77,496,482	79,610,865	7,234,052	7,350,896
Parks, recreation, and culture	9,075,083	9,899,159	9,858,887	79,825,974	84,299,207
Public safety	26,555,114	26,764,383	27,475,307	9,872,451	10,293,611
Community development	10,914,977	10,958,279	10,769,064	10,353,844	11,827,600
Nondepartmental	966,806	721,744	525433	1183538	-
Debt service:					
Principal	23,473,305	16,417,326	16,862,695	17,122,377	16,206,234
Interest	9,522,081	8,822,326	7,787,361	6,188,222	6,841,056
Bond issuance costs	253,624	-	112,863	1,173,546	-
Capital outlay [1]	12,586,344	18,421,679	13,424,741	12,647,985	25,818,138
Total Expenditures	$198,322,056	$199,075,112	$195,630,207	$195,704,247	$214,555,044
Excess (deficiency) of revenues over (under) expenditures	($ 17,869,289)	($ 15,350,920)	($ 7,036,649)	$ 5,230,558	($ 7,693,780)
Other financing sources:					
Transfers in	$ 33,965,148	$ 34,729,940	$ 35,271,660	$ 40,956,217	$ 40,745,506
Transfers out	(33,965,148)	(34,729,940)	(35,271,660)	(40,956,217)	(40,745,506)
Issuance of debt	26,380,000	-	34,185,000	91,665,000	-
Premiums on bonds issued	2,309,915	-	3,907,273	10,930,294	-
Capital lease	-	-	-	-	4,736,044
Payment to refunded bond escrow agent	-	-	(39,371,952)	(73,165,442)	-
Total other financing sources	$ 28,689,915	$ -	($ 1,279,679)	$ 29,429,852	$ 4,736,044
Net change in fund balances	$ 10,820,626	($ 15,350,920)	($ 8,316,328)	$ 34,660,410	($ 2,957,736)
Fund balance, beginning of year	70,197,667	81,018,293	65,667,373	57,351,045	$ 92,011,455
Fund balance, end of year	81,018,293	65,667,373	57,351,045	92,011,455	$ 89,053,719
Debt service as a percentage of Noncapital expenditures[2]	17.55%	13.97%	13.35%	12.56%	11.99%

Source: James City County, Virginia, Comprehensive Annual Financial Report
[1] Including operating transfers to capital projects.
[2] Noncapital expenditures equals total expenditures less amounts for capitalized assets on the government-wide statement of net assets.

The following table shows the County's fiscal year 2017 revenues by source.

GOVERNMENTAL FUNDS
Fiscal Year 2017 Revenues by Source

	Amount	Percent of Total	Increase (Decrease) from 2016
General Property Taxes	$128,094,252	61.92%	3.00%
Other Local Taxes	24,555,363	11.87	2.20
Permits, privilege fees reg. licenses	9,049,208	4.37	3.07
Fines and Forfeitures	270,716	0.13	(12.47)
Use of Money and Property	402,544	0.19	52.63
Charges For Services	6,471,404	3.13	(2.29)
Miscellaneous	2,924,978	1.41	51.35
Intergovernmental	35,092,799	16.96	1.32
Total Revenue	$206,861,264	100.00%	

Source: James City County Department of Financial Management Services.

Fiscal Year 2018 Performance

The Board of Supervisors adopted a fiscal year 2018 general fund budget of $196,250,000. The unaudited fiscal year 2018 performance expects realized revenues to be approximately $196,800,000 and expenditures to be $193,000,000 resulting in an increase to fund balance of approximately $3,200,000.

Operating Data

The following table sets forth the assessed value of all taxable property in the County for each of its ten most recent fiscal years.

HISTORICAL ASSESSED VALUE
Fiscal Year 2008 to Fiscal Year 2017

Year	Total Real Property	General Personal Property	Machinery and Tools	Mobile Homes	Total Personal Property	Public Service	Total Assessed Value
2008	$10,672,714,225	$623,336,868	$125,136,293	$12,537,160	$761,010,321	$176,428,097	$11,610,152,643
2009	11,005,655,000	610,316,169	128,696,107	11,641,959	750,654,235	184,750,991	11,941,060,226
2010	11,155,493,300	598,149,387	132,052,632	10,994,266	741,196,285	196,289,584	12,092,979,169
2011	11,172,929,700	621,471,862	137,178,668	10,101,067	768,751,597	210,802,200	12,152,483,497
2012	11,316,807,900	652,561,625	139,945,157	9,719,184	802,225,966	222,670,868	12,341,704,734
2013	10,921,180,200	687,058,440	141,877,157	9,209,475	838,145,072	232,588,225	11,991,913,497
2014	11,067,756,400	710,720,870	144,950,305	8,346,659	864,017,834	233,973,337	12,165,747,571
2015	11,148,405,300	783,249,672	144,694,099	7,901,856	935,845,627	336,370,602	12,420,621,529
2016	11,352,153,219	770,378,346	145,094,277	7,533,858	923,006,481	236,177,856	12,511,337,556
2017	11,608,801,433	809,023,687	147,942,350	7,008,284	963,974,321	245,349,999	12,818,125,753

Source: Real Estate Assessments and Commissioner of the Revenue, James City County.

[Remainder of page intentionally left blank.]

The following table shows the County's property tax rates for each of its ten most recent fiscal years.

PROPERTY TAX RATES [1]

Fiscal Year	Real Estate	Personal Property	Assessed % NADA Loan Value
2008	$0.770	$4.00	100%
2009	0.770	4.00	100
2010	0.770	4.00	100
2011	0.770	4.00	100
2012	0.770	4.00	100
2013	0.770	4.00	100
2014	0.770	4.00	100
2015	0.770	4.00	100
2016	0.840	4.00	100
2017	0.840	4.00	100

Source: James City County, Virginia, Comprehensive Annual Financial Report, Year Ended June 30, 2017
[1] Per $100 of assessed value.

The following table sets forth information concerning the County's general property tax collection rate for each of its ten most recent fiscal years.

GENERAL PROPERTY TAX COLLECTION RATE
Fiscal Year 2008 to Fiscal Year 2017

	Collected within the Fiscal Year of the Levy				Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year	Amounts[1]	Percentage of Levy	Collections in Subsequent Years[4]	Amount	Percentage of Levy
2008	$114,064,606	$ 96,586,301	84.68%	$17,371,259	$113,957,560	99.91%
2009	114,856,453	97,895,837	85.23	16,824,283	114,720,120	99.88
2010	116,316,624	99,101,581	85.20	16,968,862	116,070,443	99.79
2011	117,215,610	100,889,563	86.07	15,946,267	116,835,830	99.68
2012	121,312,654	101,482,234	83.65	19,498,752	120,980,986	99.73
2013	117,414,914	98,431,581	83.83	18,747,396	117,178,977	99.80
2014	118,804,815	100,523,591	84.61	17,810,298	118,333,889	99.60
2015	116,313,370	101,071,578	86.90	13,981,851	115,053,429	98.92
2016	122,270,532	106,867,113	87.40	14,476,777	121,343,890	99.24
2017	125,345,126	109,436,232	87.31	-	109,436,232	87.31

Source: Treasurer, James City County.
[1] Collections related to fiscal year levies include the Personal Property Tax Relief Act (the "PPTRA") reductions claimed by taxpayers.

[Remainder of page intentionally left blank.]

The following tables set forth the County's ten largest taxpayers of personal property taxes and real estate taxes. The aggregate assessed personal property taxes of the ten largest personal property taxpayers represent 21.46% of the County's total personal property tax levy for fiscal year 2017. The aggregate assessed real estate taxes of the ten largest real estate taxpayers represent 9.08% of the County's total real estate tax levy for fiscal year 2017.

TEN LARGEST TAXPAYERS
(Fiscal Year 2017)

Principal Personal Property Tax Payers

Name of Business	Property Taxes Assessed	% of Total Taxable Assessed Value
Anheuser-Busch, Inc.	$3,982,058	10.39%
Seaworld Parks, LLC	1,571,928	4.10
Ball Metal Container	643,475	1.68
Printpack, Inc.	475,313	1.24
Owens-Brockway Glass Container	458,168	1.20
Wal-Mart, Inc.	299,347	0.78
Cox Communications of Hampton Roads	256,601	0.67
Toyota Lease Trust	250,444	0.65
HVT, Inc.	180,400	0.47
Branscome, Inc.	107,588	0.28
	$8,225,322	21.46%

Principal Real Estate Tax Payers

Name of Business	Property Taxes Assessed	% of Total Taxable Assessed Value
Premium Outlets of Williamsburg [(1)]	$1,227,400	1.23%
Anheuser-Busch, Inc.	1,181,700	1.19
Virginia Electric & Power Company	1,117,763	1.12
Williamsburg Plantation Owners Association	1,084,693	1.09
Powhatan Plantation Owners Association	998,420	1.00
Wal-Mart, Inc.	840,000	0.84
Williamsburg Landing, Inc.	758,279	0.76
Manor Club @ Ford's Colony	651,006	0.65
Virginia United Methodist Homes, Inc.	630,216	0.63
Seaworld Parks, LLC	572,308	0.57
	$9,061,785	9.08%

Source: Commissioner of Revenue, James City County.

(1) Premium Outlets includes two related parties, Williamsburg Outlets, LLC and Williamsburg Mazel, LLC. They are combined in this table to show the value of the shopping center.

[Remainder of page intentionally left blank.]

Capital Improvements Program

As a part of the annual budgeting process, each year the County develops a Capital Improvements Program ("CIP") for the following five fiscal years. Only the first year of the CIP is actually appropriated. The remaining four years are included for planning purposes and are subject to revision in future years.

On May 8, 2018, the Board approved the CIP for fiscal years 2019 through 2023. The following table summarizes anticipated capital expenditures for the next five fiscal years.

SUMMARY OF ANTICIPATED CAPITAL EXPENDITURES
FOR FISCAL YEARS ENDING JUNE 30

Description	2019	2020	2021	2022	2023	Total
Schools	$14,063,000	$ 2,095,000	$23,289,000	$ 4,786,000	$ 6,934,000	$ 51,167,000
General Services/Other	8,137,381	6,781,381	5,222,000	3,993,000	3,876,000	28,009,762
Public Safety	4,265,000	3,050,000	9,705,000	1,400,000	385,000	18,805,000
Parks and Recreation	1,600,000	184,000	1,986,000	1,534,000	1,050,000	6,354,000
Tourism	2,328,000	533,000	2,600,000	-	1,050,000	6,511,000
Total Uses	$30,393,381	$12,643,381	$42,802,000	$11,713,000	$13,295,000	$110,846,762

Source: James City County Department of Financial and Management Services.

The sources of funding for the capital improvement projects are shown in the following table:

Sources of Funds	2019	2020	2021	2022	2023	Total
General Fund	$ 9,109,000	$ 8,238,000	$ 9,266,000	$ 9,110,000	$9,520,000	$ 45,243,000
Tax[1]	1,340,381	1,340,381	-	-	-	2,680,762
Prior Year General Fund	1,891,000	1,807,000	1,788,000	1,878,000	2,000,000	9,364,000
Prior Year School Fund	600,000	600,000	600,000	600,000	600,000	3,000,000
Fire Apparatus Grants	125,000	125,000	125,000	125,000	125,000	625,000
Bond Proceeds	15,000,000	-	28,423,000	-	-	43,423,000
From Tourism Fund	2,328,000	533,000	2,600,000	-	1,050,000	6,511,000
Total	$30,393,381	$12,643,381	$42,802,000	$11,713,000	$13,295,000	$110,846,762

Source: James City County Department of Financial and Management Services.

Outstanding Bonded Debt and Debt Service

Pursuant to the Constitution of Virginia and the Public Finance Act of 1991 (Chapter 26, Title 15.2 of the Code of Virginia of 1950, as amended), a county in Virginia is authorized to issue general obligation bonds secured by a pledge of its full faith and credit. For the payment of such bonds, the governing body of the county is required to levy, if necessary, an annual ad valorem tax on all property in the county subject to local taxation. Although the amount of bonds issued by Virginia counties is not subject to statutory limitation, counties generally are prohibited from issuing general obligation bonds unless the issuance of such bonds has been approved by public referendum. This referendum requirement does not apply to bonds for capital projects for school purposes and sold to the Literary Fund, the Virginia Supplemental Retirement System or other state agencies prescribed by law, including the Virginia Public School Authority. The County's undertakings to make rental payments under capital and operating leases are subject to annual appropriation and do not constitute general obligation debt under the Constitution of Virginia or the Public Finance Act of 1991.

Set forth below is a statement of long-term general obligation and major capital lease indebtedness of the County at June 30, 2018, and a schedule of debt service payments:

STATEMENT OF LONG-TERM DEBT

Total Long-Term Debt as of June 30, 2018	$_____

[Remainder of page intentionally left blank.]

SCHEDULE OF GENERAL FUND LONG-TERM DEBT SERVICE REQUIREMENTS

	Existing Debt			Series 2018 Lease Revenue Bonds			Total Debt		
FY	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total

Source: James City County Department of Financial Management Services.

Note: Includes the County's general obligation/refunding bonds: Series 1997 ($_____ principal balance outstanding as of June 30, 2018), Series 1999 Series A ($_____ principal balance outstanding as of June 30, 2018), Series 1999 Series B ($_____ principal balance outstanding as of June 30, 2018), Series 2011 ($_____ principal balance outstanding as of June 30, 2018), Series 2014 ($_____ principal balance outstanding as of June 30, 2018), Series 2015A ($_____ principal balance outstanding as of June 30, 2018), Series 2015B ($_____ principal balance outstanding as of June 30, 2018). Also includes the County's lease payments (subject to annual appropriation) payable to the Authority in connection with its lease revenue/refunding bonds: Series 2009 ($_____ principal balance outstanding as of June 30, 2018), Series 2011 ($_____ principal balance outstanding as of June 30, 2018), Series 2012 ($_____ principal balance outstanding as of June 30, 2018), Series 2014 ($_____ principal balance outstanding as of June 30, 2018), Series 2015 ($_____ principal balance outstanding as of June 30, 2018), Series 2016 ($_____ principal balance outstanding as of June 30, 2018). Also includes the County's lease payment obligations under capital leases entered into in 2010 ($_____ principal balance outstanding as of June 30, 2018) and 2017 ($_____ principal balance outstanding as of June 30, 2018).

* Totals may not foot due to rounding.

[Remainder of page intentionally left blank.]

The following table shows the County's ratio of net general bonded debt to assessed value of property and net bonded debt per capita for the last ten fiscal years.

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Fiscal Year	Population[1]	Assessed Value	Gross Bonded Debt [2][3]	Less Debt Service Monies Available[4]	Net Bonded Debt	Ratio of Net General Obligation Debt to Assessed Value	Net Bonded Debt Par Capita
2008	61,195	$11,610,152,643	$118,369,735	$1,890,734	$116,479,001	1.00%	$1,903
2009	63,135	11,941,060,226	109,974,105	1,706,525	108,267,580	0.91	1,715
2010	67,745	12,092,979,169	101,414,765	2,921,044	98,493,721	0.81	1,454
2011	68,500	12,152,483,497	93,283,624	2,921,037	90,362,587	0.74	1,319
2012	69,451	12,341,704,734	86,134,103	2,920,981	83,213,122	0.67	1,198
2013	70,376	11,991,913,497	80,004,294	2,920,583	77,083,756	0.64	1,095
2014	71,254	12,165,747,571	72,164,244	2,920,369	69,243,875	0.57	972
2015	72,682	12,420,621,529	65,458,589	1,219,616	64,238,973	0.52	884
2016	73,767	12,511,337,556	49,844,842	1,221,521	48,623,321	0.39	659
2017	74,230	12,818,125,753	44,155,482	1,222,024	42,933,458	0.33	578

Source: James City County Comprehensive Annual Financial Report for June 30, 2017
(1) Planning Division – population figure is the estimate from the second quarter of the year.
(2) Includes all long-term general obligation bonded debt, bond anticipation notes, and Literary Fund loans.
(3) Includes general obligation debt payable from enterprise revenues.
(4) Debt Service Reserve Funds held by a trustee.

Other Indebtedness and Obligations

The County has no overlapping debt. The Williamsburg-James City County School Board, which is a component unit of the County according to the Government Accounting Standards Board, had no outstanding capitalized leases as of June 30, 2017.

The County closed its landfill in 1994. State and federal laws and regulations require the County to perform certain maintenance and monitoring functions at the site for 10 to 30 years after closure. The County's financial statements for the fiscal year ended June 30, 2017 show $1,184,879 as landfill post-closure liability, which represents the liability estimated to monitor the landfill for an average monitoring period of 25 years. See note 10 of the County's audited financial statement in Appendix B for a more complete description of the County's landfill closure and post-closure care cost.

Retirement Systems

The County, the James City Service Authority and the Williamsburg-James City County Public Schools contribute to the Virginia Retirement System ("VRS"), an agent multiple-employer defined benefit pension plan.

All full-time, salaried permanent employees of the County, the JCSA and the Public Schools must participate in the VRS. Plan members are required to contribute 5% of their annual salary to the VRS. In addition, the County, the JCSA and the Public Schools are required to contribute the remaining amounts necessary to fund their participation in the VRS using the actuarial basis specified by statute and approved by the VRS Board of Trustees. The employer contribution rates for the fiscal year ended June 30, 2017 were 9.37%, 7.29% and 4.67% of annual covered payroll for the County, the JCSA and the Public Schools, respectively, resulting in contributions of $3,640,677, $297,668 and $233,512, respectively.

See note 11 of the County's audited financial statements in Appendix B for a more complete description of the County's defined pension benefit obligation as of June 30, 2017.

Post-Employment Benefits Other Than Pensions

For the fiscal year ended June 30, 2009, the County and Public Schools adopted GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The Statement establishes standards for reporting the liability for the County's nonpension postemployment benefit, the health care plan for retirees.

The County and Public Schools provide postemployment health care (OPEB) for qualifying retired employees who are not yet eligible for Medicare through single-employer defined benefit plans. The benefits, benefit levels, employee contributions and employer contributions are governed by the County and Public Schools and can be amended through their personnel manuals.

The County and Public Schools have not established a trust to prefund this liability. The anticipated growth in the net OPEB obligation is based on contributions to the benefit plan on a pay-as-you-go cost basis. The data has been projected into the future based on the assumption the current active population remains constant. Retirees pay the full rate of coverage under the medical plan.

Currently, covered full-time active employees who retire directly from the County and are at least 50 years of age with 15 years of service are eligible to receive post-employment health care benefits. Each year, retirees participating in the County sponsored plans will be given the opportunity to change plans or drop coverage during an open enrollment period. Dental plans are available at the retiree's cost, and therefore, have no GASB 45 liability. There is no coverage for post-Medicare retirees. The County does not contribute towards the retiree's health insurance premiums. Therefore, since the retirees pay their health insurance premiums based on a blended rate, the County has an implicit liability.

The Public Schools provides a single-employer defined benefit medical plan and a retiree health insurance premium contribution plan that covers retirees until they reach 65 years of age. There is no coverage for retirees or their spouses once they reach the age of 65 and are eligible for Medicare. Both plans were established under the authority of the Williamsburg-James City County School Board and any amendments to the plans must be approved by the School Board. The Schools' retiree health insurance premium contribution plan allows eligible retirees to receive a $62.50 contribution monthly toward their health insurance premium. The retiring employee must have a minimum of twelve continuous years of service with Williamsburg-James City County Public Schools.

In July 2016 a consulting firm conducted an actuarial valuation study using the projected unit credit actuarial cost method. The actuarial assumptions included calculations based on a discount rate of 4% for the unfunded liability, rate of inflation of 2.2%, and payroll growth of 3%. Amortization of the initial unfunded actuarial liability is over a closed 22 year period based on a level percent of payroll method. Future increases for medical benefits are assumed to range from an initial rate of 7.5% and decrease gradually with the ultimate rate being 5.04%. The actuarial accrued liability was estimated to be $7,148,000 and $7,515,000 for the County and Public Schools, respectively.

Published Financial Information

The County issues and distributes a Comprehensive Annual Financial Report on its financial operations for each fiscal year. The report covers the fiscal year ending the prior June 30. Copies of the Annual Financial Report are available to the public upon request from the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187.

In addition to the Annual Financial Report, the County also annually publishes an Adopted Budget and a five-year Capital Improvements Program. These documents are available through the Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187.

This Preliminary Official Statement and the information contained herein are subject to change, completion and amendment without notice. The Series 2018 Bonds may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Series 2018 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

DRAFT: 9/27/2018

PRELIMINARY OFFICIAL STATEMENT DATED _____ __, 2018

NEW ISSUE
BOOK-ENTRY ONLY

Ratings: Moody's: ___
Standard & Poor's: ___
Fitch: ___
(See "Ratings")

In the opinion of Bond Counsel, under current law and subject to the conditions described in the section "TAX EXEMPTION," interest on the Series 2018 Bonds (1) will not be included in gross income for federal income tax purposes, (2) will not be an item of tax preference for purposes of the federal alternative minimum income tax and (3) will be exempt from income taxation by the Commonwealth of Virginia. A holder may be subject to other federal income tax consequences as described in the section "TAX EXEMPTION."

$_____*
ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA PUBLIC FACILITY REVENUE AND REFUNDING BONDS (COUNTY GOVERNMENT PROJECTS), SERIES 2018

Dated: Date of Issuance **Due: ____ __, as shown on the inside cover**

This Official Statement has been prepared by James City County, Virginia (the "County"), on behalf of the Economic Development Authority of James City County, Virginia (the "Authority), to provide information on the Series 2018 Bonds, the security therefor, the County, the projects being financed with the proceeds of the Series 2018 Bonds and other relevant information. Selected information is presented on this cover page for the convenience of the user. To make an informed decision regarding the Series 2018 Bonds, a prospective investor should read this Official Statement in its entirety.

Security **THE SERIES 2018 BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY FROM CERTAIN PAYMENTS TO BE MADE BY THE COUNTY PURSUANT TO A FINANCING AGREEMENT DATED AS OF JUNE 1, 2016, AS SUPPLEMENTED BY A FIRST SUPPLEMENTAL FINANCING AGREEMENT DATED AS OF _____, 2018 (TOGETHER, THE "FINANCING AGREEMENT"), BETWEEN THE COUNTY AND THE AUTHORITY; A DEED AND AGREEMENT OF FINANCING LEASE DATED AS OF _____ __, 2018 (THE "FINANCING LEASE"), BETWEEN THE COUNTY AND THE AUTHORITY; AND FROM CERTAIN FUNDS AND THE INVESTMENT INCOME THEREFROM HELD BY THE TRUSTEE. THE UNDERTAKING BY THE COUNTY TO MAKE PAYMENTS UNDER THE FINANCING AGREEMENT AND THE FINANCING LEASE WILL BE SUBJECT TO APPROPRIATIONS BY THE COUNTY BOARD OF SUPERVISORS FROM TIME TO TIME OF SUFFICIENT FUNDS FOR SUCH PURPOSE. NEITHER THE SERIES 2018 BONDS, THE FINANCING AGREEMENT NOR THE FINANCING LEASE CONSTITUTES A DEBT OF THE COUNTY OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE COUNTY. THE SERIES 2018 BONDS AND THE PREMIUM, IF ANY, AND THE INTEREST ON THEM SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OF VIRGINIA OR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY. NEITHER THE COMMONWEALTH OF VIRGINIA NOR ANY OF ITS POLITICAL SUBDIVISIONS, INCLUDING THE AUTHORITY AND THE COUNTY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE SERIES 2018 BONDS OR OTHER COSTS INCIDENT TO THEM EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED FOR SUCH PURPOSE. THE AUTHORITY HAS NO TAXING POWER.**

Issued Pursuant To The Series 2018 Bonds will be issued pursuant to an Agreement of Trust dated as of June 1, 2016, as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____ __, 2018, between the Authority and Wilmington Trust, National Association, as Trustee.

Trustee Wilmington Trust, National Association

Purpose The proceeds of the Series 2018 Bonds will be used to (a) finance the Series 2018 Project (as defined herein), (b) refund the Refunded Bonds (as defined herein), and (c) finance the costs of issuing the Series 2018 Bonds.

Interest Payment Dates _____ __ and _____ __, commencing _____ __, 2018

Regular Record Dates _____ __ and _____ __

Redemption The Series 2018 Bonds are subject to extraordinary and optional redemption as set forth herein.

Denominations $5,000 and integral multiples thereof.

Closing/Delivery Date On or about _____ __, 2018.

Registration Full book-entry only; The Depository Trust Company, New York, New York

Bond Counsel Hunton Andrews Kurth LLP, Richmond, Virginia

County Attorney Adam Kinsman, Esquire

Authority Counsel Adam Kinsman, Esquire

Dated: _____ __, 2018

---

* Preliminary subject to change.

$_____*

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS), SERIES 2018

_____*	Principal Amount*	Interest Rate	Yield	CUSIP** _____

* Preliminary, subject to change.

** Copyright 2013, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2018 Bonds, and the County makes no representation with respect to such numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2018 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2018 Bonds.

The Series 2018 Bonds will be exempt from registration under the Securities Act of 1933, as amended. As obligations of a political subdivision of the Commonwealth of Virginia, the Series 2018 Bonds will also be exempt from registration under the securities laws of Virginia.

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 representation should not be relied upon as having been authorized by the Authority or the County. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor will there be any sale of the Series 2018 Bonds by any person in any state in which it is unlawful for such person to make such offer, solicitation or sale.

All quotations from and summaries and explanations of provisions of law and documents herein do not purport to be complete, and reference is made to such laws and documents for full and complete statements of their provisions. Any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinion and not as representations of fact. 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, any sale made hereunder, nor any filing of this Official Statement shall under any circumstances create an implication that there has been no change in the affairs of the County or the Authority since the date of this Official Statement or imply that any information herein is accurate or complete as of any later date.

Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the Series 2018 Bonds, including transactions to (a) overallot in arranging the sales of the Series 2018 Bonds and (b) make purchases and sales of the Series 2018 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.

TABLE OF CONTENTS

Page

SECTION ONE: INTRODUCTION 1
The Issuer 1
The Series 2018 Bonds 1
Redemption 2
Delivery 2
Ratings 2
Financial Advisor 3
Continuing Disclosure 3
Additional Information 3
SECTION TWO: THE SERIES 2018 BONDS 3
THE AUTHORITY 3
THE SERIES 2018 BONDS 3
General 3
Redemption 4
Plan of Finance 5
Estimated Sources and Uses of Funds 5
Estimated Debt Service Requirements 6
SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS 6
Security for the Series 2018 Bonds 6
Financing Agreement 6
Financing Lease 7
Assignment Agreement 8
No Series Debt Service Reserve Account Established for the Series 2018 Bonds 8
Bond Fund 8
Project Fund 8
Additional Bonds 9
SECTION THREE: MISCELLANEOUS 9
JAMES CITY COUNTY 9
BONDHOLDERS' RISKS 9
RATINGS 11
BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS 11
LITIGATION 11
LEGAL MATTERS 12
TAX EXEMPTION 12
Opinion of Bond Counsel 12
Original Issue Discount 12
Original Issue Premium 13
Other Tax Matters 13
FINANCIAL ADVISOR 14
SALE AT COMPETITIVE BIDDING 14
CONTINUING DISCLOSURE 14
MISCELLANEOUS 14

Appendix A - Definitions of Certain Terms
Appendix B - Summary of the Financing Documents
Appendix C - Information Regarding James City County, Virginia
Appendix D - Audited Financial Statements of the County for the Fiscal Year Ended June 30, 2017
Appendix E - Form of Bond Counsel Opinion
Appendix F - Form of Continuing Disclosure Agreement
Appendix G - Book-Entry Only System
Appendix H - Official Notice of Sale

OFFICIAL STATEMENT

$_____*

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS) SERIES 2018

SECTION ONE: INTRODUCTION

The purpose of this Official Statement, which includes the cover page and appendices hereto, is to provide information in connection with the issuance by the Economic Development Authority of James City County, Virginia (the "Authority"), a political subdivision of the Commonwealth of Virginia (the "Commonwealth"), of its $_____* Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "Series 2018 Bonds"). The following introductory material is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement, reference to which is hereby made for all purposes. Certain capitalized terms used in this Official Statement are defined in Appendix A - "Definitions of Certain Terms."

The Series 2018 Bonds will be offered for sale through competitive bidding on _____ __, 2018. The Notice of Sale relating to the Series 2018 Bonds and describing the competitive bidding process is attached hereto as Appendix H.

The Issuer

The issuer of the Series 2018 Bonds is the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia.

The Series 2018 Bonds

The proceeds of the Series 2018 Bonds will be used to (a) finance the Series 2018 Project (as defined herein), (b) refund the Refunded Bonds (as defined herein), and (c) finance the costs of issuing the Series 2018 Bonds.

The Series 2018 Bonds will consist of $_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018, dated the date of issuance and maturing on _____ __ in the years and in the amounts set forth on the inside cover of this Official Statement. Interest on the Series 2018 Bonds will be payable on each _____ __ and _____ __, beginning _____ __, 20__, until the earlier of maturity or redemption, at the rates set forth on the inside cover of this Official Statement.

The Series 2018 Bonds will be issued 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 pursuant to an Agreement of Trust dated as of June 1, 2016 (the "Master Trust Agreement"), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____ __, 2018 (the "Second Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), both between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee"). Pursuant to the terms of the Trust Agreement, the Authority has determined to issue from time to time revenue bonds or notes and use the proceeds thereof to finance certain "authority facilities" (as defined in the Act), as requested by James City County, Virginia (the "County"). The Authority and the County have entered into a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____ __, 2018 (together, the "Financing Agreement"), pursuant to which the County has requested the Authority to finance the Series 2018 Project and refund the Refunded Bonds with the proceeds of the Series 2018 Bonds, and the County has agreed, subject to appropriation by the Board of Supervisors of the County (the "County Board"), to support such requests

* Preliminary, subject to change.

by paying to or on behalf of the Authority amounts sufficient to pay the principal of and premium, if any, and interest due on the Series 2018 Bonds (the "Basic Payments") and other amounts due under the Financing Agreement (the "Additional Payments").

As additional security for the Series 2018 Bonds, the County will lease a police station and a fire administration and training building (both of which were financed with proceeds of the Refunded Bonds) (the "Property"), to the Authority pursuant to the terms of a Deed and Agreement of Ground Lease dated as of _____ __, 2018 (the "Ground Lease"). The Authority will lease back to the County the Property pursuant to the terms of a Deed and Agreement of Financing Lease dated as of _____ __, 2018 (the "Financing Lease"), under which the County has agreed to undertake, subject to appropriation by the County Board, to make payments of basic rent (the "Basic Rent") and certain other payments ("Additional Rent"). To the extent that the County pays in full all Basic Payments and Additional Payments when due under the terms of the Financing Agreement, the amount of such payments will be credited in full against the Basic Rent and Additional Rent due from the County under the Financing Lease. Pursuant to an Assignment Agreement dated as of _____ __, 2018 (the "Assignment Agreement"), the Authority will assign to the Trustee for the benefit of the holders of the Series 2018 Bonds certain of its rights under the Financing Lease, including (a) its rights to receive Basic Payments and Basic Rent, (b) its rights, if any, to receive proceeds of insurance on the Property, (c) its rights to reenter and take possession of the Property upon an event of non-appropriation or default by the County and to sell or lease its leasehold interest in the Property and (d) its rights to exercise other remedies upon a default by the County.

The Series 2018 Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement and the Financing Lease, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement. The Series 2018 Bonds, 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 or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, shall be obligated to pay the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto.

A more complete description of the Trust Agreement, the Financing Agreement, the Ground Lease, the Financing Lease and the Assignment Agreement is provided in Appendix B - "Summary of the Financing Documents."

Redemption*

The Series 2018 Bonds are subject to optional and extraordinary redemption as set forth in "THE SERIES 2018 BONDS - Redemption" in Section Two.

Delivery

The Series 2018 Bonds are offered for delivery when, as and if issued, subject to the approval of validity by Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, and to certain other exceptions referred to herein. Certain legal matters will be passed upon for the County and the Authority by the County Attorney.

Ratings

The Series 2018 Bonds have been rated as shown on the cover page thereto by Fitch Ratings, One State Street Plaza, New York, New York 10004, Moody's Investors Service, 99 Church Street, New York, New York

* Preliminary, subject to change.

10007, and Standard & Poor's Public Finance Ratings, 55 Water Street, New York, New York 10041. A more complete description of each rating is provided in the section "RATINGS" in Section Three.

Financial Advisor

Davenport & Company LLC, Richmond, Virginia, is employed as Financial Advisor to the County in connection with the issuance of the Series 2018 Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Series 2018 Bonds is contingent upon the issuance and delivery of the Series 2018 Bonds.

Continuing Disclosure

For purposes of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission ("SEC"), the County is an obligated person with respect to the Series 2018 Bonds. The County has agreed to execute a Continuing Disclosure Agreement at closing to assist the underwriter in complying with the provisions of the Rule as in effect on the date hereof, by providing annual financial information and material event notices required by the Rule. See "CONTINUING DISCLOSURE" in Section Three.

Additional Information

Any questions concerning the content of this Official Statement should be directed to 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784 (Telephone No. 757-253-6805), or the County's Financial Advisor, Davenport & Company LLC (804-697-2900).

SECTION TWO: THE SERIES 2018 BONDS

THE AUTHORITY

The Authority is a political subdivision of the Commonwealth of Virginia created pursuant to the Act. The Act empowers the Authority to acquire, construct, lease, remodel, renovate and equip any public building or other facility used for public purposes. The County Board has requested the Authority to undertake the Series 2018 Project.

The Authority is not obligated to pay the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto except from amounts received therefor under the Financing Agreement and the Financing Lease. **The Authority has no taxing power.**

THE SERIES 2018 BONDS

General

The Series 2018 Bonds will be dated the date of issuance, will bear interest from their date, payable semiannually on each _____ __ and _____ __, beginning _____ __, 2018, at the rates, and will mature on _____ __ in the years and amounts as set forth on the inside cover of this Official Statement. If such interest payment date is not a Business Day, such payment will be made on the next succeeding Business Day with the same effect as if made on the interest payment date and no additional interest will accrue. Interest on the Series 2018 Bonds will be payable by check or draft mailed to the registered owner at his address as it appears on the registration books kept by the Trustee as of the _____ __ and ____ __ preceding each respective payment date.

The Series 2018 Bonds will be issued as fully registered bonds, in denominations of $5,000 or integral multiples thereof, initially in book-entry form only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Individual purchases of beneficial ownership in the Series 2018 Bonds will be made in principal amounts of $5,000 and multiples of $5,000. Individual purchasers of beneficial ownership in the Series 2018 Bonds (the "Beneficial Owners") will not receive physical delivery of bond certificates. Transfer of the Series 2018 Bonds and payment of principal of and premium, if any, and interest on the Series 2018 Bonds will be effected as described below in this section. If the book-entry system is discontinued, bond certificates will

be delivered as described in the Trust Agreement, and Beneficial Owners will become registered owners of the Series 2018 Bonds. Registered owners of the Series 2018 Bonds, whether Cede & Co. or, if the book-entry system is discontinued, the Beneficial Owners, will be defined in this Official Statement as the "Bondholders." **So long as Cede & Co. is the sole Bondholder, as nominee for DTC, reference in this Official Statement to Bondholders means Cede & Co. and does not mean the Beneficial Owners.** See Appendix G - "Book-Entry Only System."

The Series 2018 Bonds will be limited obligations of the Authority as described more fully in the section "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS."

Redemption*

Optional Redemption. The Series 2018 Bonds maturing on and before _____ __, 20__, will not be subject to redemption prior to maturity. The Series 2018 Bonds maturing on and after _____ __, 20__, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, on or after _____ __, 20__, in whole or in part (in $5,000 integrals) at any time, upon payment of [100%] of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

Selection of Bonds. If less than all of the Series 2018 Bonds are called for redemption, the Series 2018 Bonds (or principal portions thereof) to be redeemed shall be selected by the Authority (at the direction of the County). If less than all of the Series 2018 Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the particular Series 2018 Bonds within each maturity to be redeemed pursuant to its rules and procedures or, if the book-entry system is discontinued, the Series 2018 Bonds to be redeemed will be selected by the Trustee (as hereinafter defined). In either case, each portion of the $5,000 principal amount is counted as one Series 2018 Bond for such purpose.

Mandatory Sinking Fund Redemption. The Final Official Statement will contain the provisions for any Series 2018 Bonds subject to mandatory sinking fund redemption.

Extraordinary Redemption. The Series 2018 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date for which notice of redemption can be given at the direction of the County, to the extent the County elects to apply Net Proceeds to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, after damage or destruction to or condemnation of the Property. In the event of a partial extraordinary optional redemption, the Trustee, at the direction of the County, may redeem the Series 2018 Bonds (a) from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of Series 2018 Bonds of such maturity bears to the total principal amount of all Series 2018 Bonds then outstanding or (b) in inverse order of maturity, and the Trustee shall redeem in accordance with such instructions.

Notice of Redemption. Notice of redemption will be given by the Trustee by facsimile transmission, registered or certified mail or overnight express delivery not less than 30 nor more than 60 days before the redemption date to DTC, or, if DTC is no longer serving as securities depository for the Series 2018 Bonds, to the substitute securities depository, or, if none, to the respective registered owner of each Series 2018 Bond to be redeemed at the address shown on the registration books maintained by the Trustee. This notice of redemption will also be given to certain securities depositories and certain national information services which disseminate redemption notices. During the period that DTC or its nominee is the registered owner of the Series 2018 Bonds, the Trustee will not be responsible for mailing notices of redemption to the Beneficial Owners.

At the direction of the County, the Trustee may give a notice of redemption prior to a deposit of redemption moneys if such notice states that the redemption is to be funded with the proceeds of a refunding bond issue and is conditioned on the deposit of such proceeds. Provided that moneys are deposited on or before the redemption date, such notice will be effective when given. If such proceeds are not available on the redemption date, such Series 2018 Bonds will continue to bear interest until paid at the same rate they would have borne had they not been called for redemption and principal will continue to be payable as scheduled. On presentation and surrender of the Series

* Preliminary, subject to change.

2018 Bonds called for redemption at the place or places of payment, such Series 2018 Bonds will be paid and redeemed.

Effect of Redemption. On the date on which any Series 2018 Bonds have been called for redemption and sufficient funds for their payment on the redemption date are held by the Trustee, interest on such Series 2018 Bonds will cease to accrue and their registered owners will be entitled to receive payment only from the Trustee from funds available for that purpose.

Plan of Finance

On _____ __, 2018, the County Board adopted a resolution approving the issuance of the Series 2018 Bonds to finance the Series 2018 Project and refund the Refunded Bonds and expressing its intent to appropriate sufficient funds for such purposes and to recommend to future County Boards to do likewise. The County expects to use proceeds of the Series 2018 Bonds to (a) finance the costs of capital improvements for fire vehicles and apparatus and school purposes (collectively, the "Series 2018 Project"), (b) currently refund and defease the Authority's outstanding Taxable Lease Revenue Bonds (County Government Projects) Series 2009 Build America Bonds (the "Series 2009 Bonds"); and (c) pay the costs incurred in connection with issuing the Series 2018 Bonds. The maturity dates and principal amounts of the Series 2009 Bonds to be refunded (the "Refunded Bonds") are set forth below:

Refunded Bonds

Maturity (January 15)	Principal Amount
2019	$ 660,000
2030	8,895,000

A portion of the proceeds of the Series 2018 Bonds will be deposited in an escrow fund (the "Escrow Fund") to be held by Regions Bank, as escrow agent for the Refunded Bonds, pursuant to an Escrow Deposit Agreement (the "Escrow Agreement") to be dated the date of delivery of the Bonds. The Escrow Agreement will provide that cash and/or noncallable obligations of the United States Government (the "Government Obligations") will be deposited in the Escrow Fund and will mature and bear interest at times and in amounts sufficient to pay principal of and interest on the Refunded Bonds from the date the Bonds are issued until the Refunded Bonds mature or are called for redemption.

Estimated Sources and Uses of Funds

The proceeds received from the sale of the Series 2018 Bonds are expected to be applied as follows:

Sources of Funds	
Principal Amount of Bonds	$_____
[Plus/Less [Net] Original Issue Premium/Discount]	(_____)
Total Sources	$_____
Uses of Funds	
Deposit to Project Fund	$_____
Deposit to Escrow Fund	$_____
Costs of Issuance (including underwriter's discount)	_____
Total Uses	$_____

Estimated Debt Service Requirements

The Final Official Statement will contain a table setting forth the estimated debt service requirements on the Series 2018 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2018 BONDS

The following is a summary of the sources of security and sources of payment for the Series 2018 Bonds. The references to the Series 2018 Bonds, the Financing Agreement, the Financing Lease, the Assignment Agreement and the Project Fund are qualified in their entirety by reference to such documents and the provisions relating to the Project Fund contained in the Trust Agreement.

Security for the Series 2018 Bonds

The Series 2018 Bonds will be equally and ratably secured by (1) Basic Payments and Basic Rent, which will be assigned by the Authority to the Trustee and will be applied to the payment of principal of, premium, if any, and interest on the Series 2018 Bonds as set forth in the Trust Agreement, without preference, priority or distinction of any Bond over any other Bond, and (2) certain funds established under the Trust Agreement and the investment income therefrom. The Series 2018 Bonds are equally and ratably secured under the Trust Agreement as to the pledge of Basic Payments with the Authority's Public Facility Revenue Bonds (James City County School Project), Series 2016, originally issued in the principal amount of $26,750,000 (the "Series 2016 Bonds"), and any Additional Bonds that may hereafter be issued under the Trust Agreement; provided that any lease agreement or financing lease relating to a particular Series of Bonds will secure only such Bonds (unless otherwise provided in a Supplemental Trust Agreement), moneys in any account or subaccount of the Bond Fund relating to a particular Series of Bonds will secure only such Bonds, moneys in any account or subaccount of the Project Fund relating to a particular Series of Bonds will secure only such Bonds, and moneys in any account or subaccount of the Debt Service Reserve Fund relating to a particular Series of Bonds will secure only such Bonds (and may also secure any Additional Bonds issued to refund prior Bonds). The Authority and the County have agreed that, with respect to the Ground Lease and the Financing Lease, such documents may be amended to secure Additional Bonds (in addition to the Series 2018 Bonds) if prior to the issuance of such Additional Bonds, the Trustee receives confirmation that the rating on the Series 2018 Bonds will not be withdrawn, suspended or reduced as a result of such documents being amended to secure such Additional Bonds as well as the Series 2018 Bonds.

The Series 2018 Bonds, the premium, if any, and the interest thereon will be limited obligations of the Authority payable solely from the revenues and receipts derived by the Authority under the Financing Agreement and the Financing Lease, which revenues and receipts have been pledged and assigned to secure payment thereof, and from certain funds established under the Trust Agreement and the investment income therefrom. The undertaking by the County to make payments under the Financing Agreement and the Financing Lease is subject to appropriation by the County Board. The County Board has no legal obligation to make any such appropriations. See the section "BONDHOLDERS' RISKS" in Section Three.

The Series 2018 Bonds, the premium, if any, and the interest thereon will not be deemed to constitute a debt or a pledge of the faith and credit of the Commonwealth or any political subdivision thereof, including the Authority and the County. Neither the Commonwealth nor any political subdivision thereof, including the Authority and the County, will be obligated to pay the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto except from the revenues and receipts pledged and assigned therefor, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the Authority and the County, is pledged to the payment of the principal of or premium, if any, or interest on the Series 2018 Bonds or other costs incident thereto. The Authority has no taxing power.

Financing Agreement

The Authority is issuing the Series 2018 Bonds for the purpose of providing funds to (a) finance the Series 2018 Project, (b) refund the Refunded Bonds, and (c) finance the costs of issuing the Series 2018 Bonds. The

Financing Agreement provides for the County to make payments on behalf of the Authority that will be sufficient to pay the principal of and premium, if any, and interest on the Bonds (currently consisting of only the Series 2016 Bonds and the Series 2018 Bonds) as the same shall become due in accordance with their terms and provisions and the terms of the Trust Agreement. The undertaking by the County to make payments under the Financing Agreement will constitute a current expense of the County, subject to appropriation by the County Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Agreement unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Agreement provides for the County to pay to the Trustee, as assignee of the Authority, Basic Payments in amounts calculated to be sufficient to pay principal of and interest when due on the Series 2016 Bonds, the Series 2018 Bonds and any Additional Bonds issued under the Trust Agreement. Basic Payments will be due at least 14 calendar days prior to the respective principal or interest payment dates on the Series 2016 Bonds, the Series 2018 Bonds and any Additional Bonds. The Financing Agreement also provides for the County to pay certain Additional Payments, including any redemption premium that may be payable on the Series 2018 Bonds and any Additional Bonds.

Other provisions of the Financing Agreement are summarized in Appendix B - "Summary of the Financing Documents."

The undertaking by the County to make payments under the Financing Agreement constitutes neither a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any Fiscal Year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's obligations to make payments under the Financing Agreement or with respect to the performance by the County of any other covenant contained therein.

Financing Lease

In connection with the leasing of the Property (which includes only the projects being refinanced with the proceeds of the Series 2018 Bonds), the Financing Lease will serve as additional security for the Series 2018 Bonds. The Series 2016 Bonds are not secured by the Financing Lease and instead are additionally secured by a leasehold interest in different real property. The Financing Lease provides for the County to make payments of Basic Rent and Additional Rent on behalf of the Authority that will be sufficient to pay the principal of and premium, if any, and interest on the Series 2018 Bonds as the same shall become due in accordance with their terms and the provisions of the Trust Agreement. However, the County will receive a credit in full against all payments of Basic Rent and Additional Rent due under the Financing Lease to the extent the County makes all of the Basic Payments and Additional Payments due under the Financing Agreement. The undertaking by the County to make any payments under the Financing Lease will constitute a current expense of the County, subject to appropriation by the County Board from time to time of sufficient funds for such purpose. The County will not be liable for any such payments due under the Financing Lease unless and until funds have been appropriated by the County Board for payment and then only to the extent of such appropriation.

The Financing Lease provides for the County to pay to the Trustee, as assignee of the Authority, Basic Rent in amounts calculated to be sufficient to pay principal of and interest when due on the Series 2018 Bonds and any Additional Bonds secured by such Financing Lease. Basic Rent will be due at least 14 calendar days prior to the respective principal or interest payment date on the Series 2018 Bonds and Additional Bonds. The Financing Lease also provides for the County to pay certain Additional Rent, including any redemption premium that may be payable on the Series 2018 Bonds and any Additional Bonds secured by such Financing Lease. However, no payments are expected to be due under the Financing Lease so long as no event of default or event of non-appropriation has occurred under the Financing Agreement.

Other provisions of the Financing Lease are summarized in Appendix B - "Summary of the Financing Documents."

The undertaking by the County to make any payments under the Financing Lease does not constitute a debt of the County within the meaning of any constitutional or statutory limitation nor a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County has appropriated moneys to make such payments. Neither the Trustee nor the Authority shall have any obligation or liability to the Bondholders with respect to the County's undertaking to make payments under the Financing Lease or with respect to the performance by the County of any other covenant contained therein.

Assignment Agreement

In the Assignment Agreement, the Authority assigns all of its rights under the Ground Lease and the Financing Lease (except for the right to receive payment of its fees and expenses, to receive indemnification and to receive notices) to the Trustee for the benefit of the Series 2018 Bondholders, including (a) its rights to receive Basic Rent and certain Additional Rent, (b) its rights, if any, to receive proceeds of insurance on the Property, (c) its rights under the Financing Lease to reenter and take possession of the Property in the event of failure by the County to make a payment of Basic Rent and sell or lease its interest in the Property and (d) its rights to exercise other remedies upon default by the County.

No Series Debt Service Reserve Account Established for the Series 2018 Bonds

[The Trust Agreement provides for the establishment of a Debt Service Reserve Fund to be held by the Trustee and, if funded, a separate Series Debt Service Reserve Account for a particular Series of Bonds. No Series Debt Service Reserve Account will be established for the Series 2018 Bonds.]

Bond Fund

Under the Trust Agreement, the Authority pledges to the Trustee all right, title and interest to the Financing Agreement, including the Basic Payments and Additional Payments made by the County, but excluding certain rights to receive payment of the Authority's fees and expenses and to receive notices thereunder. Such payments under the Financing Agreement, along with funds on deposit in the Bond Fund, are pledged to the payment of principal of and premium, if any, and interest on the Bonds.

The Trust Agreement provides that the Trustee will deposit in the Bond Fund all Basic Payments and Basic Rent received by the Trustee from the County under the Financing Agreement and the Financing Lease, together with any amounts transferred from the Series 2018 Project Account. From the amounts received by the Trustee from the County, the Trustee will deposit in the subaccount in the Interest Account an amount equal to the interest due and payable on the next interest payment date for the Series 2018 Bonds and will deposit in the subaccount established for the Series 2018 Bonds in the Principal Account an amount equal to the principal due and payable on the next principal payment date for the Series 2018 Bonds. If a redemption premium is payable on the Series 2018 Bonds, the Trustee will deposit in the subaccount in the Premium Account of the Bond Fund that portion of an Additional Payment or Additional Rent representing the amount of the redemption premium due. For additional information concerning the Bond Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Project Fund

The Trust Agreement establishes within the Project Fund a Series 2018 Project Account into which the Trustee will deposit a portion of the proceeds of the Series 2018 Bonds. The Trustee will use money in the Series 2018 Project Account solely (a) to finance the Series 2018 Project and (b) to pay costs of issuing the Series 2018 Bonds. The Trustee will make payments from the Series 2018 Project Account upon receipt of requisitions signed on behalf of the County providing required information with respect to the use of the amounts being requisitioned. For additional information concerning the Project Fund, see Appendix B - "Summary of the Financing Documents – THE TRUST AGREEMENT."

Additional Bonds

The Authority may issue from time to time Additional Bonds secured on an equal and ratable basis with the Series 2016 Bonds and the Series 2018 Bonds (a) to finance or refinance the Cost of a Project, (b) to refund any Bonds previously issued or (c) for a combination of such purposes. Any such Additional Bonds will be issued under a Supplemental Trust Agreement and an amendment to the Financing Agreement providing for modification of the amount of Basic Payments to provide for a new amount of Basic Payments sufficient to pay principal of and interest on all Bonds then Outstanding under the Trust Agreement.

The Authority and the County have agreed that, with respect to the Ground Lease and the Financing Lease, such documents may be amended to secure, in addition to the Series 2018 Bonds, one or more Series of Additional Bonds, if, prior to the issuance of such Additional Bonds, the Trustee receives written evidence from each Rating Agency then rating the Series 2018 Bonds to the effect that the rating on the Series 2018 Bonds will not be withdrawn, suspended or reduced as a result of such documents being amended to secure such Additional Bonds as well as the Series 2018 Bonds.

SECTION THREE: MISCELLANEOUS

JAMES CITY COUNTY

Appendix C contains financial and demographic information concerning the County. The County's audited financial statements for the Fiscal Year ended June 30, 2017, are contained in Appendix D. The County's outside auditor has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The County's outside auditor has not performed any procedures relating to this Official Statement.

BONDHOLDERS' RISKS

The purchase of the Series 2018 Bonds involves a degree of risk; therefore, prospective purchasers of the Series 2018 Bonds should review this Official Statement in its entirety in order to identify risk factors and make an informed investment decision. A number of factors, including those set forth below, may affect the County's ability or willingness to make timely payments sufficient for the Trustee to pay debt service on the Series 2018 Bonds:

(1) Source of Payments. The Series 2018 Bonds are not general obligations of the Authority or the County but are payable only from revenues received by the Trustee on behalf of the Authority from payments made by the County under the Financing Agreement or the Financing Lease and other moneys held by the Trustee and pledged to the payment of the Series 2018 Bonds. The ability of the Authority to make timely payments of principal and premium, if any, and interest on the Series 2018 Bonds depends solely on the ability of the County to make timely payments under the Financing Agreement or the Financing Lease. The undertaking by the County to make payments under the Financing Agreement or the Financing Lease is subject to and dependent upon amounts being lawfully appropriated from time to time by the County Board for such purpose. The undertaking by the County to make payments under the Financing Agreement or the Financing Lease is not a debt of the County within the meaning of any constitutional or statutory limitation nor a pledge of the faith and credit or the taxing power of the County. **The County Board is not legally obligated to appropriate the funds necessary to meet the County's financial obligation under the Financing Agreement or the Financing Lease.**

(2) Non-Appropriation and Limited Remedies. The County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to include in the proposed County budget for each Fiscal Year as a single appropriation the amount of all Basic Payments and estimated Additional Payments coming due during such Fiscal Year. Throughout the term of the Financing Agreement, the County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to deliver to the Trustee and the Authority within 10 days after its adoption, but not later than 10 days after the beginning of each Fiscal Year, a copy of the County's adopted Annual Budget that includes an approval of funds sufficient to pay or be credited to the Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year. If any adopted annual budget does not include an appropriation of funds sufficient to pay both

Basic Payments and estimated Additional Payments coming due for the relevant Fiscal Year, the County Administrator will request the County Board to take a roll call vote immediately after adoption of such annual budget acknowledging the impact of its failure to appropriate such funds. If, by 15 days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of both Basic Payments and estimated Additional Payments coming due for the then current Fiscal Year, the County Administrator or other officer charged with the responsibility for preparing the County's annual budget is required to give written notice to the County Board of the consequences of such failure to appropriate and to request the County Board to consider a supplemental appropriation for such purposes. Comparable notice and appropriation provisions are included in the Financing Lease.

In the event of non-appropriation of funds by the County Board, neither the County nor the Authority may be held liable for the principal of and premium, if any, and interest payments on the Series 2018 Bonds following the last Fiscal Year in which funds to make payment under the Financing Agreement or the Financing Lease were appropriated by the County Board. In the event of non-appropriation, moneys already on deposit in the Bond Fund will be used for the payment of principal of and premium, if any, and interest payments on the Series 2018 Bonds but these moneys may not be sufficient to pay the Series 2018 Bonds in full.

Upon an Event of Default under the Trust Agreement, the Trustee has no right to accelerate the payment of the Series 2018 Bonds by declaring the entire principal of and interest on the Series 2018 Bonds to be due and payable. Similarly, upon an Event of Default under the Financing Agreement and the Financing Lease, the Authority has no right to accelerate the payment of Basic Payments by declaring the Basic Payments to be due and payable.

(3) Political Risk. The current County Board has evidenced in its resolution adopted in connection with the Series 2018 Bonds a present intent to make future appropriations of such funds as may be necessary to make payments due under the Financing Agreement and the Financing Lease as and when such payments become due. There can be no guarantee, however, that the County Board will retain its current constituency in the future, and there can be no guarantee that a future County Board will retain the current County Board's policy with respect to the Series 2018 Bonds.

(4) Limitation on Enforceability of Remedies. The realization of any rights upon a default will depend upon the exercise of various remedies specified in the Trust Agreement, the Financing Agreement and the Financing Lease. Any attempt by the 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 Trust Agreement and the Financing Agreement may not be readily available or may not be enforced to the extent such remedy may contravene public policy. The Trustee's rights under the Financing Lease to exercise remedies upon an event of default or an event of non-appropriation will be limited to the Property and will not include any of the Series 2018 Project.

(5) Project Cost Overruns. As a result of any change orders with respect to design and material costs of the Series 2018 Project, the total expenditures actually incurred by the County may be in excess of the amount of available Series 2018 Bond proceeds. Any such additional costs of acquiring, constructing and equipping the Series 2018 Project are not expected to materially impact the County's ability to complete the Series 2018 Project.

(6) Taxation of Interest on the Series 2018 Bonds. The opinion of Bond Counsel as described in the section "Tax Exemption" will state that, under the conditions set forth therein, interest on the Series 2018 Bonds is excluded from gross income for federal income tax purposes. However, in the event of non-appropriation or default by the County under the Financing Agreement or the Financing Lease, if the Trustee exercises its remedy to sell or lease its interest in the Property, interest paid on the Series 2018 Bonds from payments made from such sale or lease may not be excludable from gross income for Federal income tax purposes.

(7) Title to Property. The County has not secured a Leasehold Mortgagee Title Insurance Policy on behalf of the Authority or the Trustee with respect to the Property in connection with the issuance of the Series 2018 Bonds. Accordingly, there can be no assurance that the County has unencumbered, fee simple title to the real estate upon which the Property is located or that mechanics', materialmen's or other liens have not been filed against the Property by creditors of the County, or that construction contractors or subcontractors, materials providers or other

workmen involved with the acquisition, construction and equipping of the Series 2018 Project will not file mechanics' liens against the Series 2018 Project or the Property in the future. Such liens may have a detrimental impact on the Trustee's ability to re-lease or otherwise realize upon its interest in the Property. Such a delay may detrimentally impact the Trustee's ability to make payments of principal of and interest on the Series 2018 Bonds as and when such amounts come due.

(8) Environmental Concerns. The County is not aware of any significant environmental concerns with respect to the Property; however, underground contamination or other adverse environmental conditions may exist that could impose an unforeseen expense and/or liability on the Property, the County and the Authority, adversely affecting the ability or willingness of the County to make payments of Basic Rent or Additional Rent under the Financing Lease and/or the ability of the Trustee to realize sufficient value from the collateral serving as security for the Series 2018 Bonds in the event of non-appropriation by the County or termination of the Financing Lease.

RATINGS

Fitch Ratings ("Fitch"), One State Street Plaza, New York, New York 10004, has assigned a rating of "____" to the Series 2018 Bonds; Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, New York, New York, has assigned a rating of "____" to the Series 2018 Bonds; and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies, Inc. ("Standard & Poor's"), 55 Water Street, New York, New York, has assigned a rating of "____" to the Series 2018 Bonds.

Such ratings reflect only the respective views of such organizations. There is no assurance that the ratings will continue for any given period of time or that such ratings will not be revised, suspended or withdrawn if, in the judgment of Fitch, Moody's or Standard & Poor's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Series 2018 Bonds. Due to the ongoing uncertainty regarding the economy of the United States of America, including, without limitation, matters such as the future political uncertainty regarding the United States debt limit, obligations issued by state and local governments, such as the Series 2018 Bonds, could be subject to rating downgrades. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States or of any of its agencies or political subdivisions, then such event could also adversely affect the market for, and ratings, liquidity and market value of outstanding debt obligations, including the Series 2018 Bonds.

BONDS ELIGIBLE FOR INVESTMENT AND SECURITY FOR PUBLIC DEPOSITS

The Act provides that bonds issued pursuant thereto shall be legal and authorized investments for banks, savings banks, trust companies, building and loan associations, insurance companies, fiduciaries, trustees and guardians and for all public funds of the Commonwealth or other political corporations or subdivisions of the Commonwealth. No representation is made as to the eligibility of the Series 2018 Bonds for investment or any other purchase under any law of any other state. The Act also provides that bonds, such as the Series 2018 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 for any purpose for which the deposit of bonds or obligations of the Commonwealth is now or may hereafter be authorized by law.

LITIGATION

To the best information, knowledge and belief of the Authority and the County, there is no litigation of any kind now pending or threatened to restrain or enjoin the issuance or delivery of the Series 2018 Bonds, in any manner questioning the proceedings and authority under which the Series 2018 Bonds are being issued, or affecting the power and authority of the Authority, the County or the County Board to execute or perform their obligations under the Financing Agreement, the Financing Lease or the Trust Agreement or to make payments due under the Financing Agreement or the Financing Lease. In addition, to the best information, knowledge and belief of the County, there is no litigation presently pending or threatened against the County that, in the event of an unfavorable decision, would have a material adverse effect upon the financial condition of the County.

LEGAL MATTERS

Certain legal matters relating to the authorization and validity of the Series 2018 Bonds will be subject to the approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, Bond Counsel, which will be furnished at the expense of the County upon delivery of the Series 2018 Bonds, in substantially the form set forth as Appendix E (the "Bond Opinion"). The Bond Opinion will be limited to matters relating to the authorization and validity of the Series 2018 Bonds and to the tax-exempt status of interest thereon as described in the section "TAX EXEMPTION." The Bond Opinion will make no statement as to the financial resources of the County or the Authority or their ability to provide for payment of the Series 2018 Bonds or as to the accuracy or completeness of this Official Statement or any other information that may have been relied on by anyone in making the decision to purchase Bonds.

Certain legal matters will be passed upon for the Authority and the County by the County Attorney.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law, interest, including accrued original issue discount ("OID"), on the Series 2018 Bonds, (a) will not be included in gross income for federal income tax purposes, (b) will not be an item of tax preference for purposes of the federal alternative minimum income tax, and (c) will be exempt from income taxation by the Commonwealth of Virginia. Except as discussed below regarding OID, no other opinion will be expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Series 2018 Bonds. Further, no opinion will be expressed by Bond Counsel as to the treatment for federal income tax purposes of any interest paid on the Series 2018 Bonds in the event of non-appropriation or default by the County.

Bond Counsel's opinion will be given in reliance upon certifications by representatives of the Authority and the County as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and is subject to the condition that there is compliance subsequent to the issuance of the Series 2018 Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The Authority and the County have covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Series 2018 Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Series 2018 Bonds. Failure by the County or the Authority to comply with such covenants, among other things, could cause interest, including accrued OID, on the Series 2018 Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue.

Customary practice in the giving of legal opinions includes not detailing in the opinion all of the assumptions, limitations and exclusions that are a part of the conclusions therein. See "Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions," 63 Bus. Law. 1277 (2008), and "Legal Opinion Principles," 53 Bus. Law. 831 (May 1998). Purchasers of the Series 2018 Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Series 2018 Bonds.

Original Issue Discount

The initial public offering prices of the Series 2018 Bonds maturing in the years ____ through ____ (the "OID Bonds") will be less than their stated principal amount. In the opinion of Bond Counsel, under current law, the difference between the stated principal amount and the initial offering price of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such Series 2018 Bonds is sold will constitute OID. The offering prices set forth on the inside cover of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of such Series 2018 Bonds are sold.

Under the Code, for purposes of determining a Bondholder's adjusted basis in an OID Bond, OID treated as having accrued while the Bondholder holds the Series 2018 Bond will be added to the Bondholder's basis. OID will accrue on a constant yield-to-maturity method. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID and the state and local tax consequences of owning or disposing of OID Bonds.

Original Issue Premium

Series 2018 Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder's basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Series 2018 Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

Other Tax Matters

In addition to the matters addressed above, prospective purchasers of the Series 2018 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, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2018 Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Series 2018 Bonds should consult their own tax advisors with respect to the status of interest on the Series 2018 Bonds under the tax laws of any state other than Virginia.

The Internal Revenue Service (the "Service") has a program to audit state and local government obligations to determine whether the interest thereon is includable in gross income for federal income tax purposes. If the Service does audit the Series 2018 Bonds, under current Service procedures, the Service will treat the Authority as the taxpayer and the owners of the Series 2018 Bonds will have only limited rights, if any, to participate.

Bond Counsel's opinion represents its legal judgment based on part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Service or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel's attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

There are many events that could affect the value and liquidity or marketability of the Series 2018 Bonds after their issuance, including but not limited to public knowledge of an audit of the Series 2018 Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Series 2018 Bonds who purchase Series 2018 Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Series 2018 Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Series 2018 Bonds.

FINANCIAL ADVISOR

Davenport & Company LLC, Richmond, Virginia, serves as financial advisor to the County and has no underwriting responsibility to the Authority or the County with respect to this transaction. As financial advisor, Davenport & Company LLC has advised the County in matters relating to the planning, structuring and issuance of the Series 2018 Bonds, assisted the County with the preparation of this Official Statement and provided to the County other advice with respect to the issuance and sale of the Series 2018 Bonds. The financial advisor's fee will be paid from proceeds of the Series 2018 Bonds. Although the Financial Advisor has assisted in the preparation of the Official Statement, the Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

SALE AT COMPETITIVE BIDDING

The Series 2018 Bonds will be offered for sale at competitive bidding at ____ a.m., Eastern Time, on _____ __, 2018, unless changed pursuant to the terms of the Official Notice of Sale. A copy of the Official Notice of Sale is attached to this Preliminary Official Statement as Appendix H.

After the Series 2018 Bonds have been awarded to the winning bidder, the Authority will issue an Official Statement in final form. The Authority will deem the Official Statement final as of its date, and the Official Statement in final form will include, among other things, the identity of the winning bidder, the final principal amount as adjusted, the expected selling compensation to the winning bidder and other information on the interest rates and offering prices or yields, all as provided by the winning bidder.

CONTINUING DISCLOSURE

To permit compliance by the underwriter with the continuing disclosure requirements of the Rule, the County will execute a Continuing Disclosure Agreement (the "CDA") at closing agreeing to provide certain annual financial information and material event notices required by the Rule. Such information will be filed through the Electronic Municipal Market Access System maintained by the Municipal Securities Rulemaking Board and may be accessed through the Internet at emma.mrsb.org. As described in Appendix F, the CDA requires the County to provide only limited information at specific times, and the information provided may not be all the information necessary to value the Series 2018 Bonds at any particular time. The County may from time to time disclose certain information and data in addition to that required by the CDA. If the County chooses to provide any additional information, the County will have no obligation to continue to update such information or to include it in any future disclosure filing. Failure by the County to comply with the CDA is not an event of default under the Series 2018 Bonds or the Bond Resolution. The sole remedy for a default under the CDA is to bring an action for specific performance of the County's covenants hereunder, and no assurance can be provided as to the outcome of any such proceeding.

Other than as disclosed in the following sentence, the County has never failed to comply in all material respects with any previous continuing disclosure undertakings under the Rule. [In each of the previous five fiscal years, the County has complied in all material respects with its previous continuing disclosure undertakings under the Rule.]

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not representations of fact. No representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the holder of the Series 2018 Bonds.

The attached Appendices are an integral part of this Official Statement and must be read together with the balance of this Official Statement.

The distribution of this Preliminary Official Statement has been duly authorized by the Authority and the County. The Authority has deemed this Preliminary Official Statement final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted by the Rule.

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

By _____
Chairman

Approved:

JAMES CITY COUNTY, VIRGINIA

By_____
County Administrator

APPENDIX A

DEFINITIONS OF CERTAIN TERMS

APPENDIX B

SUMMARY OF THE FINANCING DOCUMENTS

APPENDIX C

JAMES CITY COUNTY, VIRGINIA

[The inclusion of this information does not imply that James City County, Virginia, is legally obligated to make payments on any Bonds outstanding under the Trust Agreement, including the Series 2018 Bonds.]

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE COUNTY FOR THE FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX E

FORM OF BOND COUNSEL OPINION

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

FORM OF CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** dated as of _____ __, 2018 (the "Disclosure Agreement"), is executed and delivered by the Board of Supervisors of James City County, Virginia, on behalf of James City County, Virginia (the "County"), in connection with the issuance by the Economic Development Authority of James City County, Virginia (the "Issuer"), of its $_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "Series 2018 Bonds"). The County hereby covenants and agrees as follows:

Section 1. Purpose. This Disclosure Agreement is being executed and delivered by the County for the benefit of the holders of the Series 2018 Bonds and in order to assist the original purchasers of the Series 2018 Bonds in complying with the provisions of Section (b)(5)(i) of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "SEC") by providing certain annual financial information and material event notices required by the Rule (collectively, the "Continuing Disclosure").

Section 2. Annual Disclosure. (a) The County shall provide annually financial information and operating data in accordance with the provisions of Section (b)(5)(i) of the Rule as follows:

(i) audited financial statements of the County, prepared in accordance with generally accepted accounting principles; and

(ii) to the extent not included in (a)(i) above, certain operating data with respect to the County substantially of the type described in Appendix C of the Issuer's Official Statement dated _____, 2018, under the subsection "FINANCIAL INFORMATION - Operating Data."

If the financial statements filed pursuant to Section 2(a)(i) are not audited, the County shall file such statements as audited when available.

(b) The County shall file annually with the Municipal Securities Rulemaking Board ("MSRB") the financial information and operating data described in subsection (a) above (collectively, the "Annual Disclosure") within 240 days after the end of the Issuer's fiscal year, commencing with the Issuer's fiscal year ending June 30, 2019.

(c) Any Annual Disclosure may be included by specific reference to other documents previously provided to the MSRB or filed with the SEC; provided, however, that any final official statement incorporated by reference must be available from the MSRB.

(d) The County shall file with the MSRB in a timely manner the notice specifying any failure of the Issuer to provide the Annual Disclosure by the date specified.

Section 3. Event Disclosure. The County shall file with the MSRB in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Series 2018 Bonds:

(a) principal and interest payment delinquencies;

(b) non-payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on any credit enhancement reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2018 Bonds, or other material events affecting the tax status of the Series 2018 Bonds;

(g) modifications to rights of holders of the Series 2018 Bonds, if material;

(h) bond calls, if material, and tender offers;

(i) defeasances of all or any portion of the Series 2018 Bonds;

(j) release, substitution, or sale of property securing repayment of the Series 2018 Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the County;

(m) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

provided that nothing in this Section (3) shall require the County to maintain any debt service reserve, credit enhancement or credit or liquidity providers with respect to the Series 2018 Bonds or to pledge any property as security for repayment of the Series 2018 Bonds.

Section 4. Termination. The obligation of the County hereunder will terminate upon the redemption, defeasance (within the meaning of the Rule) or payment in full of all the Series 2018 Bonds.

Section 5. Amendment. The County may modify its obligations hereunder without the consent of bondholders, provided that this Disclosure Agreement as so modified complies with the Rule as it exists at the time of modification. The Issuer shall within a reasonable time thereafter file with the MSRB a description of such modification(s).

Section 6. Defaults. (a) If the County fails to comply with any covenant or obligation regarding Continuing Disclosure specified in this Disclosure Agreement, any holder (within the meaning of the Rule) of the Series 2018 Bonds then outstanding may, by notice to the County, proceed to protect and enforce its rights and the rights of the holders by an action for specific performance of the Issuer's covenant to provide the Continuing Disclosure.

(b) Notwithstanding anything herein to the contrary, any failure of the Issuer to comply with any obligation regarding Continuing Disclosure specified in this Disclosure Agreement (i) shall not be deemed to constitute an event of default under the Series 2018 Bonds or the resolution providing for the issuance of the Series 2018 Bonds and (ii) shall not give rise to any right or remedy other than that described in Section 6(a) above.

Section 7. Filing Method. Any filing required hereunder shall be made by transmitting such disclosure, notice or other information in electronic format to the MSRB through the MSRB's Electronic Municipal Market Access system pursuant to procedures promulgated by the MSRB.

Section 8. Additional Disclosure. The County may from time to time disclose certain information and data in addition to the Continuing Disclosure. Notwithstanding anything herein to the contrary, the Issuer shall not incur any obligation to continue to provide or to update such additional information or data.

Section 9. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10. Governing Law. This Disclosure Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Virginia.

BOARD OF SUPERVISORS OF
JAMES CITY COUNTY, VIRGINIA, ON
BEHALF OF JAMES CITY COUNTY, VIRGINIA

_____
Chairman

_____
County Administrator

APPENDIX G

BOOK ENTRY ONLY SYSTEM

BOOK-ENTRY ONLY SYSTEM

The description which follows of the procedures and recordkeeping with respect to beneficial ownership interests in the Series 2018 Bonds, payments of principal of and premium, if any and interest on the Series 2018 Bonds to The Depository Trust Company, New York, New York ("DTC"), its nominee, Participants or Beneficial Owners (each as hereinafter defined), confirmation and transfer of beneficial ownership interests in the Series 2018 Bonds and other bond-related transactions by and between DTC, Participants and Beneficial Owners is based solely on information furnished by DTC.

DTC will act as securities depository for the Series 2018 Bonds. The Series 2018 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2018 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Series 2018 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2018 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2018 Bond (the "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners, however, are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2018 Bonds are to be accomplished by entries made on the books of the Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2018 Bonds, except in the event that use of the book-entry system for the Series 2018 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Series 2018 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2018 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holding on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2018 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2018 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority or the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2018 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2018 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2018 Bond certificates will be printed and delivered.

The Authority, at the direction of the County, may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2018 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy thereof.

Neither the Authority, the County nor the Trustee has any responsibility or obligation to the Participants or the Beneficial Owners with respect to (a) the accuracy of any records maintained by DTC or any Participant; (b) the payment by any Participant of any amount due to any Beneficial Owner in respect of the principal of and premium, if any, and interest on the Series 2018 Bonds; (c) the delivery or timeliness of delivery by any Participant of any notice to any Beneficial Owner that is required or permitted under the terms of the Trust Agreement to be given to Bondholders; or (d) any other action taken by DTC, or its nominee, Cede & Co., as Bondholder, including the effectiveness of any action taken pursuant to an Omnibus Proxy.

So long as Cede & Co. is the registered owner of the Series 2018 Bonds, as nominee of DTC, references in this Official Statement to the Owners of the Series 2018 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners, and Cede & Co. will be treated as the only holder of Series 2018 Bonds for all purposes under the Trust Agreement.

The Authority may enter into amendments to the agreement with DTC or successor agreements with a successor securities depository, relating to the book-entry system to be maintained with respect to the Series 2018 Bonds without the consent of Beneficial Owners or Bondholders.

APPENDIX H

OFFICIAL NOTICE OF SALE

DRAFT 9/26/2018

This document has been prepared by
and, after recording, please return to:

Christopher G. Kulp
Hunton Andrews Kurth LLP
951 East Byrd Street
Richmond, Virginia 23219

Tax Parcel Numbers: _____

(This conveyance is exempt from recordation taxes pursuant to Section 58.1-810 of the Code of Virginia of 1950, as amended.)

ASSIGNMENT AGREEMENT

THIS ASSIGNMENT AGREEMENT dated as of _____ __, 2018, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "Assignor"), as grantor for indexing purposes, and **WILMINGTON TRUST, NATIONAL ASSOCIATION** (as trustee), a national banking association having a corporate trust office in Richmond, Virginia (the "Assignee"), as grantee for indexing purposes;

W I T N E S S E T H:

WHEREAS, the Assignor and the Assignee have entered into an Agreement of Trust dated as of June 1, 2016, as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____, 2018 (collectively, the "Agreement of Trust"), which provides for the issuance of $_____ Public Facility Revenue Bonds (County Governmental Projects), Series 2018 (the "Series 2018 Bonds"), payable from certain Basic Payments and Additional Payments received from James City County, Virginia (the "County"), pursuant to a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018 (together, the "Financing Agreement"), between the Assignor and the County;

WHEREAS, the Assignor and the County have entered into a Deed and Agreement of Ground Lease dated as of _____, 2018 (the "Ground Lease"), and a Deed and Agreement of Financing Lease dated as of _____, 2018 (the "Financing Lease"), which provide for the County to lease certain Property (as defined in the Ground Lease) to the Assignor and for the Assignor to lease the Property back to the County, in return for which the County has agreed to make payments of Basic Rent and Additional Rent (each as defined in the Financing Lease) to the Assignor; and

WHEREAS, the Financing Lease provides that, to the extent the County pays in full with respect to the Series 2018 Bonds each Basic Payment and Additional Payment when due under the terms of the Financing Agreement, the amount of such payment shall be credited in full against the obligation of the County to pay the comparable installments of Basic Rent and Additional Rent;

NOW, THEREFORE, for and in consideration of the mutual covenants hereinafter contained and other valuable consideration, the receipt of which is acknowledged, the Assignor assigns, transfers and delivers to the Assignee all of its rights and property under the Ground Lease and the Financing Lease (except the rights of the Authority to receive payment of its fees and expenses and to receive notices), as such agreement may be amended from time to time pursuant to its terms, including, without limitation, its rights to (a) receive payments of Basic Rent, (b) receive payments of Additional Rent payable under Section 4.2(b) of the Financing Lease, and (c) exercise remedies of the Assignor upon nonappropriation of Basic Rent and Additional Rent or default by the County under the Financing Lease, provided that such assignment is without recourse as to the failure of the County to make payments (due to financial inability or otherwise) or of the County to perform any of its responsibilities or duties under the Ground Lease, the Financing Lease or any other documentation pertaining to the issuance of the Series 2018 Bonds.

The rights and property described above secure the payment of the principal of and premium, if any, and interest on the Series 2018 Bonds in accordance with the provisions of the Agreement of Trust.

All moneys received by the Assignee pursuant to this Agreement shall be applied to the Series 2018 Bonds as set forth in the Agreement of Trust.

The Assignor irrevocably constitutes and appoints the Assignee, or any present or future officer or agent of the Assignee, or the successors or assigns of the Assignee, as its lawful attorney, with full power of substitution and resubstitution, in the name of the Assignor or otherwise, to collect and to sue in any court for payments due from the County under the Financing Lease, to withdraw or settle any claims, suits or proceedings pertaining to or arising out of the Financing Lease upon any terms, all without notice to or consent of the Assignor, and to take possession of and to endorse in the name of the Assignor any instrument for the payment of money received on account of the payments due from the County under the Financing Lease.

The Assignee accepts such assignment as stated herein for the pro rata benefit of the holders of the Series 2018 Bonds, subject to the provisions of the Agreement of Trust.

The Assignor authorizes and directs the County, or its successors and assigns, to pay to the Assignee, or its successors and assigns, all payments of Basic Rent and Additional Rent (only the portion due under Section 4.2(b) of the Financing Lease) due or to become due under the Financing Lease from and after the date of this Agreement by forwarding such payments to the Assignee at the following address (or such other address as the Assignee may designate in writing to the County, from time to time):

Wilmington Trust, National Association, as Trustee
3951 Westerre Parkway, Ste. 300
Richmond, Virginia 23233
Attention: Corporate Trust Administration

The Assignor covenants that, notwithstanding this Agreement, it will perform all of the Assignor's duties and obligations under the Ground Lease, the Financing Lease, including its

obligation to provide possession of the Property to the County pursuant to Section 3.1 of the Financing Lease and its obligation to transfer, convey and assign its interest in the Property to the County pursuant to Section 4.11 of the Financing Lease.

The Assignor delivers to the Assignee the original recorded Financing Lease, and the Assignee shall at all reasonable times have full access to the books and records of the Assignor relating to the Financing Lease and payments due from the County thereunder and to make extracts from such books and records.

The Assignor will make, execute and deliver any papers, instruments and documents that may be reasonably required by the Assignee, or its successors or assigns, to effectuate the purpose intended by this Agreement.

Notwithstanding any provision of the Series 2018 Bonds or the Basic Agreements (as defined in the Financing Agreement) to the contrary, the obligations of the Assignor under the Series 2018 Bonds and the Basic Agreements are not general obligations of the Assignor, but are limited obligations payable solely from payments received from the County under the Financing Agreement and the Financing Lease. No director or officer of the Assignor shall be personally liable on the Assignor's obligations under the Basic Agreements. The Assignor shall not be liable under any circumstances for the actions or omissions of the County, as agent for the Assignor, for any actions or omissions of the County under the Basic Agreements.

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Virginia.

The Basic Agreements express the entire understanding and all agreements between all the parties and may not be modified except in writing signed by the parties.

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

IN WITNESS WHEREOF, the Assignor and the Assignee have caused this Agreement to be executed as of the date first written above by their duly authorized representatives.

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

By _____
Chairman

COMMONWEALTH OF VIRGINIA)
_____)

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

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

_____
Notary Public #_____

My commission expires: _____

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By _____
Vice President

COMMONWEALTH OF VIRGINIA)
_____)

The undersigned Notary Public, in and for the jurisdiction aforesaid, hereby certifies that the individual, whose name is signed to the foregoing as Vice President of Wilmington Trust, National Association, appeared before me and personally acknowledged the same in my jurisdiction aforesaid. Such person is personally known to me or has presented satisfactory evidence of identification.

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

_____
Notary Public #_____

My commission expires: _____

NOTICE OF ASSIGNMENT

The undersigned acknowledges receipt of notice of the assignment by the Assignor of its rights in the Financing Lease to the Assignee as set forth in the foregoing Agreement and hereby evidences its consent to such assignment.

JAMES CITY COUNTY, VIRGINIA

By:_____
County Administrator

OFFICIAL NOTICE OF SALE

$_____*
ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA
PUBLIC FACILITY REVENUE AND REFUNDING BONDS
(COUNTY GOVERNMENT PROJECTS), SERIES 2018

Electronic bids only will be received by the Economic Development Authority of James City County, Virginia (the "Authority"), in accordance with this Official Notice of Sale until _____ a.m., Eastern Time, on _____ __, 2018 (the "Date of Sale").

Immediately thereafter, the bids will be publicly announced, and the County Administrator of James City County, Virginia (the "County"), on behalf of the Authority, will act upon the bids by _____ p.m., Eastern Time.

Bid Submission

Solely as an accommodation to bidders, electronic bids via BIDCOMP/PARITY (the "Electronic Bidding System") will be accepted in accordance with this Official Notice of Sale. The Authority and the County are using BIDCOMP/PARITY as a communication mechanism to conduct the electronic bidding for the sale of the Authority's $_____* Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "Series 2018 Bonds"), as described herein. To the extent any instructions or directions set forth in BIDCOMP/PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees (i) that it is solely responsible for all arrangements with BIDCOMP/PARITY, (ii) that BIDCOMP/PARITY is not acting as the agent of the Authority or the County, and (iii) that neither the Authority nor the County is responsible for ensuring or verifying bidder compliance with any of the procedures of BIDCOMP/PARITY. Neither the County nor the Authority assumes any responsibility for, and each bidder expressly assumes the risks of and responsibility for, any incomplete, inaccurate or untimely bid submitted by such bidder through BIDCOMP/PARITY. Each bidder shall be solely responsible for making necessary arrangements to access the Electronic Bidding System for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale. Neither the Authority, the County nor the Electronic Bidding System shall have any duty or obligation to provide or assure such access to any bidder, and neither the Authority, the County nor BIDCOMP/PARITY shall be responsible for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. For further information about BIDCOMP/PARITY, potential bidders may contact i-Deal at 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021.

In the event of a malfunction of the Electronic Bidding System at ____ a.m., Eastern Time, on the Date of Sale, an attempt will be made to reschedule the bidding for 12:00 noon, Eastern Time, on the Date of Sale. Should the Electronic Bidding System malfunction a second time, bidding will be rescheduled at the discretion of the County in coordination with its financial advisor, Davenport & Company LLC (the "Financial Advisor"). To the extent possible, the rescheduled bid time will be communicated to the bidders.

Each bid must be unconditional.

Change of Date and Time for Receipt of Bids

The Authority and the County expect to take bids on the Series 2018 Bonds on _____ __, 2018. However, the Authority and the County reserve the right to postpone the date and time established for the receipt of bids. Any such postponement will be announced by TM3 newswire, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced via TM3 newswire, or any other such service.

*Preliminary, subject to change.

Any bidder must submit a sealed bid for the purchase of the Series 2018 Bonds on such alternative sale date in conformity with the provisions of this Official Notice of Sale, except for any changes announced via the TM3 newswire, or any other such service, as described therein.

Annual Amortization Requirements

The Series 2018 Bonds will be dated the date of their issuance (the "Dated Date"), and will mature, or be subject to mandatory sinking fund redemption, on _____ __ in years and amounts as follows:

Year*	Amount*	Year*	Amount*

Adjustments to Amortization Requirements

The preliminary annual amortization requirements as set forth in this Official Notice of Sale (the "Preliminary Amortization Requirements") may be revised before the receipt of bids for the purchase of the Series 2018 Bonds. Any such revisions (the "Revised Amortization Requirements") WILL BE ANNOUNCED ON THOMSON MUNICIPAL NEWS NOT LATER THAN ONE HOUR PRIOR TO THE SPECIFIED BID TIME. In the event that no such revisions are made, the Preliminary Amortization Requirements will constitute the Revised Amortization Requirements. BIDDERS SHALL SUBMIT BIDS BASED ON THE REVISED AMORTIZATION REQUIREMENTS. THE WINNING BID WILL BE DETERMINED ON THE BASIS OF THE REVISED AMORTIZATION REQUIREMENTS.

After selecting the winning bid, the County will determine each final annual amortization requirement (the "Final Amortization Requirements"). The County reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Series 2018 Bonds offered for sale. THE SUCCESSFUL BIDDER MAY NOT WITHDRAW ANY BID OR CHANGE THE INITIAL REOFFERING PRICES AS A RESULT OF ANY INCREASE OR REDUCTION IN THE REVISED AMORTIZATION REQUIREMENTS WITHIN THE LIMITS PROVIDED FOR IN THE PRECEDING SENTENCE. The bid price by the successful bidder (the "Bid Price") will be adjusted to reflect any adjustments in the amortization requirements of the Series 2018 Bonds. Such adjusted Bid Price will reflect changes in the dollar amount of the underwriting discount, original issue discount/premium and any applicable insurance premium, but will not change the selling compensation (including any applicable bond insurance premium) per $1,000 of par amount of Series 2018 Bonds from the selling compensation that would have been received based on the Bid Price in the winning bid and the initial reoffering prices. The interest rate for each maturity will not change. The Final Amortization Requirements and the adjusted Bid Price will be communicated to the successful bidder by ___ p.m., Richmond, Virginia time on the day following the sale.

*Preliminary, subject to change.

Serial Bonds and/or Term Bonds

Bidders may provide that all of the Series 2018 Bonds be issued as serial bonds or may provide that any two or more consecutive annual principal amounts be combined into one or more term bonds with annual mandatory sinking fund redemptions in amounts as provided above. Term bonds with overlapping sinking fund installments or sinking fund installments that overlap serial bond maturities will not be permitted.

Mandatory Sinking Fund Redemption

If the successful bidder designates consecutive annual principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption at par commencing on _____ __ of the first year that has been combined to form such term bond and continuing on ____ __ in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth in the tables above under the caption "Annual Amortization Requirements."

Optional Redemption*

The Series 2018 Bonds maturing on or before _____ __, 20__, are not subject to optional redemption. The Series 2018 Bonds maturing on and after ____ __, 20__, will be subject to redemption prior to maturity, at the option of the Authority upon the direction of the County, on or after _____ __, 20__, in whole or in part (in $5,000 integrals) at any time, upon payment of [100%] of the principal amount to be redeemed, plus interest accrued to the date fixed for redemption.

If less than all of the Series 2018 Bonds are called for redemption, the Series 2018 Bonds (or principal portions thereof) to be redeemed shall be selected by the Authority (at the direction of the County). If less than all of the Series 2018 Bonds of a particular maturity are called for redemption, DTC or any successor securities depository will select the particular Series 2018 Bonds within each maturity to be redeemed pursuant to its rules and procedures or, if the book-entry system is discontinued, the Series 2018 Bonds to be redeemed will be selected by the Trustee (as hereinafter defined). In either case, each portion of the $5,000 principal amount is counted as one Series 2018 Bond for such purpose. The Authority (at the direction of the County) will cause notice of the call for redemption identifying the Series 2018 Bonds or portions thereof to be redeemed to be sent by facsimile transmission, registered or certified mail or overnight express delivery, not less than 30 nor more than 60 days prior to the redemption date, to the registered owner thereof. Neither the Authority nor the County shall be responsible for mailing notice of redemption to anyone other than DTC or another qualified securities depository or its nominee unless no qualified securities depository is the registered owner of the Series 2018 Bonds. If no qualified securities depository is the registered owner of the Series 2018 Bonds, notice of redemption shall be mailed to the registered owners of the Series 2018 Bonds by the Trustee. If a portion of a Series 2018 Bond is called for redemption, a new Series 2018 Bond in principal amount equal to the unredeemed portion shall be issued to the registered owner upon the surrender thereof.

Extraordinary Redemption

The Series 2018 Bonds are subject to redemption, in whole or in part at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to, but not including, the redemption date, on the earliest date for which notice of redemption can be given at the direction of the County, to the extent the County elects to apply Net Proceeds to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, after damage or destruction to or condemnation of the Property. In the event of a partial extraordinary optional redemption, the Trustee, at the direction of the County, may redeem the Series 2018 Bonds (a) from each maturity then outstanding, to the extent practicable, in the proportion that the principal amount of Series 2018 Bonds of such maturity bears to the total principal amount of all Series 2018 Bonds then outstanding or (b) in inverse order of maturity, and the Trustee shall redeem in accordance with such instructions.

---

*Preliminary, subject to change.

Bidding Rules; Award of Bonds

Bidders may bid only to purchase all of the Series 2018 Bonds. Bidders are invited to name the rate or rates of interest per annum that the Series 2018 Bonds are to bear in multiples of one-twentieth (1/20) or one-eighth (1/8) of one percent. All Series 2018 Bonds maturing on the same date must bear interest at the same rate. Any number of rates may be named provided that (a) the highest rate of interest may not exceed the lowest rate of interest by more than 3.00%, and (b) the highest rate of interest stated for any maturity may not exceed 5.00% per year. In addition, the Series 2018 Bonds shall bear interest at a "true" or "Canadian" interest cost not to exceed 5.00% (taking into account any original issue discount or premium). No bid for less than 100% of the aggregate principal amount of the Series 2018 Bonds shall be considered. The County, on behalf of the Authority, reserves the right to reject any or all bids (regardless of the interest rate bid), to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid for the bidding process.

As promptly as reasonably possible after the bids are received, the County, on behalf of the Authority, will notify the bidder to whom the Series 2018 Bonds will be awarded, if and when such award is made. Such bidder, upon such notice, shall advise the County of the initial reoffering prices or yields to the public of each maturity of the Series 2018 Bonds. The winning bid will remain firm for a period of no less than four hours after the time specified for the opening of bids. An award of the Series 2018 Bonds, if made, will be made by the County Administrator within such four hour period or, with the express consent of the winning bidder, such longer time period as deemed necessary.

Unless all bids are rejected, the Series 2018 Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale and submitting a bid which provides the lowest "true" or "Canadian" interest cost to the Authority. True interest cost shall be determined for each bid by doubling the semiannual interest rate, compounded semiannually, necessary to discount the debt service payments to the Dated Date and to the price bid. If more than one bid offers the same lowest true interest cost, the successful bid will be selected by the County Administrator by lot.

Bids for the Series 2018 Bonds shall not be conditioned upon obtaining insurance or any other credit enhancement. If a bidder proposes to obtain a policy of municipal bond insurance or any other credit enhancement, any such purchase of insurance or commitment therefor shall be at the sole option and expense of the bidder, and the bidder must pay any increased costs of issuance of the Series 2018 Bonds as a result of such insurance or commitment. Any failure by the bidder to obtain such a policy of insurance shall not in any way relieve such bidder of its contractual obligations arising from the acceptance of its bid for the purchase of the Series 2018 Bonds.

Good Faith Deposit

A good faith deposit in the amount of $_____ (the "Deposit") is required. The Deposit may be provided in the form of (i) a certified check upon, or a cashier's, treasurer's or official check of, a responsible banking institution, payable to the order of the Economic Development Authority of James City County, Virginia (and delivered by ___ p.m., Eastern Time, on _____ __, 2018, to the Financial Advisor, Davenport & Company LLC, 901 East Cary Street, 11th Floor, Richmond, Virginia 23219 (Attention: Mr. Courtney Rogers) or (ii) a federal funds wire transfer to be submitted to the Authority by the successful bidder not later than ___ p.m., prevailing Eastern time (the "Deposit Deadline"), on the date of sale. Option (ii) is described in more detail below. The Deposit of the successful bidder will be collected and the proceeds thereof retained by the Trustee to be applied in partial payment for the Series 2018 Bonds, and no interest will be allowed or paid upon the amount thereof; provided, however, that in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. Any checks of the unsuccessful bidders will be returned promptly after the Series 2018 Bonds are awarded.

If a federal funds wire transfer is used, the County or the Financial Advisor shall distribute wiring instructions for the Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Deposit Deadline. **The award of the Series 2018 Bonds will be made promptly following the receipt of the federal funds wire.** If the Deposit is not received by the Deposit Deadline, the award of the sale of the Series 2018 Bonds to the successful bidder may be cancelled by the County Administrator in his discretion, upon the

advice of the Financial Advisor, without the Authority incurring any financial liability to such bidder or any limitation whatsoever on the County's right to sell the Series 2018 Bonds to a different purchaser upon such terms and conditions as the Authority shall deem appropriate.

Book-Entry-Only System

The Series 2018 Bonds will be issued by means of a book-entry system with no distribution of physical bond certificates made to the public. One bond certificate for each maturity of the Series 2018 Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), or its nominee, and immobilized in its custody. The book-entry system will evidence beneficial ownership of the Series 2018 Bonds in principal amounts of $5,000 or multiples thereof, with transfers of beneficial ownership effected on the records of DTC and its participants pursuant to rules and procedures established by DTC and its participants. Series 2018 Bond certificates registered in the name of Cede & Co. will be deposited with DTC. Interest on the Series 2018 Bonds will be payable from their date semiannually on each _____ __ and _____ __, beginning _____ __, 2018, and principal of the Series 2018 Bonds will be paid annually as set forth above to DTC or its nominee as registered owner of the Series 2018 Bonds. Transfer of principal, premium and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the Authority nor the County will be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2018 Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2018 Bond certificates are required to be prepared, executed and delivered.

The Authority (at the direction of the County) may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that case, either a successor depository will be selected by the Authority (at the direction of the County) or Series 2018 Bond certificates will be prepared, executed and delivered.

Security

The Series 2018 Bonds will be secured by a Financing Agreement dated as of _____ __, 2018 (the "Financing Agreement"), between the Authority and the County, pursuant to which the County will undertake, subject to annual appropriation by the County Board of Supervisors of sufficient funds for such purpose, to make payments to the Authority that will be sufficient to pay the principal of and interest on the Series 2018 Bonds as the same shall become due in accordance with their terms. **Neither the Series 2018 Bonds nor the Financing Agreement will constitute a debt of the County or a pledge of the faith and credit or taxing power of the County.**

The Series 2018 Bonds will be issued pursuant to the terms of the Agreement of Trust dated as of June 1, 2016 (the "Master Trust Agreement"), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____ __, 2018 (the "Second Supplemental Trust Agreement" and, together with the Master Trust Agreement, the "Trust Agreement"), both between the Authority and Wilmington Trust, National Association, as trustee (the "Trustee").

As additional security for the Bonds, the County will grant to the Authority a leasehold interest in certain property (the "Collateral Property") pursuant to the terms of a Deed and Agreement of Ground Lease dated as of _____ __, 2018 (the "Ground Lease"). The Authority will lease the Collateral Property back to the County pursuant to the terms of a Deed and Agreement of Financing Lease dated as of _____ __, 2018 (the "Financing Lease"). Payments due under the Financing Lease ("Basic Rent and Additional Rent") will be credited in an amount and time to the extent the County makes all of the payments due under the Financing Agreement.

The Authority will assign all of its rights under the Ground Lease and the Financing Lease (except for the right to receive payment of its fees and expenses, to receive indemnification and to receive notices) to the Trustee

for the benefit of the Bondholders and the holders of the Series 2018 Bonds, including (a) its rights to receive Basic Rent, (b) its rights, if any, to receive proceeds of insurance on the Collateral Property, (c) its rights under the Financing Lease to reenter and take possession of the Collateral Property in the event of failure by the County to make a payment of Basic Rent and sell or lease its interest in the Collateral Property and (d) its rights to exercise other remedies upon default by the County.

A more detailed description of the security for the Series 2018 Bonds is set forth in the Authority's Preliminary Official Statement dated the date hereof (the "Preliminary Official Statement").

Delivery of the Bonds

The Series 2018 Bonds will be delivered at the expense of the _____ __, 2018.

Concurrently with the delivery of the Series 2018 Bonds, the successful bidder will be furnished with (1) a certificate dated the date of delivery of the Series 2018 Bonds, signed by the appropriate Authority and County officials and stating that no litigation of any kind is then pending or, to the best of their information, knowledge and belief, threatened against the Authority or the County to restrain or enjoin the issuance or delivery of the Series 2018 Bonds or the levy or collection of ad valorem taxes, over and above all other taxes authorized and without limitation as to rate or amount on all locally taxable property within the County sufficient to pay when due principal of or interest on the Series 2018 Bonds or in any manner questioning the proceedings and authority under which the Series 2018 Bonds are issued, and (2) a certificate dated the date of delivery of the Series 2018 Bonds, signed by the appropriate County officials, stating that the descriptions and statements in the Official Statement (except in the sections entitled "Litigation" and "Tax Matters" and in Appendix G and the information as to yields and CUSIP numbers on the inside cover page) on the date of the Official Statement and on the date of delivery of the Series 2018 Bonds were and are true and correct in all material respects, did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such descriptions and statements, in light of the circumstances under which they were made, not misleading. Such certificate will also state however, that such County officials did not independently verify the information indicated in the Official Statement as having been obtained or derived from sources other than the County and its officers but that they have no reason to believe that such information is not accurate.

The County Attorney will also furnish to the successful bidder concurrently with the delivery of the Series 2018 Bonds a certificate dated the date of delivery of the Series 2018 Bonds, stating that the statements relating to the County contained in the section entitled "Litigation" on the date of the Official Statement and on the date of delivery of the Series 2018 Bonds were and are true and correct in all material respects and did not and do not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such statements, in light of the circumstances under which they were made, not misleading.

Certificates of Winning Bidder

The successful bidder must, by facsimile transmission or overnight delivery received by the County within 24 hours after receipt of bids for the Series 2018 Bonds, furnish the following information to complete the Official Statement in final form, as described below:

A. The offering prices for the Series 2018 Bonds (expressed as the price or yield per maturity).

B. Selling compensation (aggregate total anticipated compensation to the underwriters expressed in dollars, based on the expectation that all Series 2018 Bonds are sold at the prices or yields described in Subpart A above).

C. The identity of the underwriters if the successful bidder is a part of a group or syndicate.

D. Any other material information necessary to complete the Official Statement in final form but not known to the County.

Prior to delivery of the Series 2018 Bonds, the successful bidder shall furnish to the Authority a certificate, in form acceptable to bond counsel, to the effect that successful bidder has complied with Rule G-37 of the Municipal Securities Rulemaking Board (the "MSRB") with respect to the Authority and County.

Certificate of Issue Price

Unless other arrangements are made with the Hunton Andrews Kurth LLP, Bond Counsel, at least 24 hours in advance of the delivery date of the Series 2018 Bonds, the successful bidder shall complete, execute and deliver to the Authority, on or before the delivery date of such Series 2018 Bonds, a certificate as to the "issue price" of the Series 2018 Bonds, substantially in the form attached hereto as Exhibit A (the "Issue Price Certificate"). In the event a successful bidder will not reoffer such Series 2018 Bonds for sale or is otherwise unable to deliver such form of certificate, the Issue Price Certificate may be modified in a manner approved by, and at the discretion of, the County (on behalf of the Authority) and Hunton Andrews Kurth LLP. Each bidder, by submitting its bid for the Series 2018 Bonds, agrees to complete, execute and deliver an Issue Price Certificate at delivery of the Series 2018 Bonds, if its bid is accepted by the County (on behalf of the Authority). It will be the responsibility of the successful bidder to institute such syndicate reporting requirements, to make such investigations, or otherwise ascertain the facts necessary to enable it to make such certificate with reasonable certainty. In addition to executing and delivering an Issue Price Certificate, the winning bidder may be required to (a) demonstrate that it has made a bona fide offering of all such Series 2018 Bonds to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices no higher than, or yields no lower than, the initial public offering prices, (b) provide an explanation of why any Series 2018 Bonds sold by the successful bidder between the Date of Sale and the date of the delivery were sold for a price higher than, or a yield lower than, the initial public offering prices, and (c) provide information regarding the initial purchasers of the Series 2018 Bonds, particularly information sufficient to enable the County (on behalf of the Authority) and Hunton Andrews Kurth LLP to determine that such purchasers are the "public." Any questions concerning the Issue Price Certificate should be directed, not later than 24 hours before the Date of Sale, to Christopher G. Kulp, of Hunton Andrews Kurth LLP, 804-788-8742.

CUSIP Numbers

It shall be the obligation of the successful bidder to furnish to DTC an underwriter questionnaire and to the County the CUSIP numbers for the Series 2018 Bonds within two business days following the date of award. It is anticipated that CUSIP identification numbers will be printed on the Series 2018 Bonds, but neither the failure to print such numbers on any Series 2018 Bond nor any error with respect thereto shall constitute cause for failure or refusal by the successful bidder thereof to accept delivery of and pay for the Series 2018 Bonds in accordance with the terms of its bid. All expenses in connection with the assignment of CUSIP numbers shall be paid by the successful bidder.

Official Statement

The County (on behalf of the Authority) will furnish the successful bidder, at the expense of the County, up to 200 copies of the final Official Statement within seven business days from the date of the award of the Series 2018 Bonds, as specified in Rule 15c2-12 (the "Rule") of the Securities and Exchange Commission (the "SEC") and the rules of the MSRB; provided that minor delays in furnishing such final Official Statement will not be a basis for failure to pay for and accept delivery of the Series 2018 Bonds. Additional copies will be made available at the successful bidder's request and expense. Neither the Authority nor the County assumes any responsibility or obligation for the distribution or delivery of the Official Statement to anyone other than the successful bidder.

The successful bidder, by executing the Official Bid Form, agrees to provide two copies of the Official Statement (with any required forms) to the MSRB or its designee no later than ten business days following the Date of Sale. The successful bidder shall notify the County as soon as practicable of (1) the date which is the end of the underwriting period (such "underwriting period" is described in the Rule) and (2) the date of filing of the Official Statement with the MSRB or its designee.

If the Series 2018 Bonds are awarded to a syndicate, the County (on behalf of the Authority) will designate the senior managing underwriter of the syndicate as its agent for purposes of distributing copies of the Official

Statement to each participating underwriter. Any underwriter executing and delivering a bid form with respect to the Series 2018 Bonds agrees thereby that if its bid is accepted it shall accept such designation and shall enter into a contractual relationship with all participating underwriters for the purposes of assuring the receipt and distribution by each such participating underwriter of the Official Statement, unless another firm is so designated by the syndicate in writing and approved by the County.

Legal Opinion

The approving opinion of Hunton Andrews Kurth LLP, Richmond, Virginia, with respect to the Series 2018 Bonds will be furnished to the successful bidder, at the expense of the County, and will state that the Series 2018 Bonds constitute valid and binding limited obligations of the Authority payable as to both principal and interest solely from Basic Payments, certain Additional Payments (each as defined in the Financing Agreement) and other funds pledged under the Trust Agreement. The Series 2018 Bonds do not create or constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision thereof, including the Authority and the County.

The opinion will also state that (a) the Trust Agreement and the Financing Agreement have been duly authorized, executed and delivered by, and constitute valid and binding obligations of, the Authority and the County, as applicable, and are enforceable against the Authority and the County in accordance with their terms, (b) the County's undertaking to make Basic Payments and Additional Payments under the Financing Agreement, or to make Basic Rent and Additional Rent under the Financing Lease, is subject to and dependent upon the County Board making annual appropriations for such purpose, and (c) such obligation does not constitute a debt of the County within the meaning of any constitutional or statutory limitation or a liability of or a lien or charge upon funds or property of the County beyond any fiscal year for which the County Board has appropriated moneys for such purpose.

The opinion will further state that the rights of holders of the Series 2018 Bonds and the enforceability of such rights, including the enforcement by the Trustee of the obligations of the Authority and the County under the Trust Agreement, the Financing Agreement and the Financing Lease, as applicable, may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity, and by public policy.

Tax Matters

The Official Statement relating to the Series 2018 Bonds contains a discussion of the effect of the Internal Revenue Code of 1986, as amended, on the exclusion from gross income of interest on the Series 2018 Bonds and a discussion of the opinion of Hunton Andrews Kurth LLP insofar as it concerns such exclusion.

Federal and State Securities Laws

No action has been taken to qualify the Series 2018 Bonds under the federal securities laws.

Continuing Disclosure

For purposes of the Rule, the County is an obligated person with respect to the Series 2018 Bonds. The County will agree, pursuant to the Continuing Disclosure Agreement, to provide certain annual financial information and operating data and notices of the occurrence of certain events, if material. A description of these undertakings is set forth in the Preliminary Official Statement for the Series 2018 Bonds and will also be set forth in the final Official Statement for the Series 2018 Bonds (See Appendix F of the Preliminary Official Statement).

Additional Information

For further information relating to the Series 2018 Bonds, the Authority and the County, reference is made to the Authority's Preliminary Official Statement. The Authority has deemed the Preliminary Official Statement to be final as of its date within the meaning of the Rule, except for the omission of certain pricing and other information permitted to be omitted pursuant to the Rule. The Official Bid Form and the Preliminary Official Statement may be obtained from the Financial Advisor, Davenport & Company LLC (telephone 804-697-2900).

ECONOMIC DEVELOPMENT AUTHORITY OF
JAMES CITY COUNTY, VIRGINIA
By: Board of Supervisors of James City County, Virginia

Dated _____ __, 2018.

EXHIBIT A-1

[*For use in competitive sale where at least 3 qualifying bids are received*]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Underwriter") of the $_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "Bonds"), issued and sold by the Economic Development Authority of James City County, Virginia (the "Issuer"), on the date hereof, the undersigned authorized representative of the Underwriter certifies as follows:

1. The Underwriter purchased the Bonds from the Issuer at a price of $_____ (calculated as the original principal amount of $_____, plus net original issue premium of $_____, and less the Underwriter's discount of $_____).

2. On _____, 2018 (the "Sale Date"), the Underwriter made a bona fide offering of all the Bonds of each Maturity to the Public (as defined below) reflecting the following terms:

Maturity (September 15)	Principal Amount	Interest Rate	Yield	Price (%)

[*] Yield reflects Bonds priced to the first optional call date of September 15, _____.

3. As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public are the prices (expressed as a percentage of the principal amount) listed above (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Underwriter in formulating its bid to purchase the Bonds. Attached as Schedule I is a true and correct copy of the bid provided by the Underwriter to purchase the Bonds.

4. The Underwriter was not given the opportunity to review the other bids submitted to the Issuer prior to submitting its own bid.

5. The bid submitted by the Underwriter constituted a firm offer to purchase the Bonds.

6. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) "**Maturity**" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) "**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.

(c) For purposes of this certificate a purchaser of any of the Bonds is a **"related party"** to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (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).

(d) "**Underwriter**" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2018.

[Name of Winning Bidder]

By:_____

Name:_____

Title:_____

[Attachment – Schedule I – Copy of Bid]

EXHIBIT A-2

[*For use in competitive sale where fewer than 3 qualifying bids are received*]

PROPOSED FORM OF UNDERWRITER'S CERTIFICATE

In connection with the purchase by _____ (the "Underwriter") of the $_____ Public Facility Revenue and Refunding Bonds (County Government Projects), Series 2018 (the "Bonds"), issued and sold by the Economic Development Authority of James City County, Virginia (the "Issuer"), on the date hereof, the undersigned authorized representative of the Underwriter certifies as follows:

1. The Underwriter purchased the Bonds from the Issuer at a price of $_____ (calculated as the original principal amount of $_____, plus net original issue premium of $_____, and less the Underwriter's discount of $_____).

2. On _____, 2018 (the "Sale Date"), the Underwriter made a bona fide offering of all the Bonds of each Maturity to the Public (as defined below) reflecting the following terms:

Maturity (September 15)	Principal Amount	Interest Rate	Yield	Price (%)

[*] Yield reflects Bonds priced to the first optional call date of September 15, _____.

3. (a) The Underwriter offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed above (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule I.

(b) As set forth in the Official Notice of Sale, the Underwriter has agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker dealer who is a party to the retail distribution agreement, to comply with the hold-the- offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

(c) The Underwriter has an established industry reputation for underwriting new issuances of municipal bonds.

4. All capitalized terms used but not otherwise defined herein shall have the meanings given in the Non-Arbitrage and Tax Compliance Certificate of the Issuer for the Bonds, a copy of which we have reviewed. In addition, the following capitalized terms shall have the following meanings for purposes of this Certificate:

(a) **"Holding Period"** means for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Underwriter has sold at least 10% of each Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) "**Maturity**" means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) "**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.

(d) For purposes of this certificate a purchaser of any of the Bonds is a **"related party"** to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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), (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).

(e) "**Underwriter**" means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

We understand that the foregoing information will be relied upon by (i) the Issuer in establishing, among other things, the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code"), and certain other expectations with respect to the Bonds for purposes of Section 148 of the Code set forth in the Non-Arbitrage and Tax Compliance Certificate and (ii) Hunton Andrews Kurth LLP, Richmond, Virginia, in connection with rendering its opinion to the Issuer that the interest on the Bonds is not includable in gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws, in particular the regulations under the Code or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Dated _____, 2018.

[Name of Winning Bidder]

By:_____

Name:_____

Title:_____

[Attachment – Schedule I – Copy of pricing wire or equivalent communication]

DRAFT 9/26/2018

This document has been prepared by
and, after recording, please return to:

Christopher G. Kulp
Hunton Andrews Kurth LLP
951 East Byrd Street
Richmond, Virginia 23219

Tax Parcel Numbers: _____

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

DEED AND AGREEMENT OF GROUND LEASE

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

W I T N E S S E T H:

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

WHEREAS, pursuant to the terms of a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018 (together, the "Financing Agreement"), between the Assignor and the County, the Authority has loaned the proceeds of the Series 2018 Bonds to the County and the County has agreed to repay such loan by making Basic Payments (as defined in the Financing Agreement), subject to appropriation by the County Board from time to time of sufficient moneys for such purpose; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

By_____
County Administrator

COMMONWEALTH OF VIRGINIA)
_____)

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

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

_____
Notary Public #_____

My commission expires: _____

[Signature Page to Deed and Agreement of Ground Lease]

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

By_____
Chairman

COMMONWEALTH OF VIRGINIA)
_____)

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

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

_____
Notary Public #_____

My commission expires: _____

Exhibit A

Description of the Premises

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

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

[Attach drawings.]

DRAFT 9/26/2018

This document has been prepared by
and, after recording, please return to:

Christopher G. Kulp
Hunton Andrews Kurth LLP
951 East Byrd Street
Richmond, Virginia 23219

Tax Parcel Numbers: _____

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

DEED AND AGREEMENT OF FINANCING LEASE

between

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

and

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

Dated as of _____ __, 2018

**Relating to
Economic Development Authority of James City County, Virginia
Public Facility Revenue and Refunding Bonds
(County Governmental Projects)
Series 2018**

ALL RENTALS PAYABLE UNDER THIS LEASE HAVE BEEN ABSOLUTELY ASSIGNED TO, AND ARE SUBJECT TO A SECURITY INTEREST IN FAVOR OF WILMINGTON TRUST, NATIONAL ASSOCIATION, TRUSTEE, UNDER AN ASSIGNMENT AGREEMENT WITH THE AUTHORITY DATED AS OF _____, 2018, AS AMENDED OR SUPPLEMENTED FROM TIME TO TIME. INFORMATION CONCERNING SUCH ASSIGNMENT AND SECURITY INTEREST MAY BE OBTAINED FROM THE TRUSTEE IN RICHMOND, VIRGINIA.

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.....2
Section 1.2 Rules of Construction. 4

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority. 4
Section 2.2 Representations by County. 5

ARTICLE III

LEASE OF PROPERTY

Section 3.1 Lease of Property. 6

ARTICLE IV

LEASE TERM; PAYMENT OF RENTAL;
MAINTENANCE; INSURANCE AND TAXES

Section 4.1 Lease Term.....7
Section 4.2 Rental Payments.....7
Section 4.3 Appropriations of Basic Rent and Additional Rent; Declaration of Essentiality. 8
Section 4.4 Insurance. 9
Section 4.5 Maintenance. 9
Section 4.6 Inspection of Property. 9
Section 4.7 Net Lease. 9
Section 4.8 Liens on Property. 9
Section 4.9 Installation of County's Own Furnishings and Equipment.....10
Section 4.10 Prepayment of Basic Rent.....10
Section 4.11 Release and Transfer of Property; Termination of Financing Lease. 10
Section 4.12 Preservation of Tax Exempt Status of Interest on Bonds. 11

ARTICLE V

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 5.1 Damage or Destruction. 11
Section 5.2 Condemnation and Loss of Title. 12

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default. 13
Section 6.2 Remedies. 14
Section 6.3 Reinstatement after Event of Default. 15
Section 6.4 No Remedy Exclusive. 15
Section 6.5 No Additional Waiver Implied by One Waiver. 15
Section 6.6 Attorneys' Fees and Other Expenses. 15

ARTICLE VII

TERMINATION OF LEASE

Section 7.1 Right To Terminate in the Event of Non-Appropriation. 16
Section 7.2 Rights upon Termination in the Event of Non-Appropriation. 16
Section 7.3 Reinstatement after Termination in the Event of Non-Appropriation. 16
Section 7.4 Termination in Certain Other Events. 16

ARTICLE VIII

AGREEMENT OF TRUST; ASSIGNMENT; AND AMENDMENTS

Section 8.1 Agreement of Trust; Covenants. 16
Section 8.2 Assignment; References to Authority. 17
Section 8.3 Amendments. 17
Section 8.4 No Merger. 18

ARTICLE IX

MISCELLANEOUS

Section 9.1 Notices. 18
Section 9.2 Severability. 18
Section 9.3 Liability of Authority. 18
Section 9.4 Characterization. 19
Section 9.5 Successors and Assigns. 19
Section 9.6 Counterparts. 19
Section 9.7 Entire Agreement. 19
Section 9.8 Governing Law. 19

Exhibit A - Schedule of Basic Rent Payments

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

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act"); and

WHEREAS, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the power to make loans to, among others, a county in furtherance of the purposes of the Act, to finance or refinance and lease facilities for use by a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any other sources, as security the payment of principal of and interest on any such obligations; and

WHEREAS, pursuant to a Deed and Agreement of Ground Lease dated as of the date hereof (the "Ground Lease"), the Authority is acquiring contemporaneously with the execution hereof a leasehold interest in certain real property located in James City County, Virginia (as more fully defined herein, the "Property"); and

WHEREAS, the Authority has agreed to issue its Public Facility Revenue and Refunding Bonds (County Governmental Projects), Series 2018 (the "Series 2018 Bonds"), and to loan the proceeds thereof to the County pursuant to the terms of a Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018, each between the Authority and the County (together, the "Financing Agreement"), to be applied by the County to finance and refinance costs of certain capital improvements for governmental facilities (as further defined in the Financing Agreement, the "Project"); and

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

WHEREAS, in consideration of such loan and to provide additional security for the Series 2018 Bonds, the County has agreed to lease the Property from the Authority pursuant to the terms of this Financing Lease and to make rental payments therefor, subject to appropriation by the County Board from time to time of sufficient moneys for such purpose; and

WHEREAS, the Authority has agreed to apply the amounts received from the County under the Financing Agreement in respect of the Series 2018 Bonds as a credit against the rental payments due hereunder;

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

Unless otherwise defined in this Financing Lease, all terms used herein shall have the meanings assigned to such terms in the Financing Agreement and the Agreement of Trust. The following words as used in this Financing Lease shall have the following meanings unless the context otherwise requires.

"Additional Rent" shall mean (a) reasonable fees for services rendered and for expenses reasonably incurred by the Trustee, including the reasonable fees of its attorneys, under the Agreement of Trust with respect to the Series 2018 Bonds and any additional Series secured by this Financing Lease, (b) any fees or charges for the arbitrage rebate calculations, (c) any amounts necessary to make, when due, any required arbitrage rebate payment with respect to the Series 2018 Bonds and any additional Series secured by this Financing Lease, (d) with respect to any Series secured by this Financing Lease, any amounts necessary to restore the balance in any related Series Debt Service Reserve Account to the respective Series Debt Service Reserve Requirement, if any, (d) the reasonable fees and expenses of the Trustee and all other amounts which the County assumes or agrees to pay, including any cost or expense necessary to cancel and discharge the Agreement of Trust upon payment of the Series 2018 Bonds and any additional Series secured by this Financing Lease, (f) reasonable costs and expenses directly related to the Property, the Series 2018 Bonds or any additional Series secured by this Financing Lease, (g) reasonable costs and expenses, including premiums, for any credit facility provider, (h) a reasonable share of the fees and expenses of the Authority, including the reasonable fees of its counsel and the cost of any audit of the funds of the Authority, (i) any expenses incurred by the Authority in connection with its obligations under Section 4.12, and (j) all other amounts which the County agrees to pay under the terms of this Financing Lease, but not including Basic Rent.

"Agreement of Trust" shall mean the Agreement of Trust dated as of June 1, 2016, between the Authority and the Trustee, and any and all supplements and amendments thereto, including, but not limited to, the Second Supplemental Agreement of Trust dated as of _____ __, 2018, between the Authority and the Trustee.

"Assignment Agreement" shall mean the Assignment Agreement dated as of _____ __, 2018, between the Authority and the Trustee, as such Agreement may be supplemented, amended or modified from time to time.

"Authority" shall mean the Economic Development Authority of James City County, Virginia, a political subdivision of the Commonwealth of Virginia, its successors and assigns.

"Basic Agreements" shall mean, collectively, the Agreement of Trust, the Financing Agreement, the Ground Lease, this Financing Lease and the Assignment Agreement.

"Basic Rent" shall mean the payments payable by the County pursuant to Section 4.2(a) in the amounts and at the times set forth in Exhibit A.

"County Board" shall mean the Board of Supervisors of James City County, Virginia, as the governing body of the County.

"Event of Default" shall mean any of the events enumerated in Section 6.1

"Financing Agreement" shall mean the Financing Agreement dated as of June 1, 2016, as supplemented by a First Supplemental Financing Agreement dated as of _____, 2018, each between the Authority and the County, as such Agreement may be supplemented, amended or modified from time to time.

"Financing Lease" shall mean this Financing Lease and any and all supplements, amendments and modifications hereto.

"Lease Term" shall mean the duration of the leasehold estate created in the Property, as provided in Section 4.1.

"Net Proceeds" shall mean the gross proceeds from any insurance recovery, or condemnation, eminent domain or loss of title award in connection with the Property less payments for attorneys' fees, fees and expenses of the Trustee and other expenses incurred in the collection of such gross proceeds.

"Payment of Basic Rent" shall mean payment in full of all Basic Rent due and to become due under this Agreement.

"Permitted Encumbrances" shall mean, as of any particular time as to the Property, (a) liens for taxes and special assessments not then delinquent, (b) liens for taxes and assessments which are delinquent but the validity of which is being contested in good faith and with respect to which the County shall have set aside adequate reserves, unless thereby any of the Property or the interest of the County therein may be in danger of being lost or forfeited, (c) the Ground Lease and any security interests or other liens created thereby, (d) this Financing Lease and any security interests or other liens created hereby, (e) mechanics' and materialmen's liens incident to construction or maintenance now or hereafter filed of record which are being contested in good faith and have not proceeded to judgment, provided that the County shall have set aside adequate reserves with respect thereto, (f) restrictions, mineral rights, easements, rights of way, exceptions or reservations for the purpose of utilities (including but not limited to water and gas pipelines, sanitary and storm sewers, telephone lines, telegraph lines, power lines, substations and other facilities and equipment used in connection with such utilities), roads, streets, alleys, highways, railroads, dikes, canals, laterals, ditches, and other like purposes, or for the joint or common use of real property, in each case which do not materially impair the use of the Property for the purposes for which it is or may reasonably be expected to be held, (g) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property owned or leased by the County for essential governmental purposes and similar in character to the Property and as will not, in the opinion of the County Attorney, impair the use of the Property affected thereby for the purpose for which it is or may reasonably be expected to be held by the County, and (h) present or future zoning laws and ordinances.

"Property" shall mean the real property and any and all improvements now or hereafter existing thereon (but exclusive of any equipment, furnishings or other personal property located in or on the Property), as further described in Exhibit A to the Ground Lease, and as such Exhibit may be amended from time to time.

"Series 2018 Bonds" shall mean the Authority's $_____Public Facility Revenue and Refunding Bonds (County Governmental Projects), Series 2018, issued pursuant to Article III of the Master Agreement of Trust.

"Trustee" shall mean Wilmington Trust, National Association, Richmond, Virginia, in its capacity as the trustee under the Agreement of Trust, including any successor trustee(s) thereunder.

Section 1.2 Rules of Construction.

The following rules shall apply to the construction of this Financing Lease unless the context otherwise requires:

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

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

(c) Unless otherwise indicated, all references herein to particular Articles or Sections are references to Articles or Sections of this Financing Lease.

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

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

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) The undertaking by the Authority to lease the Property to the County has been authorized, as required by the Act, by the affirmative vote of a majority of the members of the Authority present at a meeting at which a quorum was present and acting throughout;

(c) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements and has issued the Series 2018 Bonds;

(d) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Agreements will not conflict with or constitute or result in a default under or violation of, (i) any existing law, rule or regulation applicable to the Authority, or (ii) any indenture, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Basic Agreements, except that no representation is made as to the applicability of any Federal or state securities laws;

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened against the Authority with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver the Basic Agreements or the Series 2018 Bonds, (iii) the validity or enforceability of the Basic Agreements or the Authority's performance of its obligations thereunder, (iv) the title of any officer of the Authority executing the Basic Agreements or the Series 2018 Bonds, or (v) its power to lease the Property to the County; and

(g) The Authority is the owner of a leasehold estate in the Property granted by the Ground Lease.

Section 2.2 Representations by County.

The County makes the following representations:

(a) The County is a political subdivision of the Commonwealth of Virginia;

(b) The lease of the Property to the County pursuant to this Financing Lease will provide the County governmental facilities, so that the County may serve functions which are essential to its proper, efficient and economic operations of the County and to the health and welfare of its residents;

(c) The County has full power and authority to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and by proper action has duly authorized, executed and delivered such Basic Agreements;

(d) The County 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 or subject to which any indebtedness for borrowed money has been incurred, and no event has

occurred and is continuing that with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

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

(f) No further approval, consent or withholding of objection on the part of any regulatory body or any official, Federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Agreements to which it is a party;

(g) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened against the County with respect to (i) the authority of the County to execute and deliver the Basic Agreements to which it is a party, (ii) the validity or enforceability of such Basic Agreements or the County's performance of its obligations thereunder, (iii) the title of any officer of the County executing such Basic Agreements, or (iv) its power to lease the Property from the Authority;

(h) Until termination of this Financing Lease, the County intends to use the Property, or to cause it to be used, as governmental facilities or as such other facilities for use by a county as are permissible under the Act and the Code of Virginia of 1950, as amended. The County will not use or occupy the Property or permit it to be used or occupied (i) contrary to any law or regulation in effect now or in the future (and without regard to any change of government policy), or (ii) in any manner which will (A) cause structural injury to any part of the Property (the County shall make structural and other changes to the Property at its sole cost and expense and without regard to the cost), (B) cause the value or the usefulness of the Property to diminish (ordinary wear and tear excepted), (C) constitute a public or private nuisance or (D) result in waste to the Property; nor will it do or permit anything to be done on or about the Property that will affect, impair or contravene any policies of insurance that may be carried on the Property or with respect to its use.

ARTICLE III

LEASE OF PROPERTY

Section 3.1 Lease of Property.

The Authority demises and leases to the County, and the County leases from the Authority, the Property for the term set forth in Section 4.1 and in return for the Basic Rent and Additional Rent provided for in Section 4.2, all in accordance with the terms of this Financing Lease. The Authority hereby agrees to perform the obligations imposed upon it as lessee under

the Ground Lease. Subject to the provisions of Articles VI and VIII, the County shall be entitled to the possession of the Property during the term of this Financing Lease.

THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY THAT THE COUNTY WILL HAVE QUIET AND PEACEFUL POSSESSION OF THE PROPERTY, except that the Property is free from encumbrances done, made or knowingly suffered by the Authority or anyone claiming by, through or under it. The County recognizes that since the leasing of the Property is being undertaken at the County's request, THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR WORKMANSHIP OF ANY PART OF THE PROPERTY OR ITS SUITABILITY FOR THE COUNTY'S PURPOSES OR NEEDS.

ARTICLE IV

LEASE TERM; PAYMENT OF RENTAL; MAINTENANCE; INSURANCE AND TAXES

Section 4.1 Lease Term.

The Lease Term shall commence on the date of execution hereof and, unless sooner terminated in accordance with the provisions hereof, shall terminate at midnight on _____ __, 20__; provided, however, that if all payments required by this Financing Lease have not been made on such date, the Lease Term shall terminate when all such payments shall have been made.

Section 4.2 Rental Payments.

(a) Subject to Section 4.3, the County shall pay Basic Rent to the Authority on each [June 1] and [December 1] in the years and in the amounts set forth on Exhibit A attached hereto, as it may be amended from time to time.

(b) Subject to the limitation of Section 4.3, in the event of a deficiency in any other Series Debt Service Reserve Account with respect to an additional Series secured by this Financing Lease, the County agrees to pay as Additional Rent to the Trustee not later than 45 days before the next succeeding interest payment date set forth in Exhibit A the amount of such deficiency. There shall be no Series Debt Service Reserve Account established for the Series 2018 Bonds.

(c) Subject to the limitation of Section 4.3 and subject to the terms of a more specific agreement as to compensation entered into by the County and the Trustee, the County agrees to pay as Additional Rent to the Trustee until payment in full of the Series 2018 Bonds and any additional Series secured by this Financing Lease then Outstanding its reasonable fees for services rendered and for expenses reasonably incurred by the Trustee under the Agreement of Trust.

(d) Subject to the limitation of Section 4.3, the County agrees to pay as Additional Rent (i) any expenses incurred by the Authority in connection with its obligations under this Financing Lease and (ii) all other amounts which the County agrees to pay under the terms of this Financing Lease, but not including payments of Basic Rent.

(e) The obligations of the County to make the payments of Basic Rent and Additional Rent and to perform and observe the other agreements contained herein shall be absolute and unconditional, except as provided in subsection (f) below and in Section 4.3.

(f) Notwithstanding anything herein to the contrary, to the extent that the County pays in full each installment of Basic Payment and Additional Payment when due under the terms of the Financing Agreement, the amount of such payment shall be credited in full against the corresponding obligation of the County hereunder to pay any installment of Basic Rent and Additional Rent.

Section 4.3 Appropriations of Basic Rent and Additional Rent; Declaration of Essentiality.

The County reasonably believes that funds sufficient to make all payments of Basic Rent and Additional Rent during the term of this Financing Lease can be obtained. While recognizing that it is not empowered to make any binding commitment to make payments of Basic Rent and Additional Rent beyond the current Fiscal Year, the County Board in authorizing the execution of this Financing Lease has stated its intent to make appropriations sufficient to make the payments of Basic Rent and Additional Rent.

Notwithstanding anything in this Financing Lease to the contrary, the County's obligations to pay the cost of performing its obligations under this Financing Lease, including its obligations to pay all Basic Rent and Additional Rent, shall be subject to and dependent upon appropriations being made from time to time by the County Board in sufficient amounts for such purposes; provided, however, that the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall include in the proposed budget for each Fiscal Year as a single appropriation the amount of all Basic Rent and estimated Additional Rent coming due during such Fiscal Year (taking into account without duplication appropriations made to pay Basic Payments and Additional Payments due under the Financing Agreement during the same Fiscal Year).

For each Fiscal Year of the Lease Term, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget shall deliver to the Trustee and the Authority within 10 days after its adoption, but not later than 10 days after the beginning of each Fiscal Year, a copy of the County's adopted Annual Budget that includes an approval of funds sufficient to pay, or be credited to the payment of, both Basic Rent and estimated Additional Rent coming due for the relevant Fiscal Year.

If any adopted Annual Budget does not include an approval of funds sufficient to pay, or be credited to the payment of, both Basic Rent and estimated Additional Rent coming due for the relevant Fiscal Year, the County Board shall take a roll call vote immediately after adoption of such Annual Budget acknowledging the impact of its failure to approve such funds. In addition, the County Administrator or appropriate officer shall deliver to the Trustee and the Authority within 10 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to, or credited to the payment of, the Basic Rent and estimated Additional Rent which will come due during such Fiscal Year has been appropriated by a resolution adopted by the County Board. If, by 15 days after the beginning of the Fiscal Year, the County Board has not appropriated funds for the payment of both Basic Rent and estimated Additional Rent for the

then current Fiscal Year, the County Administrator or other officer charged with the responsibility for preparing the County's Annual Budget and appropriation resolution shall give written notice to the County Board to consider a supplemental appropriation for such purposes.

Section 4.4 Insurance.

Subject to Section 4.3, the County shall continuously maintain throughout the Lease Term public liability, fire and extended coverage insurance with respect to the Property as may be required from time to time to insure against such risks as are customarily insured against by public bodies for facilities and equipment similar in size, function and character to the Property, including, without limitation, insurance against loss of or damage to the Property, or any part thereof, in an amount equal to at least the full replacement cost of the Property, or any part thereof, paying when due all premiums with respect thereto; provided, however, that the County may self-insure as to any or all of such coverage and such self-insurance will satisfy the requirements of this Section. If the County self-insures, the County shall cause to be filed annually with the Trustee a certificate of its risk manager or insurance consultant as to the adequacy of reserves for such self-insurance.

Section 4.5 Maintenance.

Subject to Sections 4.3, 5.1 and 5.2, the County shall maintain, preserve and keep the Property in compliance with all legal requirements and in good repair and operating condition (normal wear and tear excepted) and from time to time shall make all necessary repairs, replacements and renewals.

Section 4.6 Inspection of Property.

The Authority, the Trustee and their duly authorized representatives and agents shall have such reasonable rights of access to the Property (subject to prior written or telephonic notice to the County) as may be necessary to determine whether the County is in compliance with the requirements of the Basic Agreements, but neither the Authority nor the Trustee shall have any duty to monitor the County's compliance.

Section 4.7 Net Lease.

This Financing Lease shall be deemed and construed to be a net lease, and during the Lease Term, the County shall pay Basic Rent and Additional Rent, free of all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason whatsoever except that (a) Basic Rent shall decrease as a consequent of each prepayment of Basic Rent in accordance with Sections 4.3, 5.1(b)(2) and 5.2(b)(2) and (b) payments of Basic Rent on each [June 1] and [December 1] may be reduced by the amount then on deposit in the Bond Fund.

Section 4.8 Liens on Property; Disposition of Property.

Except as provided in Section 4.12 below and otherwise in the Basic Agreements, the County shall not create, incur or grant any mortgage, pledge, security interest, lien or encumbrance other than Permitted Encumbrances on or with respect to the Property and shall not

dispose of any interest in the Property unless it delivers to the Authority a certificate of the County, signed by the County Administrator, stating:

(a) that the proceeds from the disposition will be (i) applied to the purchase of additional real property to become part of the Property or (ii) deposited with the Trustee in the Bond Fund and applied to the payment or redemption of the Series 2018 Bonds and any additional Series secured by this Financing Lease; and

(b) that the disposition, together with any substitution of additional real property becoming part of the Property, will not adversely affect the usefulness of the Property or any part of it or its intended purpose or deprive the County of any real property needed for access to or operation of the Property.

Upon receipt of the above, so long as the County is not in default under this Financing Lease, the Authority will release from this Financing Lease and convey to the County that portion of the Property to be disposed of but only after (if applicable) any real property that is to be substituted for it has been conveyed to the Authority and been subjected to this Financing Lease.

Section 4.9 Installation of County's Own Furnishings and Equipment.

The County may from time to time, in its discretion and at its own expense, install furnishings and equipment at the Property. All furnishings and equipment so installed by the County shall remain the property of the County in which neither the Authority nor the Trustee shall have any interest and may be modified or removed at any time while the County is not in default under this Financing Lease. Nothing contained in this Section shall prevent the County from purchasing furnishings and equipment and creating purchase money security interests therein pursuant to the Uniform Commercial Code of Virginia as security for the unpaid portion of the purchase price thereof. The County shall pay as due the purchase price of and all costs and expenses with respect to the acquisition and installation of any furnishings and equipment installed by it pursuant to this Section.

Section 4.10 Prepayment of Basic Rent.

To the extent that the County prepays any amounts due under the Financing Agreement with respect to the Series 2018 Bonds and any additional Series secured by this Financing Lease, the amount of such prepayments shall also be credited against the corresponding amount of Basic Rent due under this Financing Lease.

Section 4.11 Release and Transfer of Property; Termination of Financing Lease.

Within 30 days after the payment or prepayment in full by the County of Basic Rent and any Additional Rent, the Authority shall execute and deliver to the County or file such instruments as may be reasonably necessary and proper to terminate the Authority's interest in the Property pursuant to Section 8(a) of the Ground Lease and to terminate this Financing Lease. Any reasonable expenses incurred by the Authority in effecting such transfers, conveyances, releases and assignments shall constitute Additional Rent.

Section 4.12 Subleasing; Preservation of Tax Exempt Status of Interest on Bonds.

The County shall not sublease the Property, or any portion thereof, or assign any of its rights under this Financing Lease, to any entity other than the Commonwealth of Virginia, a city, a county or a town, or any agency thereof, without an opinion of Bond Counsel that such sublease or assignment would not adversely affect the exclusion of interest on the Series 2018 Bonds (or any additional Series secured by this Financing Lease) from gross income for Federal income tax purposes. The County shall send notice to the Trustee and the Authority of any sublease of the Property or any portion thereof, or any assignment of any of the County's rights under this Financing Lease, within 30 days of entering into such sublease or assignment.

ARTICLE V

DAMAGE, DESTRUCTION OR CONDEMNATION

Section 5.1 Damage or Destruction.

(a) The County shall notify the Trustee and the Authority immediately in the case of damage to or destruction from fire or other casualty of the Property or any portion thereof during the Lease Term in an amount that the County determines in good faith will cost more than $250,000 to repair, reconstruct and restore. If the County determines in good faith that such cost will not exceed $250,000, the County shall retain, subject to Section 4.4, the Net Proceeds received with respect to such damage or destruction and apply such Net Proceeds to the repair, reconstruction and restoration of such portion of the Property so damaged or destroyed to substantially the same condition as had existed prior to the event causing such damage or destruction. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the County shall, subject to Section 4.3, pay so much thereof as is in excess of such Net Proceeds.

(b) If the Property or any portion thereof is damaged or destroyed by fire or other casualty during the Lease Term and the County, in consultation with the County Board, determines in good faith that the cost to repair, reconstruct and restore the Property to the same condition as had existed prior to such damage or destruction will exceed $250,000, then the County shall, upon the following conditions and within 90 days after the date such damage or destruction occurs, pay all Net Proceeds to the Trustee for deposit in the Project Fund (subject to any required transfers to the Arbitrage Rebate Fund) and elect one of the following two options by giving notice of such election to the Trustee and the Authority, and the Trustee shall disburse such Net Proceeds in accordance with the option so elected:

(1) Option A - Repair, Reconstruction and Restoration. The County may elect to repair, reconstruct and restore the Property. Upon the County's election of this Option A, the County shall proceed to cause the Property to be repaired, reconstructed and restored to substantially the same condition as had existed prior to the event causing such damage or destruction, with such alterations and additions as the County may determine to be necessary or desirable and as will not impair the capacity or character of the Property for the purposes for which it had been or was intended to be used prior to such damage or destruction. The County shall direct the Trustee to create a special account in the Project Fund and deposit such Net Proceeds therein. So long as the

County is not in default under this Financing Lease, the County may direct the Trustee upon receipt of a request made in accordance with Section 503 of the Agreement of Trust, to apply, in the manner and upon the conditions set forth in such Section 503, so much as may be necessary of such Net Proceeds to payment of the cost of such repair, reconstruction and restoration, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction and restoration, the County shall pay to the Trustee, subject to Section 4.3, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds to the Trustee for deposit to the special account in the Project Fund. The County shall not be entitled by reason of the payment of such excess cost to any (A) interest in the Property that it did not possess prior to such payment, (B) reimbursement from the Authority or the Trustee, or (C) abatement or diminution of Basic Rent or Additional Rent.

(2) Option B - Prepayment. The County may elect to have such Net Proceeds applied to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, plus interest accrued to the date of prepayment, to be used by the Trustee (upon receiving such Net Proceeds, to the extent and in the manner provided in the Agreement of Trust and to the extent of such Net Proceeds) to redeem the Series 2018 Bonds and any additional Series secured by this Financing Lease.

Section 5.2 Condemnation and Loss of Title.

(a) In the case of a taking of all or any part of the Property or any right therein under the exercise of the power of eminent domain or any loss of all or any part of the Property because of loss of title thereto, or the commencement of any proceedings or negotiations which might result in such a taking or loss, the party upon whom notice of such taking is served or whom such proceedings or negotiations are commenced or who learns of a loss of title shall give prompt notice to the other and to the Trustee. Each such notice shall describe generally the nature and extent of such condemnation, taking, loss, proceedings or negotiations. All obligations of the County under this Financing Lease (except the County's obligations to pay Basic Rent when due) shall terminate as to the Property or portion thereof as to which there is a loss of title or which is condemned or taken when such loss of title is finally adjudicated or when title thereto vests in the party condemning or taking the same, as the case may be (hereinafter referred to as the "termination date").

(b) In the event of any such loss of title, condemnation or taking, the County shall, upon the following conditions and within 90 days after the termination date therefor, pay all Net Proceeds to the Trustee for deposit in a special account in the Project Fund and elect one of the following two options by giving notice of such election to the Trustee and the Authority:

(1) Option A - Repairs, Reconstruction and Restoration. The County may elect to have the Net Proceeds as to such loss of title, condemnation or taking used to repair, restore or reconstruct the portion of the Property as to which there has been a loss of title, condemnation or taking to substantially its condition prior to such loss of title, condemnation or taking. Upon election of this Option A, the County shall direct the Trustee to create a special account in the Project Fund and deposit such Net Proceeds therein. So long as the County is not in default under this Financing Lease, the County

may direct the Trustee, upon receipt of a request made in accordance with Section 503 of the Agreement of Trust, to apply, in the manner and upon the conditions set forth in such Section 503, so much as may be necessary of the Net Proceeds received by it on account of such loss of title, condemnation or taking to payment of such repair, reconstruction or restoration of the Property, either on completion thereof or as the work progresses. If such Net Proceeds are not sufficient to pay in full the cost of such repair, reconstruction or restoration, the County shall pay to the Trustee, subject to Section 4.3, within 90 days of receipt of such Net Proceeds, so much of the cost thereof as may be in excess of such Net Proceeds for deposit into such special account in the Project Fund. The County shall not be entitled by reason of the payment of such excess cost to any (A) interest in the Property that it did not possess prior to such payment, (B) reimbursement from the Authority or the Trustee, or (C) abatement or diminution of the Basic Rent or Additional Rent.

(2) Option B - Prepayment of Basic Rent. The County may elect to have the Net Proceeds payable as to any such loss of title, condemnation or taking applied to the prepayment of all or any portion of the Basic Payments due under the Financing Agreement, plus interest accrued to the date of prepayment, to be used by the Trustee (upon receiving such Net Proceeds, to the extent and in the manner provided in the Agreement of Trust and to the extent of such Net Proceeds) to redeem the Series 2018 Bonds and any additional Series secured by this Financing Lease.

(c) The Authority shall, at the expense of the County, cooperate fully with the County in the contest of any prospective or pending condemnation proceedings or in any contest over title with respect to the Property or any portion thereof and shall, to the extent it may lawfully do so, permit the County to litigate, at the expense of the County, in any such proceeding in the name and behalf of the Authority. In no event shall the Authority voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceedings, or proceedings as to title with respect to the Property or any portion thereof without the consent of the County.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.1 Events of Default.

(a) Subject to the provisions of Section 6.1(c), the following shall be "events of default" under this Financing Lease, and the terms "event of default" or "default" shall mean, whenever they are used in this Financing Lease, any one or more of the following events:

(1) Failure of the County to pay when due any payment due under Section 4.2(a) or 4.2(b) and continuation of such failure for a period of five days; or

(2) Failure of the County to pay when due any payment due under this Financing Lease, other than payments under Section 4.2(a) and (b), or to observe and perform any covenant, condition or agreement on its part to be observed or performed, which failure shall continue for a period of 30 days after notice is given, or in the case of any such default that cannot with due diligence be cured within such 30-day period but

can be cured within the succeeding 60 days, failure of the County to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence.

(b) The provisions of the foregoing subparagraph (a)(2) are subject to the limitation that if by reason of force majeure the County is unable in whole or in part to perform any of its covenants, conditions or agreements hereunder other than those set forth in Sections 4.2, 4.3, 4,4, 4.6 and 4.8, the County shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall include without limitation acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States of America or the Commonwealth of Virginia or any political subdivision thereof or any of their departments, agencies or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; earthquakes; fires; hurricanes; tornadoes; storms; floods; washouts; droughts; restraint of government and people; or civil disturbances. The County shall remedy with all reasonable dispatch the cause or causes preventing the County from carrying out its covenants, conditions and agreements, provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the County and the County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of any opposing party when such course is in the judgment of the County not in its best interests.

(c) Notwithstanding anything contained in this Section to the contrary, (i) failure by the County to pay when due any payment required to be made under this Financing Lease or (ii) failure by the County to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Financing Lease, either of which results from failure of the County to appropriate moneys for such purposes, as described in Section 4.3, shall not constitute an event of default. Upon any such failure to appropriate, the provisions of Article VII shall be applicable.

Section 6.2 Remedies.

Whenever any event of default shall have happened and is continuing, the Authority may take any one or more of the following remedial steps, without further demand or notice: (a) reenter and take possession of all or any portion of the Property, with or without terminating this Financing Lease, exclude the County from possession, and lease or sublease the County's leasehold estate in all or any portion of the Property for the account of the County, holding the County liable for all Basic Rent and Additional Rent due up to the effective date of such lease or sublease and for the difference between the rent and other amounts paid by the lessee or sublessee pursuant to such lease or sublease and the Basic Rent and other amounts payable by the County hereunder; or (b) take whatever action at law or in equity may appear necessary or desirable to collect the Basic Rent and the Additional Rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County under this Financing Lease. In any of such cases, all rights and interests created or then existing in favor of the County as against the Authority hereunder shall cease and terminate, and the right to the possession of the Property and all other rights acquired by the County hereunder shall revert to and revest in the Authority without any act of re-entry, or any other act of the Authority to be performed and without any right of the County of return, reclamation or compensation for moneys paid under this Financing Lease as absolutely, fully and perfectly as if this Financing Lease and such payments had never been made; and in case of such default all

payments theretofore made on this Financing Lease are to be retained by and belong to the Authority as the agreed and reasonable rent of the Property up to the time of such default. Any amounts received by the Authority pursuant to the foregoing provisions shall be applied first to costs, then to any unpaid interest and then to repayment of principal, and upon payment in full of all amounts due such excess shall be deposited in the Bond Fund and credited to the next Payment of Basic Rent to the extent Basic Rent has not been paid in full. This provision shall survive termination of this Financing Lease.

Section 6.3 Reinstatement after Event of Default.

Notwithstanding the exercise by the Authority of any remedy granted by Section 6.2, unless the Authority or its assignee shall have sold its leasehold estate in all or any portion of the Property or shall have entered into an agreement providing for the reletting of the Property for at least one year, if the balance of Basic Rent shall not have been accelerated pursuant to Section 6.2(a) and all overdue Basic Rent, together with any interest thereon, and all Additional Rent shall have been paid, then the County's default under this Financing Lease shall be waived without further action by the Authority. Upon such payment and waiver, this Financing Lease shall be fully reinstated and all Basic Rent payments will be due and payable in accordance with Exhibit A, and the County shall be restored to the use, occupancy and possession of the Property; provided, however, if all or any portion of the Property has been relet for less than one year, the County shall not be restored to the use, occupancy and possession thereof until the end of such lease.

Section 6.4 No Remedy Exclusive.

No remedy conferred by this Financing Lease upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but every such remedy shall be cumulative and shall be in addition to every other remedy given 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 shall impair any such right or power or shall be construed to be a waiver thereof or acquiescence therein, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.5 No Additional Waiver Implied by One Waiver.

Failure by the Authority at any time to require performance by the County of any provision hereof shall in no way affect the Authority's right hereunder to enforce the same, nor shall any waiver by the Authority of any breach of any provision hereof be held to be a waiver of any succeeding breach of any such provision, or as a waiver of the provision itself.

Section 6.6 Attorneys' Fees and Other Expenses.

Subject to Section 4.3 the County shall on demand pay to the Authority and the Trustee the reasonable fees of attorneys and other reasonable expenses incurred by either of them in the collection of appropriated, but unpaid, Basic Rent or Additional Rent, or the enforcement of any other obligation of the County, or its agents, upon an Event of Default or any event which, with the passage of time or the giving of notice, may become an Event of Default.

ARTICLE VII

TERMINATION OF LEASE

Section 7.1 Right To Terminate in the Event of Non-Appropriation.

If by [June 10] of any year, the County Board has failed to adopt a resolution appropriating moneys sufficient for the payment of Basic Rent and estimated Additional Rent (taking into account without duplication the corresponding Basic Payments and estimated Additional Payments due under the Financing Agreement) for the following Fiscal Year, the County Administrator shall give notice to the Authority and the Trustee of such failure to appropriate within five business days thereafter, and if no such appropriation has been made by [July 15] of the then current year, the County and the Authority each shall have the right to terminate this Financing Lease by giving notice of the exercise of its rights pursuant to this Section to the other party and the Trustee.

Section 7.2 Rights upon Termination in the Event of Non-Appropriation.

Upon termination of this Financing Lease in accordance with Section 7.1, the County shall immediately surrender possession of the Property. In the event the County does not so deliver possession, the County shall be liable, but only from legally available funds, for payment of a pro-rata portion of the Basic Rent payments and Additional Rent attributable to the number of days during which the County fails to so deliver possession.

Section 7.3 Reinstatement after Termination in the Event of Non-Appropriation.

Notwithstanding any termination of this Financing Lease in accordance with Section 7.1, this Financing Lease shall be fully reinstated, and the County shall be restored the use, occupancy and possession of the Property provided that the conditions set forth in Section 6.3 are satisfied.

Section 7.4 Termination in Certain Other Events.

Upon prepayment in full of all Basic Payments and Additional Payments (which shall be credited against the corresponding payments of Basic Rent and Additional Rent due under this Financing Lease) in accordance with Sections 4.10, 5.1(b)(2) or 5.2(b)(2), this Financing Lease shall terminate in accordance with the provisions of Section 4.11.

ARTICLE VIII

AGREEMENT OF TRUST; ASSIGNMENT; AND AMENDMENTS

Section 8.1 Agreement of Trust; Covenants.

(a) The County shall not be obligated to take any notice of any sale, assignment, reassignment, pledge, mortgage, transfer or other disposition of any interest in this Financing Lease or the Property by the Authority, unless such sale, assignment, reassignment, pledge, mortgage, transfer or other disposition is undertaken in accordance with the Agreement of Trust and the County shall have received a duplicate original counterpart of the document by which the

assignment, reassignment, pledge, mortgage, transfer or other disposition is made, disclosing the name and address of the person or entity receiving such interest; provided, however, that if such assignment, reassignment, pledge, mortgage, transfer or other disposition is made to a bank or trust company as trustee or paying agent or escrow agent for holders of the Series 2018 Bonds or any additional Series secured by this Financing Lease, it shall thereafter be sufficient that a copy of the trust instrument or agency agreement shall have been deposited with the County until the County shall have been advised that such trust instrument or agency agreement is no longer in effect. During the Lease Term the County shall keep a complete and accurate record of all such assignments in form necessary to comply with Section 149(a) of the Code.

(b) Subject to Section 4.3, the County covenants to take whatever action may be necessary for the Authority to comply with the Authority's covenants under the Agreement of Trust including, without limitation, (i) to cause any necessary financing statements relating to the Basic Rent payments to be executed and filed in all appropriate offices from time to time and will cause the financing statements and instruments of further assurance to be recorded and filed in such manner and in such places as are required by law in order to preserve and protect the rights and security of the holders of the Series 2018 Bonds, and (ii) to supply all information required to be stated on Internal Revenue Service Forms 8038-G and 8038-T, or any successors to such forms.

Section 8.2 Assignment; References to Authority.

Simultaneously with the execution of this Financing Lease, the Authority has entered into the Assignment Agreement by which the Authority assigns all of its rights in and to this Financing Lease (except its rights to receive payment of its fees and expenses and to receive notices) to the Trustee for the benefit of the holders of the Series 2018 Bonds and any additional Series secured by this Financing Lease. The County hereby (a) consents to such assignment, (b) agrees to execute and deliver such further acknowledgments, agreements and other instruments as may be reasonably requested by the Authority or the Trustee to effect such assignment, (c) agrees to make all payments due to the Authority under this Financing Lease directly to the Trustee (except the Authority's rights to receive payment of its fees and expenses, to receive notices and to give consents), subject to Section 4.3, and (d) agrees to fully comply with the terms of such assignment so long as such assignment is not inconsistent with the provisions hereof. All references in this Financing Lease to the Authority shall include the Trustee for the benefit of the holders of the Series 2018 Bonds and any additional Series secured by this Financing Lease, and their successors and assigns, whether or not specific reference is otherwise made to the Trustee, unless the context requires otherwise.

Section 8.3 Amendments.

This Financing Lease may be amended without the consent of the holders of the Series 2018 Bonds and any additional Series secured by this Financing Lease and with the consent of the Trustee, for purposes of (a) curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Financing Lease, or in regard to matters or questions arising under this Financing Lease, as the County, with the consent of the Trustee, may deem necessary or desirable and not inconsistent with this Financing Lease and the Agreement of Trust, and which shall not materially adversely affect the interest of the holders of the Series 2018 Bonds or any additional Series secured by this Financing Lease, (b) for purposes of issuing

additional Series of Bonds or (c) for purposes of substituting collateral pursuant to Section 4.8. An amendment relating to an additional Series of Bonds may include, without limitation, a description of additional property to be leased hereby and an amended schedule of Basic Rent to reflect principal and interest payments on such additional Series. The Authority shall have the right to consent to any such amendment that affects in any material respect its rights or obligations under this Financing Lease or the Trust Agreement. This Financing Lease may be amended with the consent of the holders of a majority in aggregate principal amount of the Series 2018 Bonds and any additional Series of Bonds secured by this Financing Lease then Outstanding; provided, however, that no amendment to this Financing Lease shall operate to reduce or delay any Basic Rent payment to be made hereunder, except as may be provided under this Financing Lease, without the unanimous consent of all holders of Series 2018 Bonds and any additional Series secured by this Financing Lease and of the Authority.

Section 8.4 No Merger.

The reversionary and leasehold estates in and to the Property created by this Financing Lease shall not merge but shall always remain separate and distinct, notwithstanding the union of such estates by purchase or otherwise in the Authority, the Trustee, the County, any lessee or any third party, unless the person holding both of such estates shall expressly elect in writing for them to merge.

ARTICLE IX

MISCELLANEOUS

Section 9.1 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, addressed (a) if to the County, at 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784 (Attention: County Administrator); (b) if to the Authority, at 101-D Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23185 (Attention: Chairman); and (c) if to the Trustee, at [3951 Westerre Parkway, Ste. 300, Richmond, Virginia 23233] (Attention: Corporate Trust Administration). The County, the Authority and the 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.

Section 9.2 Severability.

If any provision of this Financing Lease shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 9.3 Liability of Authority.

Notwithstanding any provision of any Series of Bonds or the Basic Agreements to the contrary, the obligations of the Authority under any Series of Bonds and the Basic Agreements are not general obligations of the Authority, but are limited obligations payable solely from

revenues and receipts derived from the County under the Financing Agreement or this Financing Lease. No director or officer of the Authority shall be personally liable on the Authority's obligations hereunder. The Authority shall not be liable under any circumstances for the actions of the County, as agent for the Authority, or for any actions or omissions of the County under the Basic Agreements. In any instance in which the County is or may act as agent for the Authority hereunder, the County shall at all times comply with any applicable laws, rules or regulations pertaining to any such actions, and it is expressly understood and agreed that the County shall have no authority to create or incur any liability or obligation of the Authority except to the extent limited to the Property and the revenues derived therefrom.

Section 9.4 Characterization.

For purposes of federal bankruptcy law, this Financing Lease is intended to be a "financing lease," and not a "true lease," entered into for the purpose of facilitating the financing of the Project pursuant to the Act through the issuance of the Series 2018 Bonds in accordance with the Agreement of Trust.

Section 9.5 Successors and Assigns.

This Financing Lease shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 9.6 Counterparts.

This Financing Lease may be executed in any number of counterparts, each of which shall be an original, all of which together shall constitute but one and the same instrument; except that to the extent, if any, that this Financing Lease shall constitute personal property under the Uniform Commercial Code of Virginia, no security interest in this Financing Lease may be created or perfected through the transfer or possession of any counterpart of this Financing Lease other than its original counterpart, which shall be the counterpart containing the receipt therefor executed by the Trustee following the signatures to this Financing Lease.

Section 9.7 Entire Agreement.

The Basic Agreements express the entire understanding and all agreements between the parties and may not be modified except in writing signed by the parties.

Section 9.8 Governing Law.

This Financing Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

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

By_____
County Administrator

COMMONWEALTH OF VIRGINIA)
_____)

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

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

_____
Notary Public #_____

My commission expires: _____

Approved as to form:

By _____
County Attorney

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

By_____
Chairman

COMMONWEALTH OF VIRGINIA)
_____)

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

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

_____
Notary Public #_____

My commission expires: _____

RECEIPT

Receipt of the foregoing original counterpart of this Financing Lease dated as of _____, 2018, between the Economic Development Authority of James City County, Virginia, and the Board of Supervisors of James City County, Virginia, on behalf of James City County, Virginia, is acknowledged.

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By_____
Vice President

EXHIBIT A

SCHEDULE OF BASIC RENT PAYMENTS

Payment Date	Principal Component	Interest Component	Total

Draft 9/26/2018

FIRST SUPPLEMENTAL FINANCING AGREEMENT

between

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

and

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

Dated as of _____, 2018

NOTE: THIS FIRST SUPPLEMENTAL FINANCING AGREEMENT HAS BEEN ASSIGNED TO, AND IS SUBJECT TO A SECURITY INTEREST IN FAVOR OF, WILMINGTON TRUST, NATIONAL ASSOCIATION, AS TRUSTEE UNDER AN AGREEMENT OF TRUST DATED AS OF JUNE 1, 2016, AS PREVIOUSLY SUPPLEMENTED AND AS FURTHER SUPPLEMENTED BY A SECOND SUPPLEMENTAL AGREEMENT OF TRUST DATED AS OF _____, 2018, WITH THE ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA, AS FURTHER AMENDED OR SUPPLEMENTED FROM TIME TO TIME. INFORMATION CONCERNING SUCH SECURITY INTEREST MAY BE OBTAINED FROM THE TRUSTEE IN RICHMOND, VIRGINIA.

TABLE OF CONTENTS

Page

Parties....1
Recitals....1
Granting Clauses....2

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions....2
Section 1.2 Rules of Construction. 3

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority. 3
Section 2.2 Representations by County. 4

ARTICLE III

AGREEMENT TO MAKE LOANS AND ISSUE BONDS

Section 3.1 Agreement to Make Loan to Refund Series 2009 Bonds and to Finance the Series 2018 Project. 5
Section 3.2 Agreement to Issue Series 2018 Bonds. 5

ARTICLE IV

PAYMENT OBLIGATIONS

Section 4.1 Amounts Payable. 5

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1 Prepayment and Redemption. 6

ARTICLE VI

ARBITRAGE REBATE FUND

Section 6.1 Series 2018 Arbitrage Rebate Fund. 6
Section 6.2 Rebate Requirement. 6
Section 6.3 Calculation and Payment of Series 2018 Rebate Obligation. 6
Section 6.4 Reports by Trustee. 7
Section 6.5 Disposition of Balance in Series 2018 Arbitrage Rebate Fund. 7

ARTICLE VII

MISCELLANEOUS

Section 7.1 Severability. 7
Section 7.2 Successors and Assigns.....8
Section 7.3 Counterparts. 8
Section 7.4 Governing Law. 8
Section 7.5 Patriot Act Notice of the Trustee. 8

Signatures.....9
Receipt 10

Exhibit A - Schedule of Payments A-1

THIS **FIRST SUPPLEMENTAL FINANCING AGREEMENT** dated as of _____, 2018, by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA,** a political subdivision of the Commonwealth of Virginia (the "Authority"), and the **BOARD OF SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA,** on behalf of **JAMES CITY COUNTY, VIRGINIA**, a political subdivision of the Commonwealth of Virginia (the "County"), provides:

W I T N E S S E T H:

WHEREAS, the Authority is a political subdivision of the Commonwealth of Virginia duly created under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the "Act");

WHEREAS, the Authority is authorized to exercise all the powers set forth in the Act, which include, among other things, the powers to make loans to, among others, a county in furtherance of the Act, to finance or refinance and lease facilities for use by, among others, a county, to issue its revenue bonds, notes and other obligations from time to time for such purposes and to pledge all or any part of its revenues and receipts derived from payments received by the Authority in connection with its loans or from the leasing by the Authority of such facilities or from any source, as security for the payment of principal of and interest on any such obligations;

WHEREAS, the County desires to undertake a program of financing and refinancing the acquisition, construction and equipping of various public facilities that the County determines to undertake from time to time;

WHEREAS, in furtherance of the purposes of the Act, the County has requested the Authority to undertake one or more series of Projects (as defined in the Financing Agreement, as hereinafter defined), and the Authority has determined to issue from time to time pursuant to the terms of an Agreement of Trust dated as of June 1, 2016, between the Authority and Wilmington Trust, National Association, Richmond, Virginia, as trustee (the "Trustee"), as previously supplemented and as further supplemented by a Second Supplemental Agreement of Trust dated as of _____, 2018, between the Authority and the Trustee (collectively, the "Agreement of Trust"), its public facility revenue bonds and to loan the proceeds thereof to the County to finance and refinance costs incurred in connection with such Projects and costs of issuing such bonds;

WHEREAS, in furtherance of the purposes of the Act, the Authority and the County have entered into a Financing Agreement dated as of June 1, 2016 (the "Master Financing Agreement"), pursuant to which the Authority has agreed to loan from time to time such proceeds to the County and the County has agreed to repay such loans, subject to appropriation by the County Board of Supervisors from time to time of sufficient moneys for such purpose;

WHEREAS, within the limitations and in compliance with the Agreement of Trust, the County has requested the Authority to issue a series of Bonds in the aggregate principal amount of $_____ (the "Series 2018 Bonds") and to loan such proceeds to the County (a) to refund the outstanding principal balance of the Series 2009 Bonds (as hereinafter defined), (b) to finance the cost of the Series 2018 Project (as hereinafter defined), [including to pay as desired interest on the Series 2018 Bonds up to one year following completion of the Series 2018 Project,] and

(c) to pay the financing and issuance costs related thereto, all pursuant to the terms of this First Supplemental Financing Agreement; and

WHEREAS, all acts, conditions and things required by law to happen, exist and be performed precedent to and in connection with the execution of and entering into this First Supplemental Financing Agreement have happened, exist and have been performed in regular and due time and in form and manner as required by law, and the parties hereto are now duly empowered to execute and enter into this First Supplemental Financing Agreement;

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

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions.

Unless otherwise defined in this First Supplemental Financing Agreement, all words used herein shall have the meanings assigned to such terms in the Agreement of Trust or the Master Financing Agreement. The following words as used in this First Supplemental Financing Agreement shall have the following meanings unless a different meaning clearly appears from the context:

"Agreement of Trust" shall mean the Master Trust Agreement together with all supplemental agreements entered into by the Authority and the Trustee from time to time.

"Basic Agreements" shall mean the Agreement of Trust and the Financing Agreement.

"Financing Agreement" shall mean the Master Financing Agreement, as previously supplemented and as further supplemented by this First Supplemental Financing Agreement.

"First Supplemental Financing Agreement" shall mean this First Supplemental Financing Agreement dated as of _____, 2018, between the Authority and the County, which supplements the Master Financing Agreement, including any supplements, amendments or modifications to this First Supplemental Financing Agreement.

"Master Financing Agreement" shall mean the Financing Agreement dated as of June 1, 2016, between the Authority and the County.

"Master Trust Agreement" shall mean the Agreement of Trust dated as of June 1, 2016, between the Authority and the Trustee.

"Rebate Amount" shall mean the amount due under the rebate obligations of the Code.

"Rebate Amount Certificate" shall mean a certificate prepared or approved, at the expense of the County, by an independent certified public accountant or a firm of independent certified public accounts or rebate specialist of recognized standing setting forth the Rebate Amount determined to be due to the United States of America as of the applicable fifth

anniversary date (under the Treasury Regulations) of the issuance of the Series 2018 Bonds, or as of the final payment date of the Series 2018 Bonds, and the computation thereof.

"Second Supplemental Trust Agreement" shall mean the Second Supplemental Agreement of Trust dated as of _____, 2018, between the Authority and the Trustee, which supplements the Agreement of Trust.

"Series 2009 Bonds" shall mean the $14,935,000 Taxable Lease Revenue Bonds (County Government Project), Series 2009 Build America Bonds, issued by the Authority.

"Series 2018 Arbitrage Rebate Fund" shall mean the fund established in Section 6.1.

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

"Series 2018 Project" shall have the meaning assigned to such term by the Second Supplemental Trust Agreement.

Section 1.2 Rules of Construction.

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

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

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

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

(d) The headings herein and the Table of Contents herein are solely for convenience of reference and shall not constitute a part of this First Supplemental Financing Agreement and shall not affect its meaning, construction or effect.

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

ARTICLE II

REPRESENTATIONS

Section 2.1 Representations by Authority.

The Authority makes the following representations:

(a) The Authority is a political subdivision of the Commonwealth of Virginia duly created under the Act;

(b) Pursuant to the Act, the Authority has full power and authority to enter into the Basic Agreements and to perform the transactions contemplated thereby and to carry out its obligations thereunder and, by proper action, has duly authorized, executed and delivered the Basic Agreements;

(c) The execution, delivery and compliance by the Authority with the terms and conditions of the Basic Agreements will not conflict with or constitute or result in a default under or violation of (1) any existing law, rule or regulation applicable to the Authority or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or other restriction of any kind to which the Authority or any of its assets is subject;

(d) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the Authority with the terms and conditions of the Basic Agreements, except that no representation is made as to the applicability of any federal or state securities laws; and

(e) There is no litigation at law or in equity or any proceeding before any governmental agency involving the Authority pending or, to the knowledge of the Authority, threatened with respect to (1) the creation and existence of the Authority, (2) its authority to execute and deliver the Basic Agreements, (3) the validity or enforceability of the Basic Agreements or the Authority's performance of its obligations thereunder, (4) the title of any officer of the Authority executing the Basic Agreements or (5) the ability of the Authority to issue and sell its bonds.

Section 2.2 Representations by County.

The County makes the following representations:

(a) The County is a political subdivision of the Commonwealth of Virginia;

(b) The County has full power and authority to enter into the Basic Agreements to which it is a party and to perform the transactions contemplated thereby and to carry out its obligations thereunder and, by proper action, has duly authorized, executed and delivered the Basic Agreements;

(c) The County 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 or subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing that, with the lapse of time or the giving of notice, or both, would constitute or result in an event of default thereunder;

(d) The County is not in default under or in violation of, and the execution, delivery and compliance by the County with the terms and conditions of the Basic Agreements to which it is a party will not conflict with or constitute or result in a default under or violation of, (1) any existing law, rule or regulation applicable to the County or (2) any trust agreement, mortgage, deed of trust, lien, lease, contract, note, order, judgment, decree or other agreement, instrument or restriction of any kind to which the County or any of its assets is subject, and no event has

occurred and is continuing that, with the lapse of time or the giving of notice, or both, would constitute or result in such a default or violation;

(e) No further approval, consent or withholding of objection on the part of any regulatory body or any official, federal, state or local, is required in connection with the execution or delivery of or compliance by the County with the terms and conditions of the Basic Agreements to which it is a party; and

(f) There is no litigation at law or in equity or any proceeding before any governmental agency involving the County pending or, to the knowledge of the County, threatened with respect to (1) the authority of the County to execute and deliver the Basic Agreements to which it is a party, (2) the validity or enforceability of the Basic Agreements or the County's performance of its obligations thereunder, (3) the title of any officer of the County executing the Basic Agreements or (4) the ability of the County to undertake with the Authority to refund the outstanding balance of the Series 2009 Bonds and to finance the Series 2018 Project.

ARTICLE III

AGREEMENT TO MAKE LOANS AND ISSUE BONDS

Section 3.1 Agreement to Make Loan to Refund Series 2009 Bonds and to Finance the Series 2018 Project.

The Authority hereby agrees to make, but solely from the proceeds of the Series 2018 Bonds, and the County hereby agrees to accept, a loan to refund the outstanding principal balance of the Series 2009 Bonds and to finance the Costs of the Series 2018 Project. Subject to the limitation of Section 4.4 of the Master Financing Agreement, the County agrees to make all Basic Payments and Additional Payments when and as the same shall become due and payable to repay such loan.

Section 3.2 Agreement to Issue Series 2018 Bonds.

In order to provide funds for making the loan described in Section 3.1, the Authority shall contemporaneously with the execution and delivery hereof proceed with the issuance and sale of the Series 2018 Bonds bearing interest, maturing and having the other terms and provisions set forth in the Agreement of Trust.

ARTICLE IV

PAYMENT OBLIGATIONS

Section 4.1 Amounts Payable.

The Master Financing Agreement is hereby amended to replace in its entirety the Exhibit A attached thereto with the new schedule of payments attached hereto as Exhibit A. Pursuant to Article IV of the Master Financing Agreement and subject specifically to the limitation of Section 4.4 thereof, the County shall pay to the Authority or its assignee, the Basic Payments specified in Exhibit A attached. The Basic Payments shall be payable without notice or demand at the designated corporate trust office of the Trustee.

ARTICLE V

PREPAYMENT AND REDEMPTION

Section 5.1 Prepayment and Redemption.

The County shall have the option to prepay any Basic Payment at the times and in the amounts as necessary to exercise its option to cause the Series 2018 Bonds to be redeemed as set forth in such Series 2018 Bonds. Such prepayments of Basic Payments shall be made at the times and in the amounts as necessary to accomplish the optional redemption of the Series 2018 Bonds as set forth in Section 2.301 of the Second Supplemental Trust Agreement. The Series 2018 Bonds shall be prepaid or redeemed in the manner and at the times set forth in Article III of the Second Supplemental Trust Agreement. Upon the exercise of such option, the County shall also pay as Additional Payments, the amounts necessary to pay the premium, if any, due on such Series 2018 Bonds on the date or dates of their redemption.

The County shall give the Trustee notice of any redemption of such Series 2018 Bonds at least five days prior to the latest date that notice of redemption may be given pursuant to Section 402 of the Master Trust Agreement, such notice to the Trustee to specify the redemption date, the principal amount of Series 2018 Bonds to be redeemed, the premium, if any, and the section of the Agreement of Trust pursuant to which such redemption is to be made.

ARTICLE VI

ARBITRAGE REBATE FUND

Section 6.1 Series 2018 Arbitrage Rebate Fund.

There is hereby established the James City County, Virginia, Series 2018, Public Facility Revenue Bond Arbitrage Rebate Fund (the "Series 2018 Arbitrage Rebate Fund") to be held by or on behalf of the County. Subject to the limitation in Section 4.4 of the Master Financing Agreement, the County shall deposit moneys in the Series 2018 Arbitrage Rebate Fund from time to time for payment of the Rebate Amount. The County may establish separate accounts in the Series 2018 Arbitrage Rebate Fund for such payments.

Section 6.2 Rebate Requirement.

Except with respect to earnings on funds and accounts qualifying for exceptions to the rebate requirement of Section 148 of the Code, the County shall pay, but solely from amounts in the Series 2018 Arbitrage Rebate Fund, the Rebate Amount to the United States of America, as and when due, in accordance with Section 148(f) of the Code, as provided in this Article, and shall retain records of all such determinations until six years after payment of the Series 2018 Bonds.

Section 6.3 Calculation and Payment of Series 2018 Rebate Obligation.

(a) The County selects _____ __ as the end of the bond year with respect to the Series 2018 Bonds pursuant to Treasury Regulation Section 1.148-1. The County acknowledges that the first bond year will be short.

(b) Not later than 30 days after each fifth anniversary date of the issuance of the Series 2018 Bonds, the County shall deliver to the Authority and the Trustee a Rebate Amount Certificate, and the County shall pay from legally available funds to the United States of America an amount equal to not less than 90% of the Rebate Amount set forth in such Rebate Amount Certificate.

(c) Not later than 45 days after final payment of the Series 2018 Bonds, the County shall deliver to the Authority and the Trustee a final Rebate Amount Certificate, and the County shall pay from legally available funds to the United States of America the amount, if any, by which 100% of the Rebate Amount set forth in such Rebate Amount Certificate exceeds the aggregate of all payments theretofore made pursuant to subsection (b).

(d) Notwithstanding any provision of this Article to the contrary, no such calculation or payment shall be made if the County receives and delivers to the Authority and the Trustee an opinion of Bond Counsel to the effect that (1) such payment is not required under the Code in order to prevent the Series 2018 Bonds from becoming "arbitrage bonds" within the meaning of Section 148 of the Code or (2) such payment should be calculated and paid on some alternative basis under the Code, and the County complies with such alternative basis.

(e) The Authority covenants that, if so requested by the County, it shall execute any form required to be signed by an issuer of tax-exempt bonds in connection with the payment of any Rebate Amount (including Internal Revenue Service Form 8038-T) based on information supplied to the Authority by the County. The County shall supply all information required to be stated on such form and shall prepare such form. Except for the execution and delivery of such form upon timely presentation by the County, the Authority shall have no responsibility for such form or the information stated thereon.

Section 6.4 Reports by Trustee.

The Trustee shall provide the County within 30 days after each ____ __ and within 30 days after the final payment of the Series 2018 Bonds with such reports and information with respect to earnings of amounts held under the Agreement of Trust as may be reasonably requested by the County in order to comply with the provisions of this Article.

Section 6.5 Disposition of Balance in Series 2018 Arbitrage Rebate Fund.

After each payment required in Section 6.3 is made and any additional amount necessary to pay the full rebate obligation is retained, the remaining amount in the Series 2018 Arbitrage Rebate Fund shall be retained by the County and used for any lawful purpose.

ARTICLE VII

MISCELLANEOUS

Section 7.1 Severability.

If any provision of this First Supplemental Financing Agreement shall be held invalid by any court of competent jurisdiction, such holding shall not invalidate any other provision hereof.

Section 7.2 Successors and Assigns.

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

Section 7.3 Counterparts.

This First Supplemental Financing Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

Section 7.4 Governing Law.

This First Supplemental Financing Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 7.5 Patriot Act Notice of the 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 Trustee will require documentation from each non-individual person such as a business entity, a charity, a trust or any other legal entity verifying the formation as a legal entity. The Trustee may also request identifying information to sufficiently verify the identities of individuals claiming authority to represent the entity.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this First Supplemental Financing Agreement to be duly executed as of the date first above written, by their duly authorized representatives.

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA

By:_____
Chairman

BOARD OF SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA, ON BEHALF OF JAMES CITY COUNTY, VIRGINIA

By:_____
County Administrator

Seen and agreed to:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By:_____
Vice President

RECEIPT OF TRUSTEE

Receipt of the foregoing original counterpart of the First Supplemental Financing Agreement dated as of _____, 2018, between the Economic Development Authority of James City County, Virginia, and the Board of Supervisors of James City County, Virginia, on behalf of James City County, Virginia, is hereby acknowledged.

WILMINGTON TRUST,
NATIONAL ASSOCIATION, as Trustee

By:_____
Vice President

EXHIBIT A

Series 2016 Bonds

Payment Date	Principal Component	Interest Component	Total
12/1/2016		$ 473,406.22	$ 473,406.22
06/1/2017	$ 915,000	441,518.75	1,356,518.75
12/1/2017		427,793.75	427,793.75
06/1/2018	975,000	427,793.75	1,402,793.75
12/1/2018		413,168.75	413,168.75
06/1/2019	1,000,000	413,168.75	1,413,168.75
12/1/2019		398,168.75	398,168.75
06/1/2020	1,035,000	398,168.75	1,433,168.75
12/1/2020		382,643.75	382,643.75
06/1/2021	1,065,000	382,643.75	1,447,643.75
12/1/2021		356,018.75	356,018.75
06/1/2022	1,115,000	356,018.75	1,471,018.75
12/1/2022		328,143.75	328,143.75
06/1/2023	1,170,000	328,143.75	1,498,143.75
12/1/2023		310,593.75	310,593.75
06/1/2024	1,205,000	310,593.75	1,515,593.75
12/1/2024		280,468.75	280,468.75
06/1/2025	1,270,000	280,468.75	1,550,468.75
12/1/2025		248,718.75	248,718.75
06/1/2026	1,330,000	248,718.75	1,578,718.75
12/1/2026		215,468.75	215,468.75
06/1/2027	1,400,000	215,468.75	1,615,468.75
12/1/2027		201,468.75	201,468.75
06/1/2028	1,425,000	201,468.75	1,626,468.75
12/1/2028		187,218.75	187,218.75
06/1/2029	1,455,000	187,218.75	1,642,218.75
12/1/2029		170,850.00	170,850.00
06/1/2030	1,485,000	170,850.00	1,655,850.00
12/1/2030		148,575.00	148,575.00
06/1/2031	1,530,000	148,575.00	1,678,575.00
12/1/2031		125,625.00	125,625.00
06/1/2032	1,575,000	125,625.00	1,700,625.00
12/1/2032		102,000.00	102,000.00
06/1/2033	1,625,000	102,000.00	1,727,000.00
12/1/2033		77,625.00	77,625.00
06/1/2034	1,675,000	77,625.00	1,752,625.00
12/1/2034		52,500.00	52,500.00
06/1/2035	1,725,000	52,500.00	1,777,500.00
12/1/2035		26,625.00	26,625.00
06/1/2036	1,775,000	26,625.00	1,801,625.00
	$26,750,000	$9,822,274.97	$36,572,274.97

Series 2018 Bonds

Date	Principal	Interest	Total

Total Debt Service – Series 2016 and 2018 Bonds

Draft 9/26/2018

SECOND SUPPLEMENTAL AGREEMENT OF TRUST

between

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

and

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

Dated as of _____, 2018

TABLE OF CONTENTS

ARTICLE I

SECOND SUPPLEMENTAL TRUST AGREEMENT

Section 2.101 Authorization of Second Supplemental Trust Agreement. 2
Section 2.102 Definitions.....2
Section 2.103 Rules of Construction. 3

ARTICLE II

AUTHORIZATION, DETAILS AND FORM OF SERIES 2018 BONDS

Section 2.201 Authorization of Series 2018 Bonds and Series 2018 Project. 4
Section 2.202 Details of Series 2018 Bonds. 4
Section 2.203 Form of Series 2018 Bonds.....5
Section 2.204 Securities Depository Provisions. 5
Section 2.205 Delivery of Series 2018 Bonds. 6

ARTICLE III

REDEMPTION OF SERIES 2018 BONDS

Section 2.301 Redemption Date and Price. 6
Section 2.302 Selection of Series 2018 Bonds for Redemption. 7
Section 2.303 Notice of Redemption. 7

ARTICLE IV

APPLICATION OF PROCEEDS OF SERIES 2018 BONDS

Section 2.401 Application of Proceeds of Series 2018 Bonds.....7

ARTICLE V

ESTABLISHMENT OF ACCOUNTS

Section 2.501 Series 2018 Project Account. 7
Section 2.502 Debt Service Reserve Fund; No Series Account. 8

ARTICLE VI

SECURITY FOR SERIES 2018 BONDS

Section 2.601 Security for Series 2018 Bonds.....8

ARTICLE VII

MISCELLANEOUS

Section 2.701 Limitations on Use of Proceeds. 9
Section 2.702 Limitation of Rights. 9
Section 2.703 Severability. 9
Section 2.704 Successors and Assigns. 9
Section 2.705 Applicable Law. 9
Section 2.706 Counterparts. 9
Section 2.707 Freedom Act Requirements. 10

Exhibit A - Form of Series 2016 Bond A-1

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

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

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

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

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

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

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

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

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

ARTICLE I

SECOND SUPPLEMENTAL TRUST AGREEMENT

Section 2.101 Authorization of Second Supplemental Trust Agreement.

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

Section 2.102 Definitions.

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

"Closing Date" shall mean _____ __, 2018.

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

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

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

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

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

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

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

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

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

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

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

Section 2.103 Rules of Construction.

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

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

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

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

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

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

ARTICLE II

AUTHORIZATION, DETAILS AND FORM OF SERIES 2018 BONDS

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

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

Section 2.202 Details of Series 2018 Bonds.

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

Year	Amount	Rate	Year	Amount	Rate

* Term Bond

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

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

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

Section 2.203 Form of Series 2018 Bonds.

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

Section 2.204 Securities Depository Provisions.

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

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

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

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

Section 2.205 Delivery of Series 2018 Bonds.

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

ARTICLE III

REDEMPTION OF SERIES 2018 BONDS

Section 2.301 Redemption Date and Price.

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

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

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

Year	Amount	Year	Amount

* Final maturity.

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

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

Section 2.302 Selection of Series 2018 Bonds for Redemption.

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

Section 2.303 Notice of Redemption.

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

ARTICLE IV

APPLICATION OF PROCEEDS OF SERIES 2018 BONDS

Section 2.401 Application of Proceeds of Series 2018 Bonds.

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

ARTICLE V

ESTABLISHMENT OF ACCOUNTS

Section 2.501 Series 2018 Project Account.

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

Section 2.502 Debt Service Reserve Fund; No Series Account.

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

ARTICLE VI

SECURITY FOR SERIES 2018 BONDS

Section 2.601 Security for Series 2018 Bonds.

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

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

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

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

ARTICLE VII

MISCELLANEOUS

Section 2.701 Limitations on Use of Proceeds.

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

Section 2.702 Limitation of Rights.

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

Section 2.703 Severability.

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

Section 2.704 Successors and Assigns.

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

Section 2.705 Applicable Law.

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

Section 2.706 Counterparts.

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

Section 2.707 Freedom Act Requirements.

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

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

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

By_____
Chairman

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By_____

Title_____

Acknowledged and Consented To:

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

By:_____
County Administrator

EXHIBIT A

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

REGISTERED **REGISTERED**

R-1 **$_____**

UNITED STATES OF AMERICA

COMMONWEALTH OF VIRGINIA

ECONOMIC DEVELOPMENT AUTHORITY
OF JAMES CITY COUNTY, VIRGINIA

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

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
____%	[June 15], ____	_____ __, 2018	47030T ___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

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

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

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

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

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

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

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

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

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

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

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

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

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

Year	Amount	Year	Amount

* Final maturity.

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

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

If any of the 2018 Bonds or portions thereof are called for redemption, the Trustee shall send notice of the call for redemption, identifying the 2018 Bonds or portions thereof to be redeemed, not less than 30 nor more than 60 days prior to the redemption date, by facsimile, registered or certified mail or overnight express delivery, to the registered owner of the 20186 Bonds. Such notice may state that (1) it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Trustee no later than the redemption date or (2) the Authority retains the right to rescind such notice on or prior to the scheduled redemption date, and such notice and optional redemption shall be of no effect if such

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

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

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

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

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

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

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

ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA

(SEAL)

By_____
Chairman

Attest:

_____
Secretary

CERTIFICATE OF AUTHENTICATION

Date Authenticated: _____

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

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

By_____
Authorized Representative

ASSIGNMENT

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

_____

_____

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

PLEASE INSERT SOCIAL SECURITY OR OTHER
IDENTIFYING NUMBER OF TRANSFEREE

_____

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

_____

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

Dated: _____

Signature Guaranteed

_____

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

_____

(Signature of Registered Owner

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

AGENDA ITEM NO. F.2.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Dixon Hughes Goodman, LLP

SUBJECT: FY18 EDA Financial Audit

Paper copies of the audit attachments will be available at the meeting.

ATTACHMENTS:

	Description	Type
	Report to Members of the Board	Exhibit
	FY18 Financial Statements	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 3:32 PM

Report to the Members of the Board

Economic Development Authority of James City County, Virginia

June 30, 2018

DIXON HUGHES GOODMAN LLP

Table of Contents

Contacts 1

Communications with Those Charged with Governance 2

Appendix A - Management Representation Letter

Contacts

Leslie F. Roberts, CPA
Partner
Dixon Hughes Goodman LLP
701 Town Center Drive, Suite 700
Newport News, Virginia 23606
757.316.3220
leslie.roberts@dhgllp.com

Danielle Nikolaisen, CPA
Manager
Dixon Hughes Goodman LLP
9401 Courthouse Road, Suite 301
Chesterfield, VA 23832
804.425.2655
danielle.nikolaisen@dhgllp.com

Katie Babb, CPA
Senior Associate
Dixon Hughes Goodman LLP
701 Town Center Drive, Suite 700
Newport News, Virginia 23606
757.316.3247
katie.babb@dhgllp.com

DIXON HUGHES GOODMAN LLP

Communication with Those Charged with Governance

September 20, 2018

Members of the Board
Economic Development Authority of James City County, Virginia

We have audited the financial statements of Economic Development Authority of James City County, Virginia (the "Authority") for the year ended June 30, 2018, and have issued our report thereon dated September 20, 2018. Professional standards require that we provide you with information about our responsibilities in accordance with auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 30, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Economic Development Authority of James City County, Virginia, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Accounting estimates are an integral part of the financial statements prepared by management, and are based on management's knowledge and experience about past and current events, and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

- Management's estimate of the depreciable lives is based on the James City County's policy. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The most significant disclosure in the financials was:

- Note 7 - Commitment of Operating Subsidies

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements or audit adjustments posted.

DIXON HUGHES GOODMAN LLP

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations
We have requested certain representations from management that are included in the management representation letter included in Appendix A.

Management Consultations with Other Accountants
In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Significant Matters, Findings, or Issues
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Members of the Board and management of the Economic Development Authority of James City County, Virginia, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

Dixon Hughes Goodman LLP

Newport News, Virginia

Appendix A

Management Representation Letter

Economic Development Authority
101-D Mounts Bay Rd.
P.O. Box 8784
Williamsburg, VA 23187
757-253-6607
yesjamescitycountyva.com

September 20, 2018

Dixon Hughes Goodman, L.L.P.
701 Town Center Drive, Suite 700
Newport News, VA 23606-4295

This representation letter is provided in connection with your audits of the balance sheets of the Economic Development Authority of James City County, Virginia (the Authority), which comprise the respective financial positions as of June 30, 2018 and 2017, and the related statements of revenues, expenses, and changes in net position and statements of cash flows for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of the date of this letter:

Financial Statements

1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 30, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information required by generally accepted accounting principles to be included in the financial reporting entity.

3) We acknowledge our responsibility for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

4) We acknowledge our responsibility for the design, implementation, and maintenance of internal controls to prevent and detect fraud.

5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

7) There are no uncorrected misstatements or omitted disclosures. Also, there were no adjusting journal entries proposed by you.

8) Guarantees, whether written or oral, under which the Authority is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

9) We have provided you with:
   a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
   b) Additional information that you have requested from us for the purpose of the audit.
   c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
   d) Minutes of the meetings of the Authority or summaries of actions of recent meetings for which minutes have not yet been prepared.

10) All material transactions have been recorded in the accounting records and are reflected in the financial statements.

11) We have no knowledge of any fraud or suspected fraud that affects the Authority and involves:
   a) Management,
   b) Employees who have significant roles in internal control, or
   c) Others where the fraud could have a material effect on the financial statements.

12) We have no knowledge of any allegations of fraud or suspected fraud affecting the Authority's financial statements communicated by employees, former employees, regulators, or others.

13) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

14) We have disclosed to you all known actual or possible litigation, claims, and assessments, whose effects should be considered when preparing the financial statements.

15) We have disclosed to you the identity of the Authority's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

16) We have made available to you all financial records and related data.

17) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

18) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

19) The Authority has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions.

21) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

22) The Authority has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

23) The Authority has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

24) We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

25) Provisions for uncollectible receivables have been properly identified and recorded.

26) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.

27) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

28) We have appropriately disclosed the Authority's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

29) We acknowledge our responsibility for the required supplementary information (RSI). The RSI (Management's Discussion and Analysis) is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

30) With respect to the Schedules of Net Position – by Activity and Schedules or Revenues, Expenses, and Changes in Net Position – by Activity (Supplementary Information).

   a) We acknowledge our responsibility for presenting the Schedules by Activity in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedules by Activity, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedules by Activity have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

   b) If the Schedules by Activity is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

31) With respect to the Schedules of Revenue Bonds Outstanding- Conduit Debt (Supplementary Information).

   a) We acknowledge our responsibility for presenting the Schedules of Revenue Bonds Outstanding in accordance with accounting principles generally accepted in the United States of America, and we believe the Schedules of Revenue Bonds Outstanding, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the Schedules of Revenue Bonds Outstanding have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

   b) If the Schedules of Revenue Bonds Outstanding is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

   c) We are aware that the Schedule of Revenue Bonds Outstanding is unaudited information and take full responsibility for the accuracy of the information.

We have evaluated subsequent events through the date of this letter, which is the date the financial statements were available to be issued. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signature Robin L Bledsoe

Robin Bledsoe

Title: Chairman - Economic Development Authority of James City County, Virginia

Signature: Sharon Day

Sharon Day, CPA

Title: Assistant Director of Financial & Management Services, James City County, Virginia

Economic Development Authority of James City County, Virginia

(A Component Unit of the County of James City, Virginia)

Financial Statements and Supplemental Information

(With Independent Auditors' Report Thereon)

June 30, 2018 and 2017

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Table of Contents

	Page
Introductory Section	
Authority Officials	i
Financial Section	
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis	3 - 5
Basic Financial Statements	
Statements of Net Position	6
Statements of Revenues, Expenses, and Changes in Net Position	7
Statements of Cash Flows	8
Notes to Financial Statements	9 - 16
Compliance Section	
Report of Independent Auditors' on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	17 - 18
Independent Auditors' Report on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants	19 - 20
Schedule of Findings and Responses	21
Supplemental Information	
Schedules of Net Position - by Activity	22
Schedules of Revenues, Expenses, and Changes in Net Position - by Activity	23
Schedules of Revenue Bonds Outstanding - Conduit Debt (Unaudited)	24

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)
Authority Officials
June 30, 2018

Board Members

Marshall N. Warner, Chairman

Robin Bledsoe, Vice Chairman

Robin D. Carson

Paul W. Gerhardt

Christopher J. Odle

Rick Shippey

Thomas G. Tingle

Other Officials

Sue Sadler, Board of Supervisor Liaison

Amy Jordan, Secretary

Teresa Fellows, Recording Secretary

Jennifer Tomes, Treasurer

Max Hlavin, Legal Counsel

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report

Members
Economic Development Authority of James City County, Virginia

We have audited the accompanying basic financial statements of the Economic Development Authority of James City County, Virginia as of and for the years ended June 30, 2018 and 2017 and the related notes to the financial statements, as listed in the table of contents. These financial statements are the responsibility of the Economic Development Authority of James City County, Virginia's management.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and *Specifications for Audits of Authorities, Boards and Commissions* issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Economic Development Authority of James City County, Virginia as of June 30, 2018 and 2017, and the changes in net position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

DIXON HUGHES GOODMAN LLP

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 - 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprises the Economic Development Authority of James City County, Virginia's basic financial statements. The schedules of net position by activity and schedules of revenues, expenses, and changes in net position by activity are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Net Position by Activity and Schedules of Revenues, Expenses, and Changes in Net Position by Activity on page 22 and 23 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statements of net position by activity and schedules of revenues, expenses, and changes in net position by activity are fairly stated, in all material respects, in relation to the financial statements as a whole.

The Schedules of Revenue Bonds Outstanding - Conduit Debt on page 24 have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated September 20, 2018, on our consideration of the Economic Development Authority of James City County, Virginia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Economic Development Authority of James City County, Virginia's internal control over financial reporting and compliance.

Dixon Hughes Goodman LLP

Newport News, Virginia
September 20, 2018

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)
Management's Discussion and Analysis
June 30, 2018 and 2017

This section of the ***Economic Development Authority of James City County, Virginia's*** (Authority) annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal years ended June 30, 2018 and 2017.

Financial Highlights

The Authority had an increase in net position of $696,981 for fiscal year 2018, primarily a result of the County's capital contribution of two properties. For fiscal year 2017, the Authority had an increase in net position of $131,006, which was primarily a result of the County's contribution for the development of the marina property.

As of March 2017, the Authority was no longer the fiscal agent for Launchpad. Launchpad along with all other regional economic development initiatives were transferred to the Greater Williamsburg Partnership (GWP).

Overview of the Financial Statements

The financial section of this report has two components - Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements are comprised of the Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and Notes to the Financial Statements. The Statement of Net Position presents information on the Authority's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between these two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. However, it is also important to consider other nonfinancial factors, such as changes in economic conditions, population and service area growth, and new or changed legislation. The Statement of Revenues, Expenses and Changes in Net Position presents information showing how net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Notes to the financial statements are an integral part of the statements and should be read in conjunction with the financial statements and the Management's Discussion and Analysis.

The Authority is a self-supporting entity and follows enterprise fund accounting; accordingly, the financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Enterprise fund statements offer short and long-term financial information about the activities and operations of the Authority.

Financial Analysis

Summary of Statement of Net Position

	6/30/2018	6/30/2017	6/30/2016
Current and other assets	$ 381,655	$ 610,903	$ 989,453
Capital assets, net of accumulated depreciation	1,933,778	1,050,835	509,585
Total assets	$ 2,315,433	$ 1,661,738	$ 1,499,038
Current liabilities	$ 1,730	$ 45,016	$ 13,322
Net position			
Net investment in capital assets	1,933,778	1,050,835	509,585
Unrestricted	379,925	565,887	976,131
Total net position	2,313,703	1,616,722	1,485,716
Total liabilities and net position	$ 2,315,433	$ 1,661,738	$ 1,499,038

Total assets experienced an increase of 39.3% for fiscal year 2018, primarily due to the County's capital contribution of two properties. Total assets experienced an increase of 10.9% for fiscal year 2017, primarily due to the marina property construction.

Total liabilities experienced a decrease of ($43,286) and an increase of $31,694 at June 30, 2018 and 2017, respectively. The decrease in 2018 was primarily due to the work on the marina property being completed, whereas the increase in 2017 was primarily due to outstanding contractor invoices for that work.

At June 30, 2018 and 2017, assets exceeded liabilities by $2,313,703 and $1,616,722, respectively.

Summary of Statement of Revenues, Expenses and Changes in Net Position for the Year Ended

	6/30/2018	6/30/2017	6/30/2016
Intergovernmental - County contribution	$ 111,768	$ 455,038	$ 29,524
Other operating revenues	82,437	116,287	187,802
Total operating revenues	194,205	571,325	217,326
Community development & Launchpad	213,400	280,800	302,730
Other expenses	93,029	82,535	84,637
Total operating expenses	306,429	363,335	387,367
Operating income (loss)	(112,224)	207,990	(170,041)
Net nonoperating revenues (expenses)	809,205	(76,984)	9,895
Change in net position	696,981	131,006	(160,146)
Net position - beginning of year	1,616,722	1,485,716	1,645,862
Net position - end of year	$ 2,313,703	$ 1,616,722	$ 1,485,716

Revenues represented the County's contribution to the Authority and other operating revenues from bond fees, and lease income from the Mainland Farm and marina property. For fiscal year 2018, the County contribution decreased by ($343,270), primarily as a result of the development of the marina property being completed. In fiscal year 2017, the County contributions increased by $425,514 primarily as a result of its contribution toward the development of the marina property. In 2018 and 2017, other operating revenues decreased by ($33,850) and ($71,515), respectively. The decrease in 2018 was due to the Authority no longer being fiscal agent for Launchpad. The decrease in 2017 was due to a $50,000 contribution in 2016 from the Launchpad landlord.

Community development and Launchpad consists primarily of contributions toward local business efforts, grants awarded to local businesses for exceeding certain investment figures, performance agreements, and costs associated with Launchpad, while other expenses include costs such as advertising and professional fees. Community development and Launchpad expenses reflect a decrease of (24.0%) for fiscal year 2018; the Authority had a full fiscal year of not being the Launchpad fiscal agent. Community development and Launchpad expenses reflected a decrease of (7.2%) for fiscal year 2017; the Authority transitioned the fiscal agent duties in early March 2017 and therefore only eight months of activity were reflected.

For fiscal year 2018, other expenses increased by $10,494, primarily due to marina property expenses and the depreciation on the project. For fiscal year 2017, other expenses decreased by ($2,102), primarily due to less depreciation due to the disposal of capital assets and lower forgiveness on loans.

Net nonoperating revenues (expenses) consist of interest income, loss on the disposal of capital assets and capital contributions. The increase of $886,189 in 2018 was due to capital contributions of two properties from the County. The decrease of ($86,879) in 2017 was attributable to a capital contribution of the Launchpad leasehold improvements to the new fiscal agent, GWP.

Total net position increased $696,981 and increased $131,006 in 2018 and 2017, respectively. The increase in 2018 primarily resulted from the County's capital contribution on two properties and the 2017 increase resulted from the County's contribution for the development of the marina property.

Capital Assets

	6/30/2018	6/30/2017	6/30/2016
Nondepreciable	$ 1,238,661	$ 1,048,745	$ 399,616
Depreciable	695,117	2,090	109,969
Capital assets, net	$ 1,933,778	$ 1,050,835	$ 509,585

During fiscal year 2018, the Authority received capital contributions of two properties from the County, representing the increase in nondepreciable capital assets from 2017. Also in 2018, the increase in depreciable assets was due to the completion of the marina property construction. During fiscal year 2017, the Authority spent $649,129 on capital improvements on the marina property, representing the increase in nondepreciable capital assets from 2016. Also in 2017, the decrease in depreciable assets was mainly due to two factors, (1) the Authority discontinued its separate website and (2) as a result of transitioning off as the Launchpad's fiscal agent, the leasehold improvements were transferred. Additional information can be found in Note 6 to the basic financial statements.

Debt Administration

The Authority has issued Economic Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. It should be noted this represents conduit debt and although conduit debt obligations bear the name of the governmental issuer, which is the Authority, the issuer has no obligation for such debt beyond the resources provided by a lease or loan with the third party on whose behalf they are issued. Additional information can be found in the Supplemental Information section on the Schedules of Revenue Bonds Outstanding – Conduit Debt (Unaudited).

Requests for Financial Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to the James City County Department of Financial and Management Services, 101-F Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784.

* * * * *

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Statements of Net Position

	6/30/2018	6/30/2017
Assets		
Current assets		
Cash and short-term investments (Note 2)	$ 350,083	$ 558,473
Due from James City County	3,544	20,132
Bond fee receivable	3,028	-
Total current assets	356,655	578,605
Notes receivable, net allowance (Note 5)	25,000	32,298
Capital assets (Note 6)		
Nondepreciable	1,238,661	1,048,745
Depreciable, net	695,117	2,090
Capital assets, net	1,933,778	1,050,835
Total assets	$ 2,315,433	$ 1,661,738
Liabilities and Net Position		
Current liabilities		
Accounts payable	$ 1,730	$ 45,016
Net position		
Net investment in capital assets	1,933,778	1,050,835
Unrestricted	379,925	565,887
Total net position	2,313,703	1,616,722
Total liabilities and net position	$ 2,315,433	$ 1,661,738

See accompanying notes to financial statements.

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Statements of Revenues, Expenses, and Changes in Net Position

	Years Ended 6/30/2018	Years Ended 6/30/2017
Operating revenues		
Intergovernmental - County contribution	$ 111,768	$ 455,038
Lease income	64,725	14,725
Bond fees	17,712	18,536
Launchpad member contributions	-	69,000
Launchpad client revenue	-	14,026
Total operating revenues	194,205	571,325
Operating expenses		
Community development (Note 7)	213,400	200,288
Depreciation	17,435	24,158
Leases	-	51,101
Note forgiveness (Note 5)	2,573	1,011
Other expenses	553	389
Promotion	55,585	66,111
Professional fees	16,883	16,826
Telecommunications	-	1,331
Utilities	-	2,120
Total operating expenses	306,429	363,335
Operating income (loss)	(112,224)	207,990
Nonoperating revenue (expenses)		
Interest income	4,360	6,737
Loss on disposal of capital assets	-	(760)
Capital contribution	804,845	(82,961)
Total nonoperating revenue (expenses)	809,205	(76,984)
Change in net position	696,981	131,006
Net position, beginning of year	1,616,722	1,485,716
Net position, end of year	$ 2,313,703	$ 1,616,722

See accompanying notes to financial statements.

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Statements of Cash Flows

	Years Ended 6/30/2018	Years Ended 6/30/2017
Cash flows from operating activities		
Receipts from County and customers	$ 215,063	$ 555,913
Payments to suppliers	(332,280)	(306,983)
Net cash provided by (used for) operating activities	(117,217)	248,930
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(95,533)	(649,129)
Cash flows from investing activities		
Interest received	4,360	7,054
Net decrease in cash	(208,390)	(393,145)
Cash and short-term investments, beginning of year	558,473	951,618
Cash and short-term investments, end of year	$ 350,083	$ 558,473
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities		
Operating income (loss)	$ (112,224)	$ 207,990
Adjustments to reconcile operating income (loss) to cash provided by (used for) operating activities:		
Depreciation	17,435	24,158
Note forgiveness (Note 5)	2,573	1,011
Changes in assets and liabilities:		
Bond fee receivable	(3,028)	-
Due from James City County	16,588	(20,132)
Notes receivable	4,725	4,209
Accounts payable	(43,286)	32,842
Due to James City County	-	(1,148)
Net cash provided by (used for) operating activities	$ (117,217)	$ 248,930
Schedule of non-cash capital and related financing activities		
Capital contributions	$ 804,845	$ 82,961

See accompanying notes to financial statements.

1) Summary of Significant Accounting Policies

The Economic Development Authority of James City County, Virginia (the Authority) was created as a political subdivision of the Commonwealth of Virginia by ordinance of the governing body of James City County (County) on July 9, 1979, pursuant to the provisions of the Economic Development and Revenue Bond Act (Chapter 33, Section 15.1-1373, et seq., of the Code of Virginia (1950), as amended). The Authority is governed by a seven-member board appointed by the Board of Supervisors of James City County, Virginia. The essential purpose of the Authority is to promote industrial and commercial development in the County.

The Reporting Entity

The Authority has been determined to be a component unit of the County in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity,* as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus.* Component units are legally separate entities for which a primary government is financially accountable. The County is financially accountable given the significance of the Authority's fiscal dependence on and financial relationship with the County. As a result of the County's financial accountability for the Authority, the information included in these financial statements is included in the financial statements of the County.

Implementation of these reporting requirements in no way infringes upon the independence of the Authority nor otherwise impairs the Authority's power to perform its functions under state law.

Basis of Accounting and Presentation

The Authority utilizes the economic resources measurement focus and the accrual basis of accounting as an enterprise fund. Accordingly, revenues are recognized in the period earned and expenses are recognized when they are incurred. Enterprise funds are used to account for the ongoing activities that are financed and operated similar to those often found in the private sector. Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from the Authority's ongoing operations. Operating revenues include revenue from the County, bond fees, and lease income. Operating expenses include the costs related to promoting and developing the County and administrative expenses. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The Authority generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are available. The Authority may defer the use of restricted net position based on a review of the specific transaction.

Cash Equivalents

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments that are both (a) readily convertible to known amounts of cash and (b) so near maturity that they present insignificant risk of changes in value because of changes in interest rates. The Authority considers all certificates of deposits, regardless of their maturity, and other investments with original maturities of three months or less to be cash equivalents.

Capital Assets

The Authority's policy is to capitalize assets with a cost basis or acquisition value at time of donation of five thousand dollars ($5,000) or greater. The costs of major improvements are capitalized, while the costs of maintenance and repairs, which do not improve or extend the life of an asset, are expensed. When appropriate, the Authority provides for depreciation of capital assets using the straight-line method at amounts estimated to amortize the cost or other basis of the assets over their estimated useful lives.

1) Summary of Significant Accounting Policies, Continued

The Authority's capital assets consist of land, land improvements, buildings and improvements, infrastructure, construction in progress, and furniture and equipment. Depreciation is taken over the capital assets estimated useful lives as follows:

Land improvements	20	years
Buildings and improvements	40	years
Infrastructure	25-30	years
Furniture and equipment	10	years

Pass-Through Financing Leases

Some activities of the Authority represent pass-through leases. The Authority is authorized to issue revenue bonds for the purpose of obtaining and constructing facilities within the County. These agreements provide for periodic rental payments in amounts, which are equal to the principal and interest payments due to project bondholders. The Authority has assigned all rights to the rental payments to the trustees of the bondholders, and the lessees have assumed responsibility for all operating costs, such as utilities, repairs, and property taxes. In such cases, the Authority neither receives nor disburses funds.

Although title to these properties rests with the Authority, bargain purchase options or other lease provisions eliminate any equity interest that would otherwise be retained. Deeds of trust secure outstanding obligations, and title will revert to the lessee when the bonds are fully paid.

Therefore, while the Authority provides a conduit to execute such transactions, it does not retain either the benefits of asset ownership or the liability for bond liquidation. Accordingly, the Authority does not recognize associated assets, liabilities, deferred inflows or outflows of resources, rental income, or interest expense in its financial statements.

Advertising Costs

Advertising costs (promotion expenses) are expensed in the period in which they are incurred.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates and assumptions.

2) Cash and Short-Term Investments

The Authority's cash and short-term investments consisted of:

	6/30/2018	6/30/2017
Bank deposits	$ 115,729	$ 51,028
Investments	234,354	507,445
	$ 350,083	$ 558,473

Deposits with banks are covered by the Federal Deposit Insurance Corporation (FDIC) or collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 et. seq. of the *Code of Virginia.*

2) Cash and Short-Term Investments, Continued

The Authority's investments were as follows:

	6/30/2018		6/30/2017	
Investment Type	**Amount**	**Maturity**	**Amount**	**Maturity**
Cerificate of deposit (cost-based)	$ -	2018	$ 277,153	2018
Cerificate of deposit (cost-based)	117,053	2021	115,024	2021
Cerificate of deposit (cost-based)	117,053	2021	115,024	2021
LGIP (amortized cost)	248	1 day	244	1 day
	$ 234,354		$ 507,445	

The Authority utilizes the Investment Policy (Policy) of the County, which is enforced by the James City County Treasurer. In accordance with the Code of Virginia and other applicable law, including regulations, the Authority's Policy permits investments in U.S. government obligations, municipal obligations, commercial paper, and certain corporate notes, bankers' acceptances, repurchase agreements, negotiable certificates of deposit, bank deposit notes, mutual funds that invest exclusively in securities specifically permitted under the Policy, and the State Treasurer's Local Government Investment Pool (the Virginia LGIP, which measures its investments at amortized cost). The Treasury Board of the Commonwealth of Virginia has regulatory oversight of the LGIP.

The Policy establishes limitations on the holdings of non-U.S. government obligations. The maximum percentage of the portfolio (book value at the date of acquisition) permitted in each eligible security is as follows:

U.S. Treasury obligations	100% maximum
Federal Agency obligations	100% maximum
Registered money market mutual funds	100% maximum
Commonwealth of Virginia LGIP	100% maximum
Bank deposits	100% maximum
Repurchase agreements	50% maximum
Bankers' acceptances	40% maximum
Commercial paper	35% maximum
Negotiable certificates of deposit/bank notes	20% maximum
Municipal obligations	20% maximum
Corporate notes	15% maximum

Credit Risk

As required by state statute, the Policy requires commercial paper have a short-term debt rating of no less than "A-1" (or its equivalent) from at least two of the following: Moody's Investors Service, Standard & Poor's, Fitch Investor's Service, and Duff and Phelps. Corporate notes must have a minimum of "Aa" long-term debt rating by Moody's Investors Service and a minimum of "AA" long-term debt rating by Standard & Poor's. Negotiable certificates of deposit and bank deposit notes maturing in less than one year must have a short-term debt rating of at least "A-1" by Standard & Poor's and "P-1" by Moody's Investors Service. Notes having a maturity of greater than one year must be rated "AA" by Standard & Poor's and "Aa" by Moody's Investors Service. Although state statute does not impose credit standards on repurchase agreement counterparties, bankers' acceptances, or money market mutual funds, the Authority has established stringent credit standards for these investments to minimize portfolio risk.

As of June 30, 2018 and 2017, the Authority's investment in LGIP was rated AAAm by Standard & Poor's.

2) Cash and Short-Term Investments, Continued

Concentration of Credit Risk

The Policy establishes limitations on portfolio composition by issuer in order to control concentration of credit risk. No more than 5% of the Authority's portfolio will be invested in the securities of any single issuer with the following exceptions:

U.S. Treasury	100% maximum
Commonwealth of Virginia LGIP	100% maximum
Each bank deposit institution	100% maximum
Each money market mutual fund	50% maximum
Each federal agency	35% maximum
Each repurchase agreement counterparty	25% maximum

Interest Rate Risk

As a means of limiting exposure to fair value losses arising from rising interest rates, the Authority's Policy limits the investment of short-term operating funds to an average weighted maturity of no more than 180 days, with a portion of the portfolio continuously invested in readily available funds. The operating fund core portfolio will be invested in permitted investments with a stated maturity of no more than five years from the date of purchase. To control the volatility of the core portfolio, the Treasurer will determine a duration target, not to exceed three years.

Custodial Credit Risk

The Policy requires all investment securities purchased by the Authority or held as collateral on deposits or investments shall be held by the Authority or by a third-party custodial agent who may not otherwise be counterparty to the investment transaction. As of June 30, 2018 and 2017, all of the Authority's investments are held in a bank's trust department in the Authority's name.

3) Conduit Debt Obligations

From time to time, the Authority has issued Economic Revenue Bonds (the Bonds) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the state, nor any political subdivision thereof is obligated in any manner for repayment of the Bonds. Accordingly, the Bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2018 and 2017, there were 15 series of Economic Revenue Bonds outstanding, with an aggregate principal amount payable of approximately $181 million and $191 million, respectively.

4) Transactions with Related Parties

Certain financial management and accounting services are provided to the Authority by the County. Services were provided at no charge during the years ended June 30, 2018 and 2017. In addition, certain personnel costs in 2018 and 2017 were incurred by the County for the benefit of the Authority at no charge to the Authority.

Certain legal services are provided to the Authority by the County. The charges for these services amounted to $6,000 for the years ended June 30, 2018 and 2017, and are included in professional fees in the accompanying statements of revenues, expenses, and changes in net position.

At June 30, 2018, the County owed $3,544 to the Authority for its contribution for enterprise zone incentive payments. At June 30, 2017, the County owed $20,632 to the Authority for its contribution to the improvements on the marina property, and the Authority owed $500 to the County for legal services.

4) Transactions with Related Parties, Continued

The Authority negotiates tax abatements as part of the Enterprise Zone Grant Program, the purpose of which is to bring new commercial and industrial businesses to the County. The County provided $19,787 to the Authority to cover the costs of these payments in fiscal year 2018.

In fiscal year 2016, the Authority entered into a performance agreement with a business that provides incentive payments based on their investment in machinery and tools. The Authority paid $47,052 during fiscal year 2018 for this incentive and the funding was provided by the County.

5) Notes Receivable

A summary of notes receivable for fiscal years 2018 and 2017 is below.

	6/30/2018	6/30/2017
Regina Enterprises, LLC	$ 2,573	$ 2,573
Nouvel, LLC	-	4,725
MODU System America, LLC	25,000	25,000
Subtotal	27,573	32,298
Allowance for doubtful accounts	(2,573)	-
Total notes receivable	$ 25,000	$ 32,298
Reconcilation to Statement of Net Position:		
Notes receivable, current	$ -	$ -
Notes receivable, non-current	25,000	32,298
Total notes receivable	$ 25,000	$ 32,298

On October 13, 2010, the Authority entered into a loan forgiveness agreement with Regina Enterprises, LLC for $5,000. The loan is to be forgiven by the Authority at a rate of 1% of the business' total taxable sales occurring in James City County per year. The amount to be forgiven is to be determined by March 31 each year until the principal balance of the loan is extinguished. Any outstanding portion of the loan not forgiven prior to March 31, 2016, plus 8% interest, will be immediately due and payable on that date. On August 11, 2016, the Authority extended the loan forgiveness date to March 31, 2019 at 0% interest. During fiscal year 2017, the Authority forgave $362 on this loan. During fiscal year 2018, Regina Enterprises, LLC closed and the remaining loan balance of $2,573 became due. An allowance for doubtful accounts has been established for this amount.

On August 22, 2011, the Authority entered into a loan forgiveness agreement with Nouvel, LLC for $10,000. The loan is to be forgiven by the Authority at a rate of 1% of the business' total taxable sales occurring in James City County per year, plus 0.75% of new taxable capital investment. The amount to be forgiven is to be determined by March 31 each year until the principal balance of the loan is extinguished. Any outstanding portion of the loan not forgiven prior to August 31, 2016, plus 8% interest, will be immediately due and payable on that date. On August 11, 2016, the Authority extended the loan forgiveness date to August 31, 2019 at 0% interest and agreed to include BPOL and business personal property taxes received for Virginia Gourmet, LLC, as it is owned by Nouvel, LLC. During fiscal years 2017, the Authority forgave $649 on this loan. During fiscal year 2018, Nouvel, LLC was sold and the outstanding balance on the loan was repaid.

On May 24, 2016, the Authority entered into an agreement with MODU System America, LLC and OKS International, LLC. A one-time performance grant of $25,000 was given in the form of a zero-interest loan that is to be forgiven at the end of 7 years, if the terms of the Agreement are satisfied in full.

6) Capital Assets

A summary of the capital asset activity for fiscal years 2018 and 2017 is below.

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018
Capital assets, nondepreciable:				
Land	$ 233,106	$ 804,845	$ -	$ 1,037,951
Land improvements	-	34,200	-	34,200
Construction in progress	815,639	-	649,129	166,510
Total capital assets, nondepreciable	1,048,745	839,045	649,129	1,238,661
Capital assets, depreciable:				
Land improvements	-	237,988	-	237,988
Buildings and improvements	-	290,095	-	290,095
Infrastructure	-	182,379	-	182,379
Furniture and equipment	5,119	-	-	5,119
Total capital assets, depreciable	5,119	710,462	-	715,581
Less accumulated depreciation:				
Buildings and improvements	-	4,835	-	4,835
Land improvements	-	7,933	-	7,933
Infrastructure	-	4,155	-	4,155
Furniture and equipment	3,029	512	-	3,541
Total accumulated depreciation	3,029	17,435	-	20,464
Total capital assets, depreciable, net	2,090	693,027	-	695,117
Total capital assets, net	$ 1,050,835	$ 1,532,072	$ 649,129	$ 1,933,778

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017
Capital assets, nondepreciable:				
Land	$ 233,106	$ -	$ -	$ 233,106
Construction in progress	166,510	649,129	-	815,639
Total capital assets, nondepreciable	399,616	649,129	-	1,048,745
Capital assets, depreciable:				
Leasehold improvements	137,315	-	137,315	-
Furniture and equipment	5,119	-	-	5,119
Software	7,600	-	7,600	-
Total capital assets, depreciable	150,034	-	144,915	5,119
Less accumulated depreciation:				
Leasehold improvements	31,468	22,886	54,354	-
Furniture and equipment	2,517	512	-	3,029
Software	6,080	760	6,840	-
Total accumulated depreciation	40,065	24,158	61,194	3,029
Total capital assets, depreciable, net	109,969	(24,158)	83,721	2,090
Total capital assets, net	$ 509,585	$ 624,971	$ 83,721	$ 1,050,835

7) Commitment of Operating Subsidies

The following operating subsidy agreements were in effect for fiscal years 2018 and 2017.

a. On October 8, 2012, the Authority entered into a Memorandum of Understanding (MOU) with the Economic Development Authority of the City of Williamsburg, Virginia (EDA-WMSBG) and the Economic Development Authority of York County, Virginia (EDA-YORK) regarding the operation of a regional business incubator, later named the Triangle Business and Innovation Center (TBIC). The parties to this MOU agreed to jointly operate the TBIC commencing January 1, 2013 to provide startup opportunities for small businesses and encourage the businesses to remain in the participating localities. TBIC has been changed to "Launchpad."

   The Authority receives $69,000 annually from the EDA-WMSBG and EDA-YORK for their contributions. Based on a MOU in fiscal year 2015 and a Board resolution, the Authority is to remain the fiscal agent of Launchpad, unless the Incubator Board votes to select another fiscal agent, and Launchpad revenue is to be utilized to cover Launchpad expenses. Further, the three financial and management partners concurred that the unspent funds should remain in the Launchpad account and be utilized for its operating and marketing expenses. As of March 2017, the Authority was no longer the fiscal agent for Launchpad. Launchpad along with all other regional economic development initiatives were transferred to the Greater Williamsburg Partnership (GWP).

   In fiscal year 2015, the Authority, along with EDA-WMSBG and EDA-YORK, entered into an agreement with Small Business Development Center of Hampton Roads (SBDC) for the operation of management for Launchpad. The term of the agreement was for one year and automatically renews each October 1st for up to 4 additional years, unless otherwise terminated. The Authority will pay SBDC $45,240 for a management service fee and $22,260 towards the compensation of a manager of Launchpad. The Authority will pay certain costs of operating the Launchpad. During fiscal years 2017 and 2016, $11,310 and $45,240 was paid to SBDC for this agreement. During fiscal year 2017, the Authority ended their agreement with SBDC.

   On May 1, 2015, the Authority, along with EDA-WMSBG and EDA-YORK entered into a lease agreement for the Launchpad location. The initial term is for five years and one month, with the option to extend the term of the lease for one period of five years from the expiration date of the initial lease term. Per the agreement, the landlord contributed $50,000 to assist with improvements to the facility, which was collected in fiscal year 2016. During fiscal years 2017 (through February 2017) and 2016, $51,101 and $66,315 was paid under this lease agreement. Because the Authority is no longer the fiscal agent for Launchpad, the EDA's of each respective locality pays its contribution to Launchpad and Launchpad makes the lease payments. The Authority paid $34,500 to Launchpad during fiscal year 2018. The Authority's minimum future lease payments under the lease at June 30, 2018 were:

2019	$	24,095
2020		24,818
Total	$	48,913

b. During fiscal year 2013, the Authority entered into an agreement with Renwood Farms, Inc. (Renwood) commencing on February 1, 2013 and ending on January 31, 2016. Under the agreement, Renwood will be compensated from the proceeds from the sale of farm goods, and Renwood will pay the Authority $14,725 on December 31 each year during the term of the agreement. The agreement was renewed on November 1, 2016 and ends on December 31, 2018, with the ability to renew for two additional two-year terms.

   In October 2013, the County accepted the transfer of ownership of the farm property and assigned the rights to the lease income earned from the property to the Authority.

7) Commitment of Operating Subsidies, Continued

c. On August 25, 2015, the Authority along with EDA-WMSBG, and EDA-York entered into a memorandum of agreement for the creation of the Greater Williamsburg Partnership (GWP) recognizing the importance of regional economic collaboration. Per the agreement, the Authority will contribute $0.95 per capita to support the joint effort. During fiscal years 2018 and 2017, the Authority contributed $69,659 and $67,583, respectively.

d. On August 2, 2016, the Authority entered into an agreement to lease a marina to Billsburg Brewery (the "Brewery"). The initial term of the lease is 10 years with an annual base rent of $60,000 and increasing by 3% in each subsequent year. The lease comes with the understanding that the EDA intends to construct a warehouse facility up to 10,000 square feet adjacent to the building and lease it to the Brewery. In connection with the lease, on August 2, 2016, the parties also entered into a performance agreement including certain incentives provided by the EDA in exchange for the Brewery's performance and investments in machinery and equipment. Such incentives include waiving the rent under the lease and the EDA incurring the construction costs of the warehouse facility suitable for alteration by the Brewery. Construction began in fiscal year 2017 and was completed during fiscal year 2018. The Authority collected $50,000 of rent during fiscal year 2018.

* * * * *

Compliance Section

DIXON HUGHES GOODMAN LLP

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Members
Economic Development Authority of
James City County, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Economic Development Authority of James City County, Virginia as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Economic Development Authority of James City County, Virginia's basic financial statements, and have issued our report thereon dated September 20, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Economic Development Authority of James City County, Virginia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Economic Development Authority of James City County, Virginia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Economic Development Authority of James City County, Virginia's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

DIXON HUGHES GOODMAN LLP

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Economic Development Authority of James City County, Virginia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Dixon Hughes Goodman LLP

Newport News, Virginia
September 20, 2018

DIXON HUGHES GOODMAN LLP

Independent Auditors' Report on Compliance with Commonwealth of Virginia Laws, Regulations, Contracts and Grants

Members
Economic Development Authority of
James City County, Virginia

We have audited the financial statements of the Economic Development Authority of James City County, Virginia, as of and for the year ended June 30, 2018, and have issued our report thereon dated September 20, 2018.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Specifications for Audits of Boards, Commissions and Authorities*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement.

Compliance with Commonwealth of Virginia laws, regulations, contracts and grants applicable to the Economic Development Authority of James City County, Virginia, is the responsibility of the Economic Development Authority of James City County, Virginia's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Economic Development Authority of James City County, Virginia's compliance with certain provisions of the Commonwealth of Virginia's laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

Following is a summary of the Commonwealth of Virginia's laws, regulations, contracts and grants for which we performed tests of compliance:

Code of Virginia

- Cash and Investments
- Conflicts of Interest
- Retirement Systems
- Procurement
- Unclaimed Property

The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Economic Development Authority of James City County, Virginia had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of the Members and management of Economic Development Authority of James City County, Virginia and the Auditor of Public Accounts and all applicable state agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

Dixon Hughes Goodman LLP

Newport News, Virginia
September 20, 2018

1. Summary of Auditors' Results

(a) An unmodified opinion was issued on the financial statements.

(b) There were no deficiencies noted in internal control to disclose.

(c) The audit disclosed no items of noncompliance material to the financial statements.

2. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Government Auditing Standards

None

3. State Compliance Findings

None

4. Status of Prior Year State Compliance Findings

Finding 17-001

Narrative: The State and Local Government Conflict of Interests Act contained in Chapter 31 of Title 2.2 of the Code of Virginia required certain local government officials to file a disclosure statement of their personal interests with the clerk of the governing body by December 15 of each year, unless the governing body of the jurisdiction that appoints the members requires that the members file the Statement of Economic Interests. A statement of economic interest form were not filed timely. As a result, the Authority was not in compliance with the State and Local Government Conflict of Interest Act.

Status: All required forms were filed timely for 2018.

Supplemental Information

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Schedules of Net Position - by Activity

	At 6/30/2018			At 6/30/2017		
	Authority Operations	**Launchpad Operations**	**Total**	**Authority Operations**	**Launchpad Operations**	**Total**
Assets						
Current assets						
Cash and short-term investments	$ 350,083	$ -	$ 350,083	$ 558,473	$ -	$ 558,473
Due from James City County	3,544	-	3,544	20,132	-	20,132
Bond fee receivable	3,028	-	3,028	-	-	-
Total current assets	356,655	-	356,655	578,605	-	578,605
Notes receivable, net allowance	25,000	-	25,000	32,298	-	32,298
Capital assets						
Nondepreciable	1,238,661	-	1,238,661	1,048,745	-	1,048,745
Depreciable	695,117	-	695,117	2,090	-	2,090
Capital assets, net	1,933,778	-	1,933,778	1,050,835	-	1,050,835
Total assets	$ 2,315,433	$ -	$ 2,315,433	$ 1,661,738	$ -	$ 1,661,738
Liabilities and Net Position						
Current liabilities						
Accounts payable	$ 1,730	$ -	$ 1,730	$ 45,016	$ -	$ 45,016
Net position						
Net investment in capital assets	1,933,778	-	1,933,778	1,050,835	-	1,050,835
Unrestricted	379,925	-	379,925	565,887	-	565,887
Total net position	2,313,703	-	2,313,703	1,616,722	-	1,616,722
Total liabilities and net position	$ 2,315,433	$ -	$ 2,315,433	$ 1,661,738	$ -	$ 1,661,738

See accompanying independent auditors' report.

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Schedules of Revenues, Expenses, and Changes in Net Position - by Activity

	Year Ended 6/30/2018			Year Ended 6/30/2017		
	Authority Operations	Launchpad Operations	Total	Authority Operations	Launchpad Operations	Total
Operating revenues						
James City County contribution	$ 111,768	$ -	$ 111,768	$ 455,038	$ -	$ 455,038
Lease income	64,725	-	64,725	14,725	-	14,725
Bond fees	17,712	-	17,712	18,536	-	18,536
Launchpad member contributions	-	-	-	-	69,000	69,000
Launchpad Authority's contribution	-	-	-	(34,500)	34,500	-
Launchpad client revenue	-	-	-	-	14,026	14,026
Total operating revenues	194,205	-	194,205	453,799	117,526	571,325
Operating expenses						
Community development	213,400	-	213,400	126,532	73,756	200,288
Depreciation	17,435	-	17,435	1,272	22,886	24,158
Leases	-	-	-	-	51,101	51,101
Note forgiveness	2,573	-	2,573	1,011	-	1,011
Other expenses	553	-	553	389	-	389
Promotion	55,585	-	55,585	63,037	3,074	66,111
Professional fees	16,883	-	16,883	16,826	-	16,826
Telecommunications	-	-	-	-	1,331	1,331
Utilities	-	-	-	-	2,120	2,120
Total operating expenses	306,429	-	306,429	209,067	154,268	363,335
Operating income (loss)	(112,224)	-	(112,224)	244,732	(36,742)	207,990
Nonoperating revenues (expenses)						
Interest income	4,360	-	4,360	6,737	-	6,737
Loss on disposal of capital assets	-	-	-	(760)	-	(760)
Capital contributions - James City County	804,845	-	804,845	-	(82,961)	(82,961)
Total nonoperating revenues (expenses)	809,205	-	809,205	5,977	(82,961)	(76,984)
Change in net position	696,981	-	696,981	250,709	(119,703)	131,006
Net position, beginning of year	1,616,722	-	1,616,722	1,366,013	119,703	1,485,716
Net position, end of year	$ 2,313,703	$ -	$ 2,313,703	$ 1,616,722	$ -	$ 1,616,722

See accompanying independent auditors' report.

Economic Development Authority of James City County, Virginia
(A Component Unit of the County of James City, Virginia)

Schedules of Revenue Bonds Outstanding - Conduit Debt (Unaudited)

Bond	Date Issued	6/30/2018	6/30/2017
Build America Lease Revenue Bonds - James City County	9/23/2009	$ 9,555,000	$ 10,195,000
Economic Development Revenue Bond - Christopher Newport University Educational Foundation	5/18/2001	2,486,119	2,558,119
Lease Revenue Bonds, Series 2011 - James City County	9/30/2011	2,668,000	3,335,000
Lease Revenue Bonds, Virginia Capital Projects - James City County	9/11/2012	16,845,000	18,735,000
Lease Revenue Refunding Bonds, Series 2014 - James City County	8/4/2014	9,640,000	10,650,000
Lease Revenue Refunding Bonds, Series 2015 - James City County	8/5/2016	35,700,000	40,275,000
Lease Revenue Bonds, Series 2016 - James City County	5/6/2016	24,860,000	25,835,000
Revenue Bond, Series B 2003 - Williamsburg Landing Inc.	9/1/2003	5,590,000	5,590,000
Revenue and Refunding Bond, Residential Care Facility - First Mortgage	5/11/2005	17,850,000	17,885,000
Revenue Refunding Bond, William and Mary Foundation, Series 2011 (Refunding Variable Rate Revenue Bond - William and Mary Foundation, Series 2006, issued 12/1/2006)	1/17/2012	8,090,000	8,090,000
Virginia United Methodist Homes of Williamsburg, Inc., Series 2013A Senior	5/31/2013	29,715,000	29,905,000
Virginia United Methodist Homes of Williamsburg, Inc., Series 2013A Subordinated	5/31/2013	9,897,733	9,897,733
Virginia United Methodist Homes of Williamsburg, Inc., Series 2013B Senior	5/31/2013	6,500,000	6,500,000
Virginia United Methodist Homes of Williamsburg, Inc., Series 2013C Senior	5/31/2013	1,755,000	1,880,000
Virginia United Methodist Homes of Williamsburg, Inc., Series 2016	9/29/2016	232,957	55,600
		$ 181,384,809	$ 191,386,452

See accompanying independent auditors' report.

AGENDA ITEM NO. F.3.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Amy Jordan, EDA Secretary

SUBJECT: Land Monitoring License

Staff has been approached by Mr. Ron Spivey regarding property in James River Commerce Center. Prior to the purchase of two parcels by the County in 2018, Mr. Spivey monitored the parcels for the previous owner. In exchange for the monitoring of the property, Mr. Spivey was permitted to hunt the parcels during hunting season. He has requested to continue this arrangement.

The County Attorney has prepared a draft license for the EDA's consideration.

ATTACHMENTS:

	Description	Type
🗋	Draft Land Monitoring License	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 4:32 PM

LICENSE AND USE AGREEMENT

THIS NONEXCLUSIVE REVOCABLE LICENSE AGREEMENT is made this _____day of _____, 2018, by and between the ECONOMIC DEVELOPMENT AUTHORITY OF JAMES CITY COUNTY, VIRGINIA a political subdivision of the Commonwealth of Virginia, (the "EDA"), and RON SPIVEY, whose principal address is _____ ("Licensee").

WHEREAS, the EDA owns properties located at 1716 Endeavor Drive, and 8915 and 8925 Columbia Drive in James City County, further identified as James City County Real Estate Tax Parcel Numbers 5920100059, 5920100061, and 5920100045, respectively (the "Properties"); and

WHEREAS, under the previous ownership, Licensee was responsible for the monitoring and care of the properties located at 1716 Endeavor Drive and 8915 Pocahontas Trail; and

WHEREAS, the EDA desires to have the Properties monitored to prevent unauthorized use, litter accumulation, and illegal dumping; and

WHEREAS, Licensee has offered to monitor the Properties for the EDA in exchange for the ability to bow hunt on the Properties; and

WHEREAS, the EDA is willing to allow Licensee to use the Property for bow hunting subject to certain terms.

NOW, THEREFORE, for and in consideration of the mutual covenants herein, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Posting and Monitoring: Licensee shall post "No Trespassing" signs at the boundaries of the Properties and monitor the Properties for unauthorized uses, litter, and trash dumping. The EDA shall provide Licensee with "No Trespassing" signs. Licensee and invitees shall remove all liter observed in the course of monitoring and using the Properties. Any trash dumping or unauthorized uses shall be reported to the EDA. Any illegal activity shall be reported to the EDA and the James City County Police Department. Licensee shall provide the EDA or its designee with a monitoring report on a monthly basis.

2. Hunting: In consideration for the services provided, the EDA does hereby grant Licensee a non-exclusive revocable license to bow hunt on the Properties. Licensee may host invitees on the Properties to participate in bow hunting, but shall not charge or collect money in exchange for use of the Properties. Licensee shall be physically present whenever invitees are on the Properties. Licensee and all invitees shall be licensed to bow hunt and shall carry a copy of such license whenever on the Properties and exercising the privileges granted under this Agreement. All invitees shall execute the waiver and pledge attached as Exhibit A (the "Sportsman's Pledge"), the terms of which are incorporated into this Agreement by reference. Licensee shall keep a copy of the Sportsman's Pledge for each invitee who bow hunts on the Properties, which shall be available to the EDA upon request.

3. Equipment: Licensee may install tree stands, game cameras, or other equipment

intended to aid in bow hunting or monitoring the Properties. Upon termination of the Agreement, Licensee shall have ten (10) days to remove Licensee's equipment installed on the Properties. Unless otherwise agreed to by the EDA, all equipment remaining on the Properties more than ten (10) days after termination of the Agreement shall become the property of the EDA.

4. Term: The term of this license agreement (the "Agreement") shall be for six (6) months (the "Initial Term"). Upon expiration of the Initial Term, the Agreement shall automatically renew for additional terms of six (6) months (each, a "Renewal Term").

5. Termination: The Agreement may be terminated by the EDA at any time by oral or written notice. If oral notice of termination is given, the EDA shall provide Licensee a written follow-up. Termination by the EDA shall be effective immediately upon notice being given. The Agreement may be terminated by Licensee by written notice given thirty (30) days prior to the expiration of the Initial Term or any Renewal Term.

6. Waiver of Liability and Indemnification: By executing this Agreement, Licensee affirmatively waives any claim(s) Licensee may have arising out of Licensee's use of the Properties. Licensee shall indemnify and hold the EDA harmless from and against any and all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims and demands, including attorney's fees, or injury to person or property resulting from or arising out of the use of the Properties by its invitees or agents, excepting claims or damages as may be due or caused by the acts of the EDA, its servants or agents. Such indemnification shall include liability arising out of any activity occurring on the Properties while operating under the Agreement.

7. Assignment: This Agreement may not be sold, assigned, or transferred by Licensee without prior written consent of the EDA If the EDA sells any portion of the Properties during the term of the Agreement, the EDA may assign this license to its successor in interest with written notice to Licensee.

8. Execution: The Agreement may be executed in counterparts, each of which shall be deemed to be an original having identical legal effect.

9. Modification: The Agreement may only be modified by a writing signed by both parties.

10. Whereas Clauses Incorporated: The recitals set forth above in the "Whereas" clauses shall be included and read as a part of the Agreement and are incorporated herein by reference.

11. Authority to Contract: Upon demand, either party shall furnish and deliver to the other at no cost, documentation and authorizing resolutions to evidence the party's existence in good standing and its signatory's authority to execute the Agreement. The signatures of the parties are set out below in acknowledgment of this Agreement and, by signing, each signatory warrants their respective authority to enter into the Agreement.

12. Notice: Wherever in the Agreement it shall be required or permitted that permission,

notice, or demand be given or served by the parties to the Agreement to or on the other, such notices or demands shall be deemed given or served whether actually received or not when deposited in the United States Postal Service, postage pre-paid, certified or registered mail, addressed to parties hereto at the respective addresses set forth below or any other address that may be specified by the parties.

Legal Notice Address for EDA:

Economic Development Authority
County of James City
P.O. Box 8784
Williamsburg, VA 23187-8784

With Copy to:

County Attorney
County of James City
P.O. Box 8784
Williamsburg, VA 23187-8784

Legal Notice Address for Licensee:

Ron Spivey
Address
Address
Phone Number
Email Address

IN WITNESS WHEREOF, the parties hereto have set their hands and affixed their respective seals the day and year first above written.

JAMES CITY COUNTY EDA	**RON SPIVEY**
By: _____	By: _____
Its: Chairman	Its:
Date: _____	Date: _____

Approved as to Form:

_____
EDA Attorney

AGENDA ITEM NO. F.5.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Amy Jordan, EDA Secretary

SUBJECT: Possible Amendments to the EDA Meeting Calendar

The EDA held an organizational meeting and strategic planning retreat in December 2017, in place of their regular December meeting. If the EDA chooses to hold a similar retreat in December 2018, the meeting location and/or start time may need to be amended. Furthermore, some scheduling conflicts have been identified for the scheduled November meeting date.

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 3:35 PM

AGENDA ITEM NO. G.1.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Robin Bledsoe, EDA Chair

SUBJECT: Joint Work Session Discussion

ATTACHMENTS:

	Description	Type
	Draft Work Session Presentation	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 3:40 PM

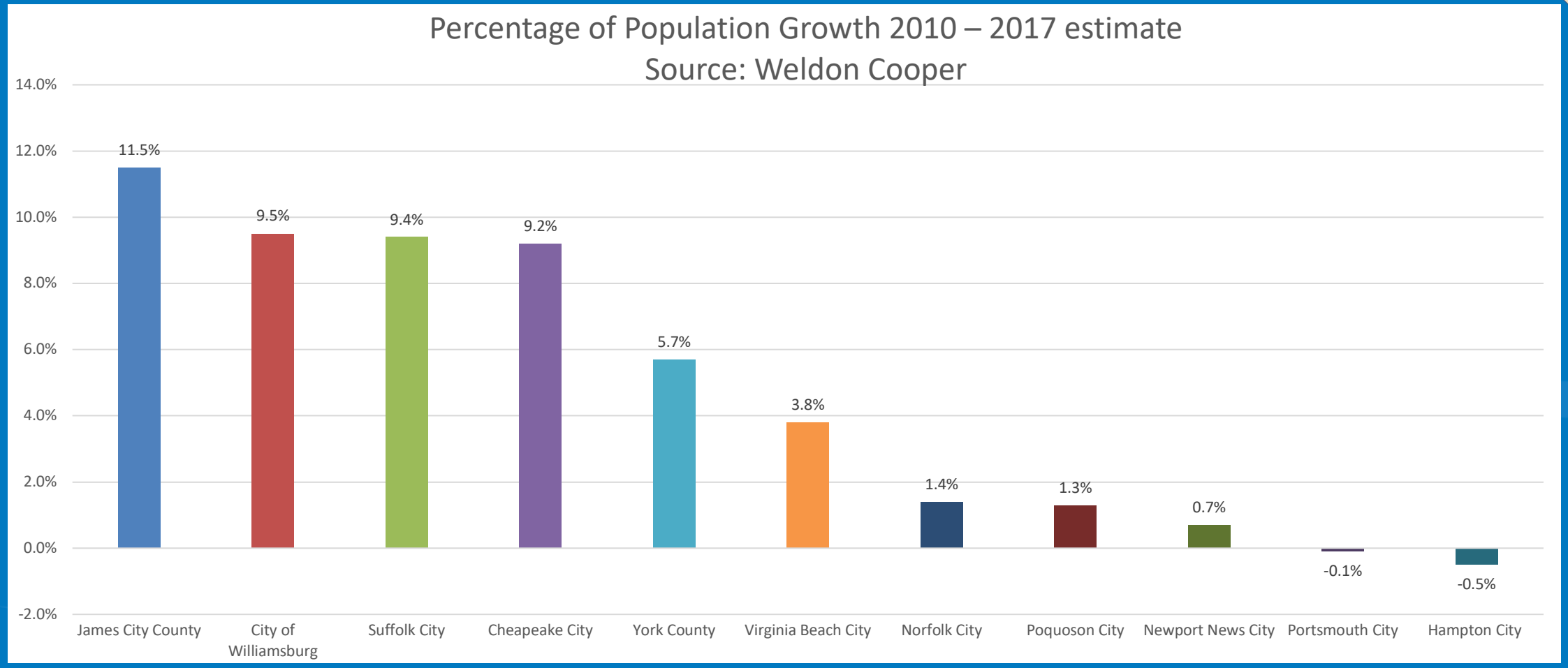
Joint Work Session

James City County Economic Development Authority 2018

James City County
EDA 2018

- **Robin Bledsoe, Chair**
  - Small Business Development, Community Outreach
- **Christopher Olde, Vice Chair**
  - Real Estate and Business Development
- **Mike Maddocks**
  - Community Relations & Business Development
- **Carlton Stockton**
  - Government Relations & Telecommunications
- **William Turner**
  - Tax Credits, Workforce Housing, Workforce Development
- **Robin Carson**
  - Hospitality, Tourism, Workforce Development
- **Thomas Tingle**
  - Land Development, Architectural Design, Regional Collaboration

James City County
EDA 2018
Snap Shot



James City County
EDA 2018

Snapshot of James City County

- $80,226 MHI
- 93.9% of James City County population age 25+ who are high school graduates (2012-2016)
- 47.8% of James City County population age 25+ who have earned a Bachelor's Degree or higher (2012-2016)
- 2010 Population 67,009
- 2017 Population 74,722
- An Increase of 11.5%

James City County
EDA 2018

Snap Shot

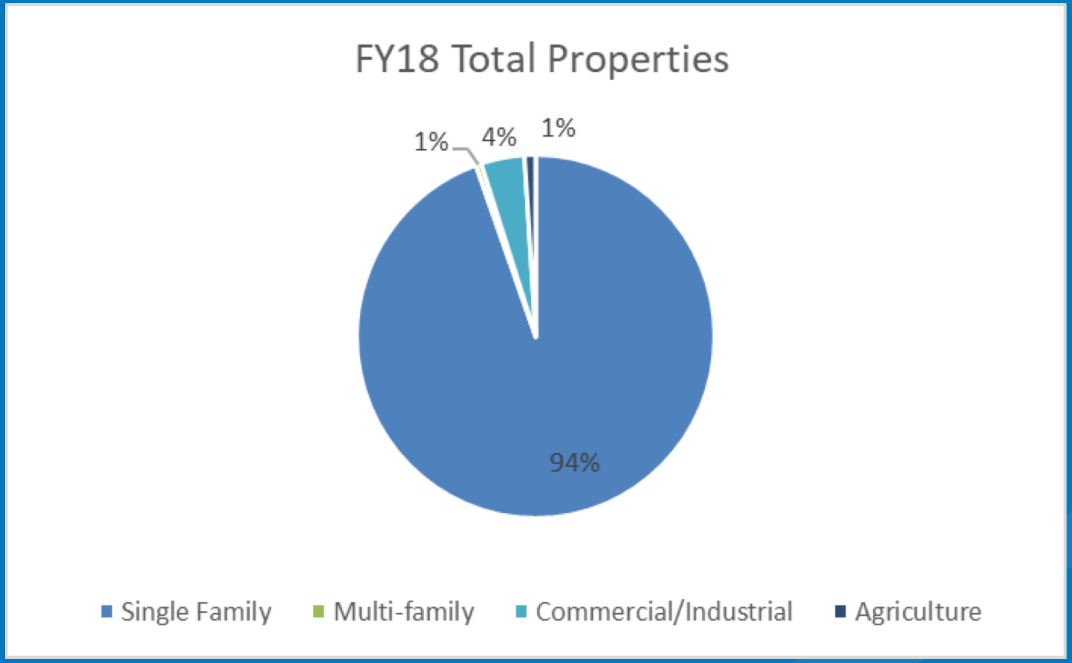
Business in James City County 2016 vs 2017

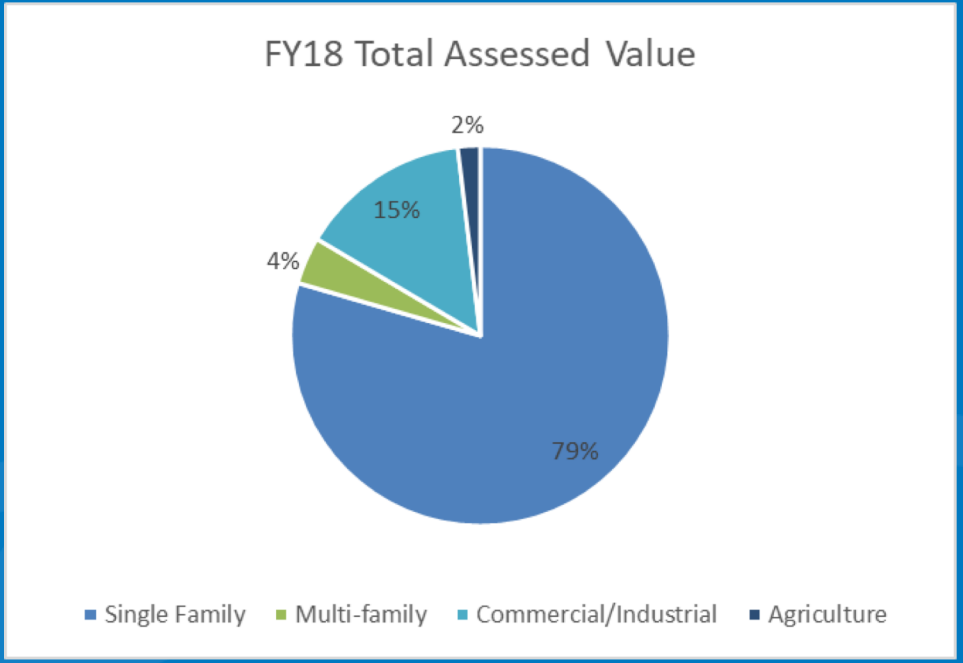
	2017	2016
Total JCC Business Licenses	4,319	4,269
Openings	570	514
Closings	531	630
Net	+39	-116
Ribbon Cuttings	15	12

James City County EDA 2018

Commercial & Industrial

Total Property vs Assessed Value





James City County EDA 2018

Regional Partnerships

- Greater Williamsburg Partnership (GWP)
- Launchpad, the Greater Williamsburg Business Incubator
- Greater Williamsburg Chamber & Tourism Alliance
- Thomas Nelson Community College
- Williamsburg-James City County Public Schools
- College of William & Mary
- Start Peninsula
- Regional Industrial Facility Authority (RIFA)
- Virginians for Highspeed Rail
- Go Virginia
- Virginia Economic Development Partnership

James City County
EDA 2018

New JCC EDA Economic Development Initiatives

- EDA Local Business Liaison
- EDA Workforce Development Liaison
- EDA Planning Commission Liaison
- Two EDA Members are actively involved with the Workforce Housing Task Force: Land Use Committee & Finance Committee
- EDA Educational Industrial Site Tour August 2017

James City County
EDA 2018

JCC EDA Current Funding Initiatives

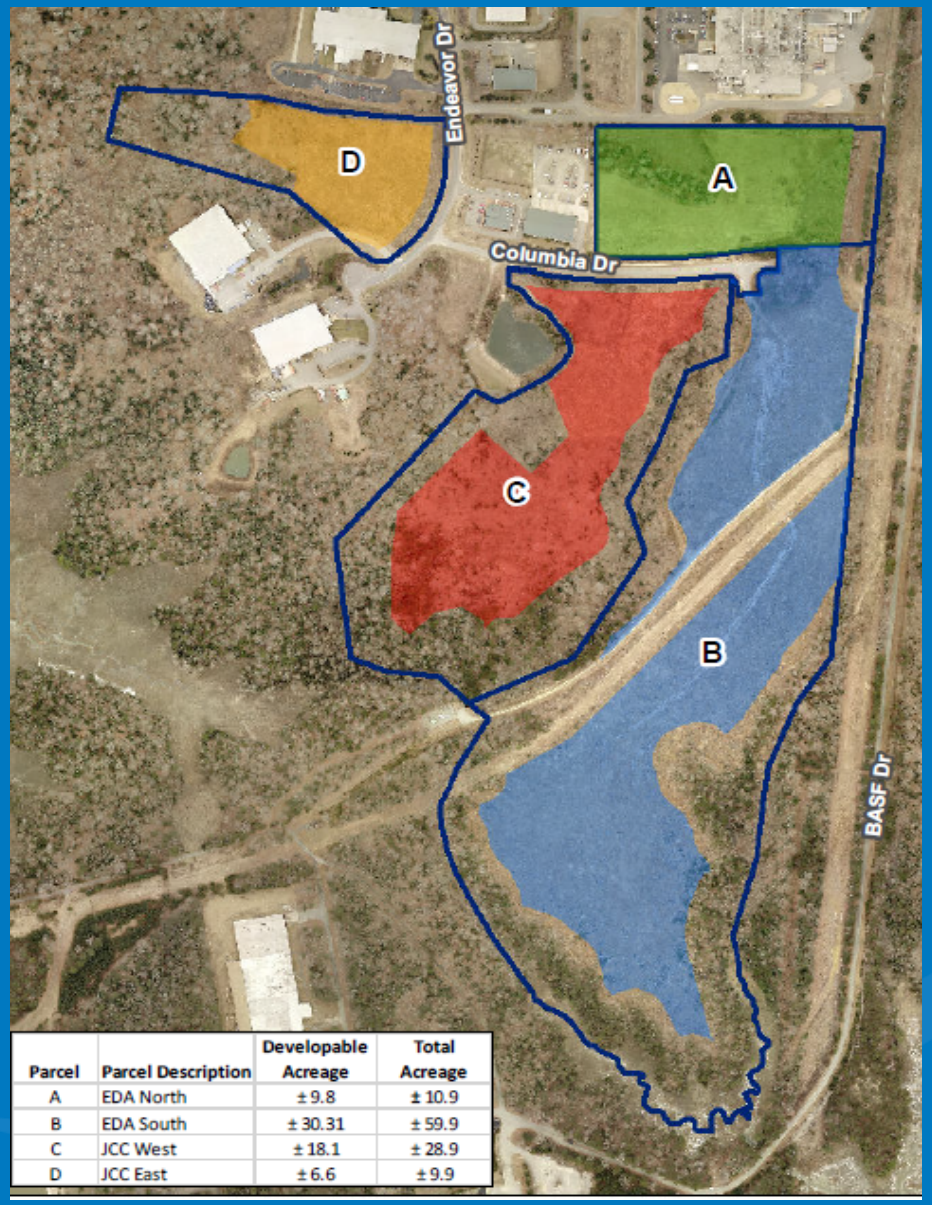
- Launchpad, the Greater Williamsburg Business Incubator
- Workforce Development Initiatives
- EDA Incentive Grants: Five Year Declining Grants
- JCC EDA Properties Preparation for Site Readiness

James City County
EDA 2018

JCC EDA Properties Move Forward

- Billsburg Brewery opened in Oct. 2017.
- The Grove area is designated as an Opportunity Zone.
- Additional property was purchased in James River Commerce Center.
- Four JRCC parcels move towards “site readiness.”

James City County EDA 2018



Parcel	Parcel Description	Developable Acreage	Total Acreage
A	EDA North	± 9.8	± 10.9
B	EDA South	± 30.31	± 59.9
C	JCC West	± 18.1	± 28.9
D	JCC East	± 6.6	± 9.9

JRCC Parcels Site Readiness Progress Report

James City County EDA 2018

JRCC Parcels Site Readiness Progress Report

- Discuss Parcel A Conceptual Plans
- Columbia Drive Updates?

James City County
EDA 2018

EDA Initiatives for 2019 and 2020

1. Draft a Mission Statement that reflects the Toward 2035 and Strategy 2035 expectations.
2. Design a Workforce Development Model that can be shared with prospective and existing businesses.
3. Draft a Performance Based Incentive Accountability Program
4. Implement Strategic Investment Areas (SIA)
5. Create Technology Zone
6. Utilize Opportunity Zone

* February 2019 the BOS will receive a performance schedule on each initiative through 2020.

James City County EDA 2018

Mission Statement

Current EDA Statement:

"The Authority's function is to pursue and comply with the goals and objectives set forth in the Comprehensive Plan; to advise the Board of Supervisors through the County Administrator of any application made by an agent or representative of a prospective facility requesting the Authority to issue bonds; and to advise the governing body of James City County of potential location of the facility."

James City County
EDA 2018

Performance Based Economic Development Incentive Policy

Current James City County & EDA Business Incentives:

- Tourism Zone
- Opportunity Zone
- Foreign Trade Area
- Custom Incentives
  - EDA Grants: Five-year declining grants
  - Improvement Fee Waivers
  - Expedited Review/Fast Track Permitting
  - Sewer Transmission Fee Reduction
  - Use of Process
  - EDA Fee Waiver

James City County EDA 2018

Sample Elements for Performance Based Economic Development Incentive Policy

- **Goals and Objectives:** Goals and measurable objectives create a context and accountability for the use of Economic Development incentives.
- **Financial Incentive Tools and Limitations**: An Economic Development Incentive Policy should define the types of incentives and the extent to which the jurisdiction will use them.
- **Evaluation Process:** A clearly defined evaluation process should be outlined in an Economic Development Incentive Policy for the purposes of predictability, accountability and transparency. The JCC EDA recommends that evaluation activities at a minimum include the following:
  - Does the proposal measure up to established economic development criteria and current Comprehensive & Strategic Plans.
  - A cost benefit analysis
  - An evaluation of tax base impact, both in terms of increases in taxable value, and where a Tax Increment Financing (TIF) is proposed, and evaluate the impact on all overlapping taxing jurisdictions.
  - Analysis of the impact of a project on existing businesses.
  - A determination of whether the project would have proceeded if the incentive is not provided.
  - When appropriate a standard form of timely reporting from the incentive recipient.

Source: Government Finance Officers Association http://www.gfoa.org/economic-development-resource-center

James City County
EDA 2018

Strategic Investment Areas (SIA)

- Define boundaries for strategic investment in order to better leverage limited resources
- Concentrate pockets of growth through redevelopment and infill development within the SIA boundaries with a clearly defined plan
- Preserve the rural character of the county outside of the PSA and in lower density areas, while creating and encouraging opportunities for economic investment within the SIA boundaries.
- Allow for targeted implementation tools such as special incentives, design guidelines specific to the district, development of business improvement districts within commercial areas, and greater leverage of resources for key infrastructure projects.
- Small area master plans help preserve and enhance the character of each defined district through the transformation of under-utilized property by identifying strategic development opportunities and targeted investment in public infrastructure.

James City County EDA 2018

Create A Technology Zone

- Creating a Technology Zone is a way to provide competitive-incentives to commercial businesses making a significant capital investment in the County
- Previously, local Enterprise Zone incentives were offered to companies making a capital investment of at least $500,000 in James City County. Since the expiration of the state Enterprise Zone designation, the County has continued the local enterprise zone incentive program.
- OED has evaluated options for a revised incentive program to better meet the needs of the County in designated growth areas and recommended to the EDA establishing a Technology Zone to replace the local Enterprise Zone.
- The creation of a Technology Zone is outlined in § 58.1-3850 of the Code of Virginia. Under the Code, any city, county or town may establish, by ordinance, one or more technology zones.
- Each locality may grant tax incentives and provide certain regulatory flexibility in a technology zone.
- The tax incentives may be provided for up to ten years and may include, but not be limited to: (i) reduction of permit fees; (ii) reduction of user fees; and (iii) reduction of any type of gross receipts tax.
- The boundaries proposed for the Technology Zone would be the boundaries of the PSA

James City County EDA 2018

Grove District Opportunity Zone

Will allow investors to receive tax benefits on unrealized capital gains by investing those gains in opportunity zones

- Identify qualifying sites and projects
- Support infrastructure to advance site readiness and qualifying projects
- Market the opportunity

James City County EDA 2018

Workforce Development Strategy

- Collaborate with area high schools and higher education to develop training programs for specific and targeted industries
- Support opportunities that connect the local workforce with better job opportunities
- Connect schools and employers to define and create a career path for high schoolers
- Support programs that set employees on a career path with increased earning potential

James City County
EDA 2018

Thank you

AGENDA ITEM NO. H.6.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Christopher Odle, Committee Chair

SUBJECT: Real Estate Holdings Committee

Attachments included for your reference.

ATTACHMENTS:

	Description	Type
	Concepts for Shell Building Site	Presentation
	July Committee Minutes	Minutes
	August Committee Minutes	Minutes
	JRCC Parcels Draft Drainage Cost Estimates	Cover Memo

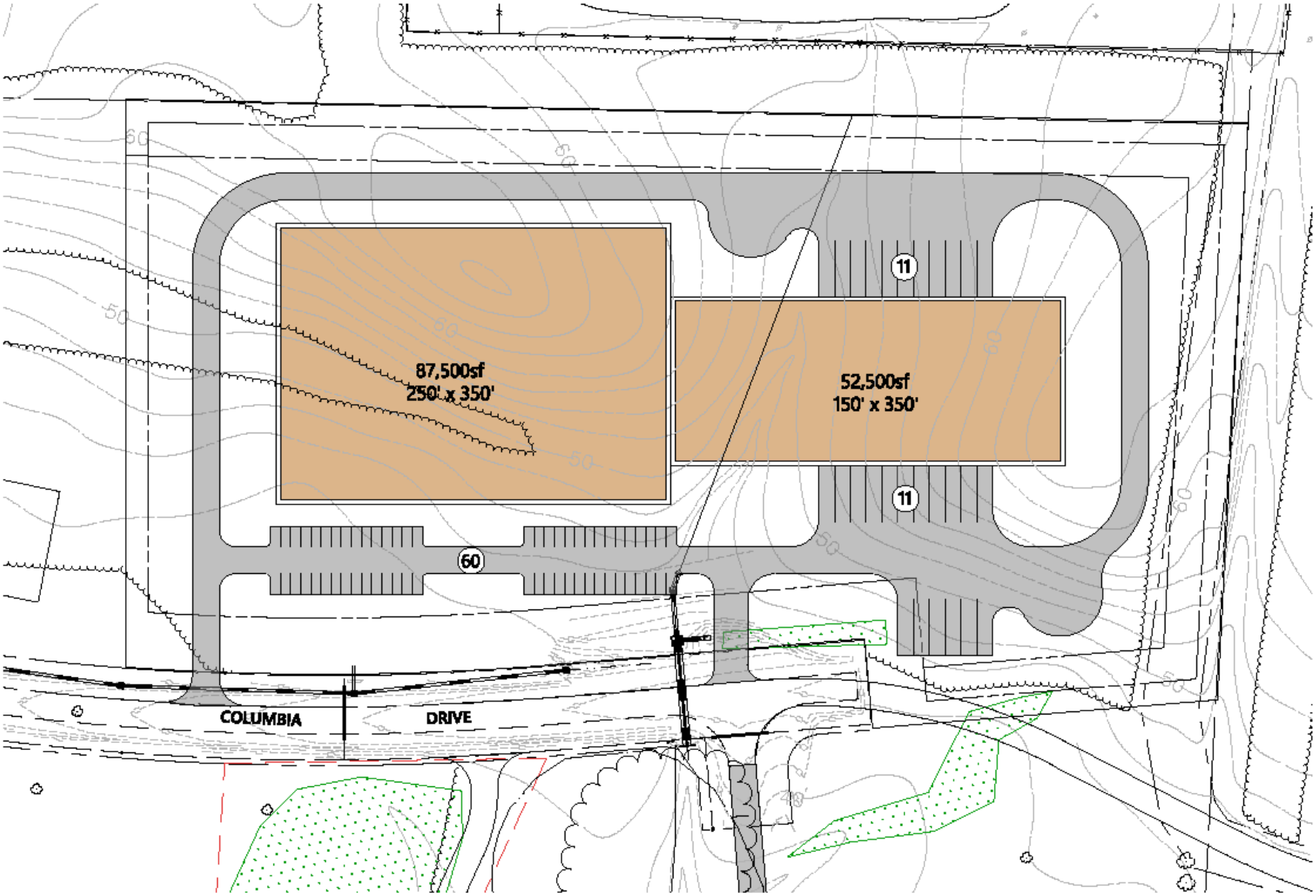
REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 11:17 AM

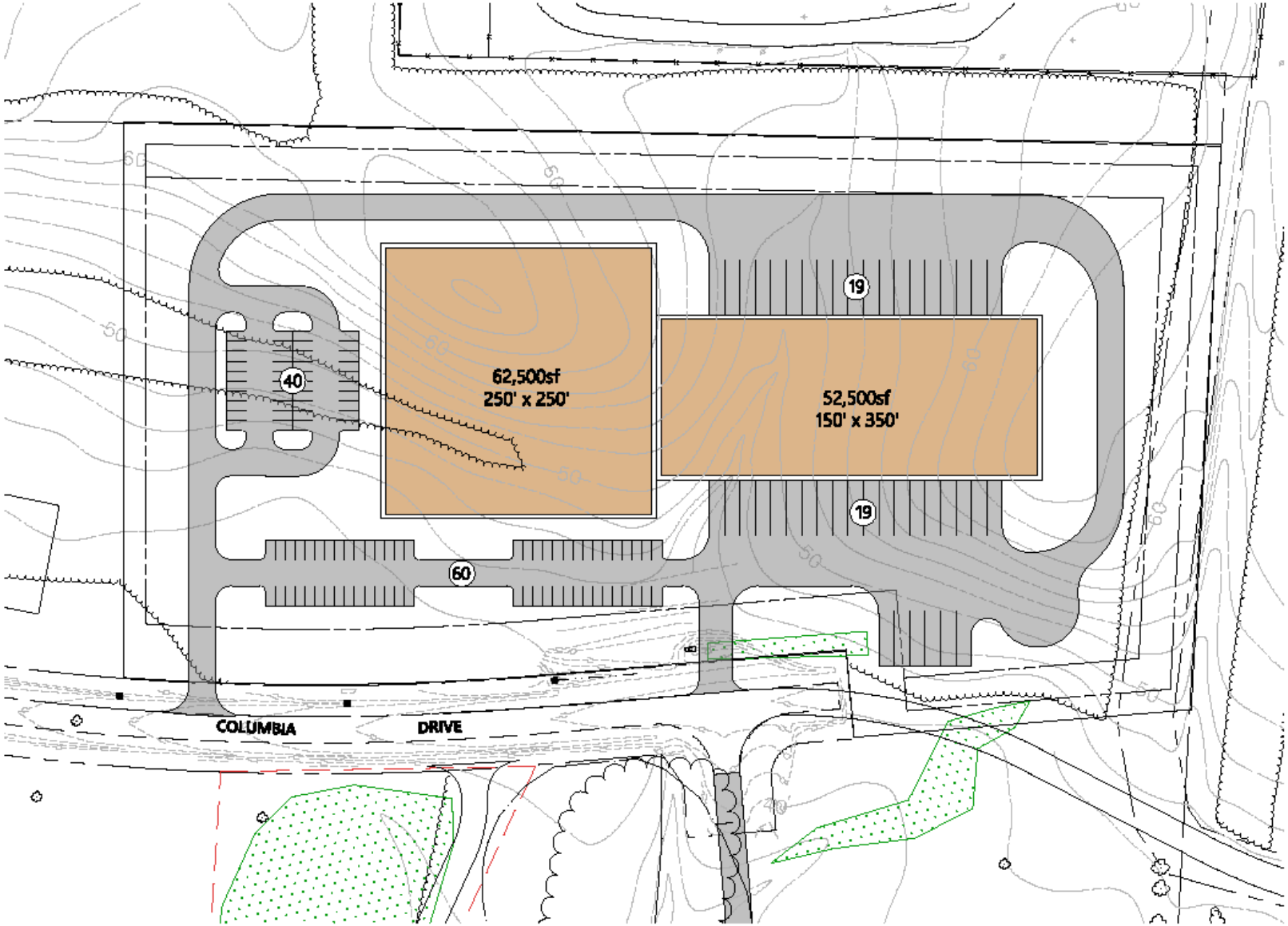
James River Commerce Center

Shell Building Site Conceptual Layouts

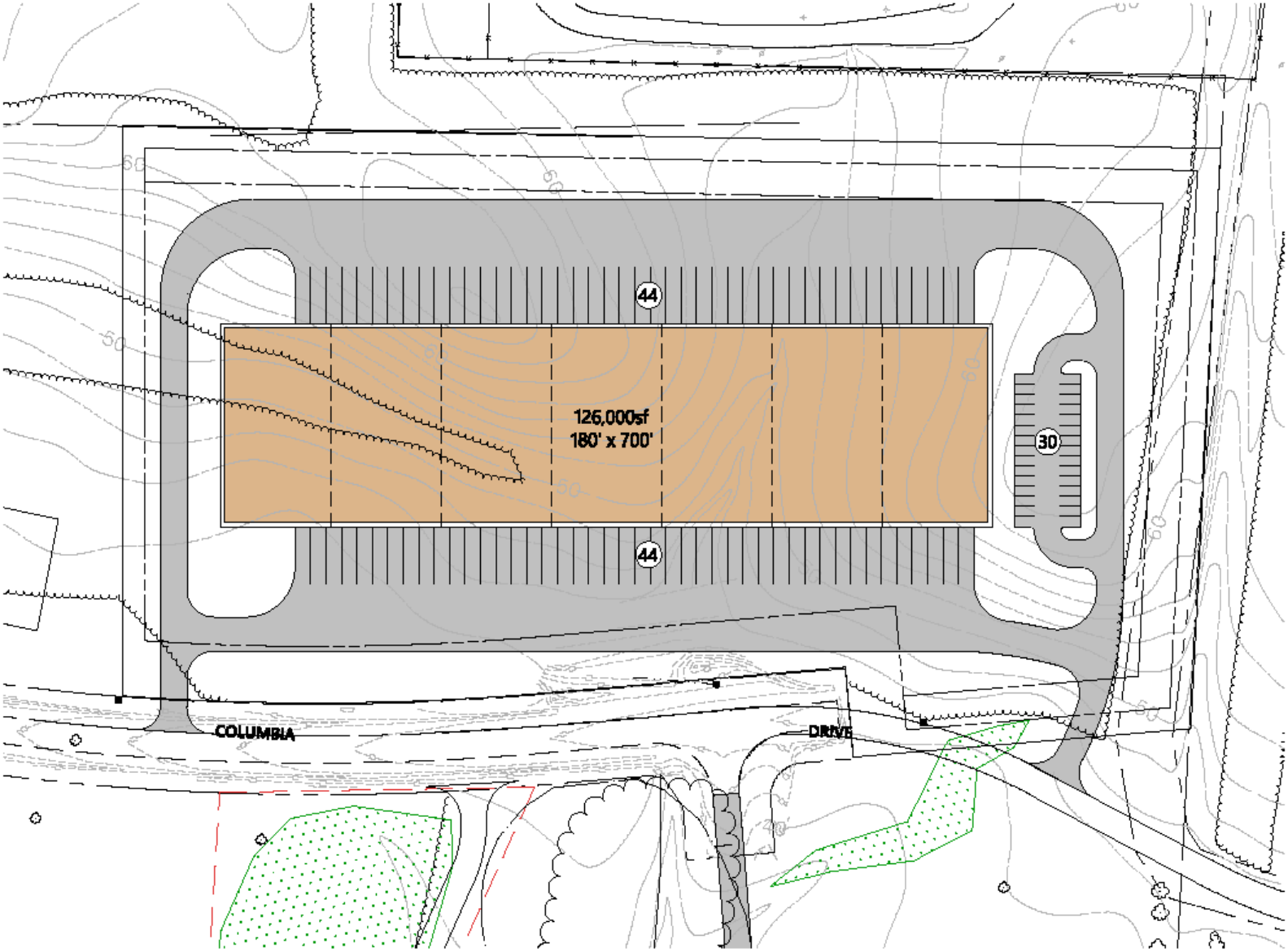
Office of Economic Development



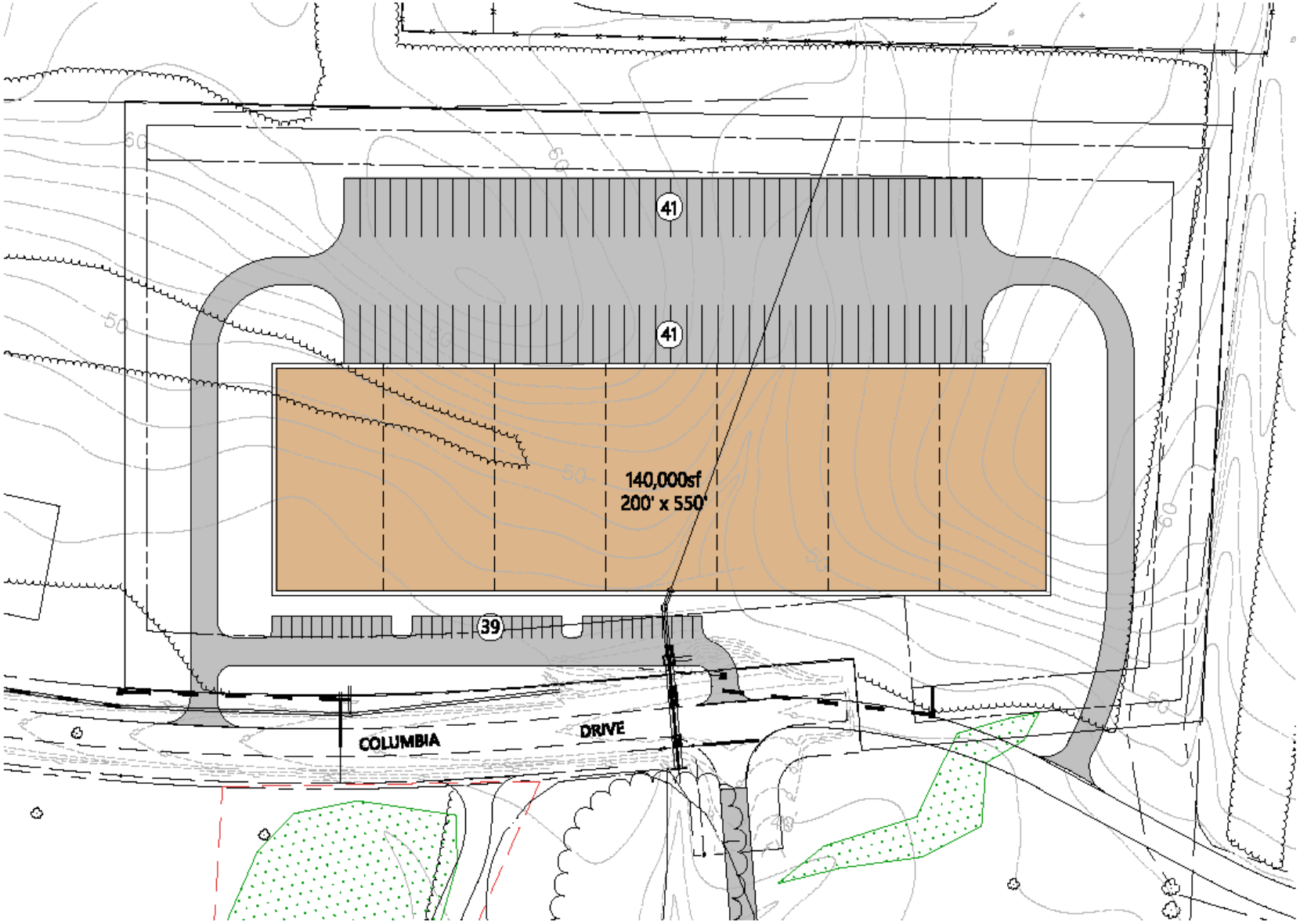
Cross-Dock _ Manufacturing 1



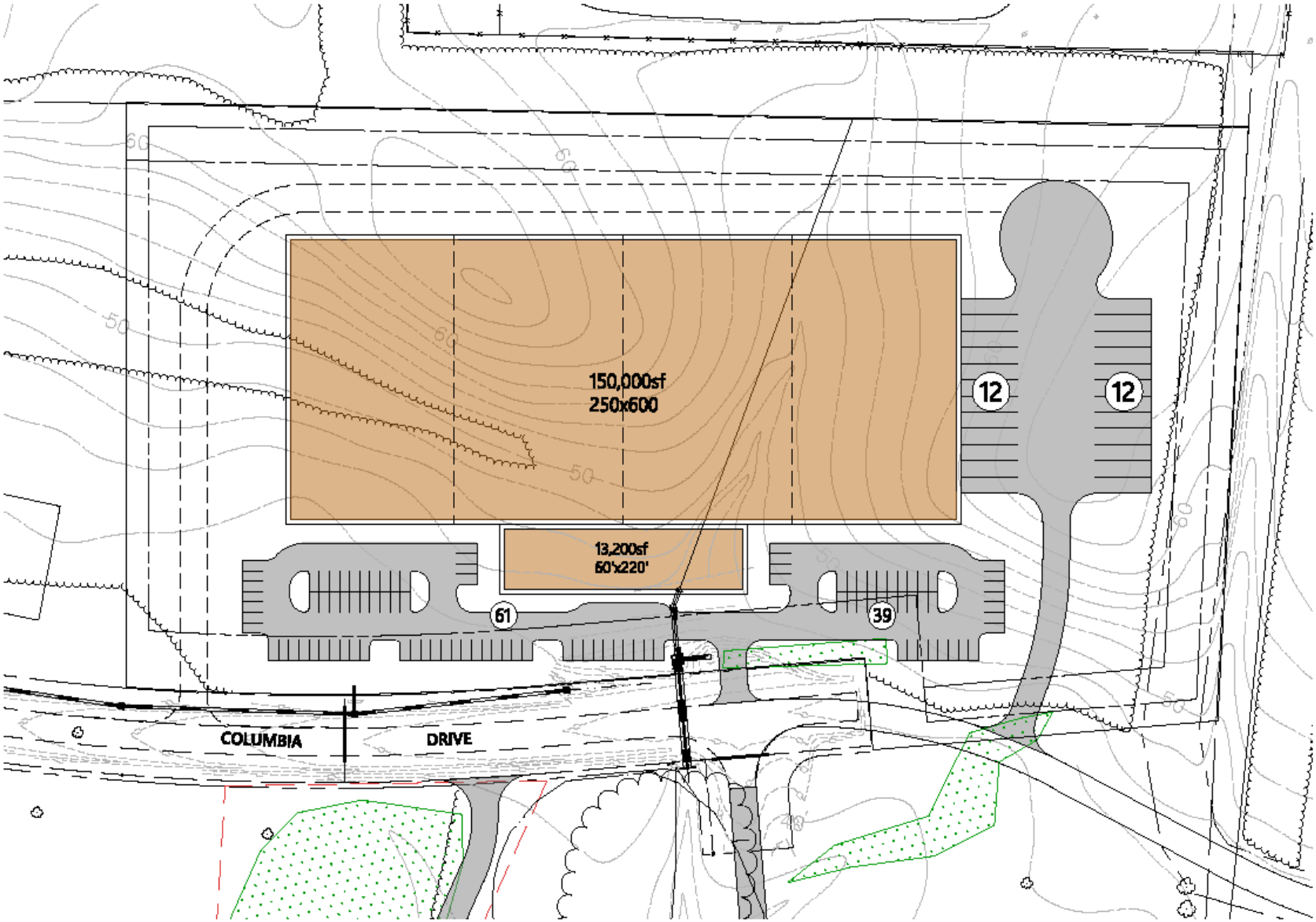
Cross-Dock_Manufacturing 2



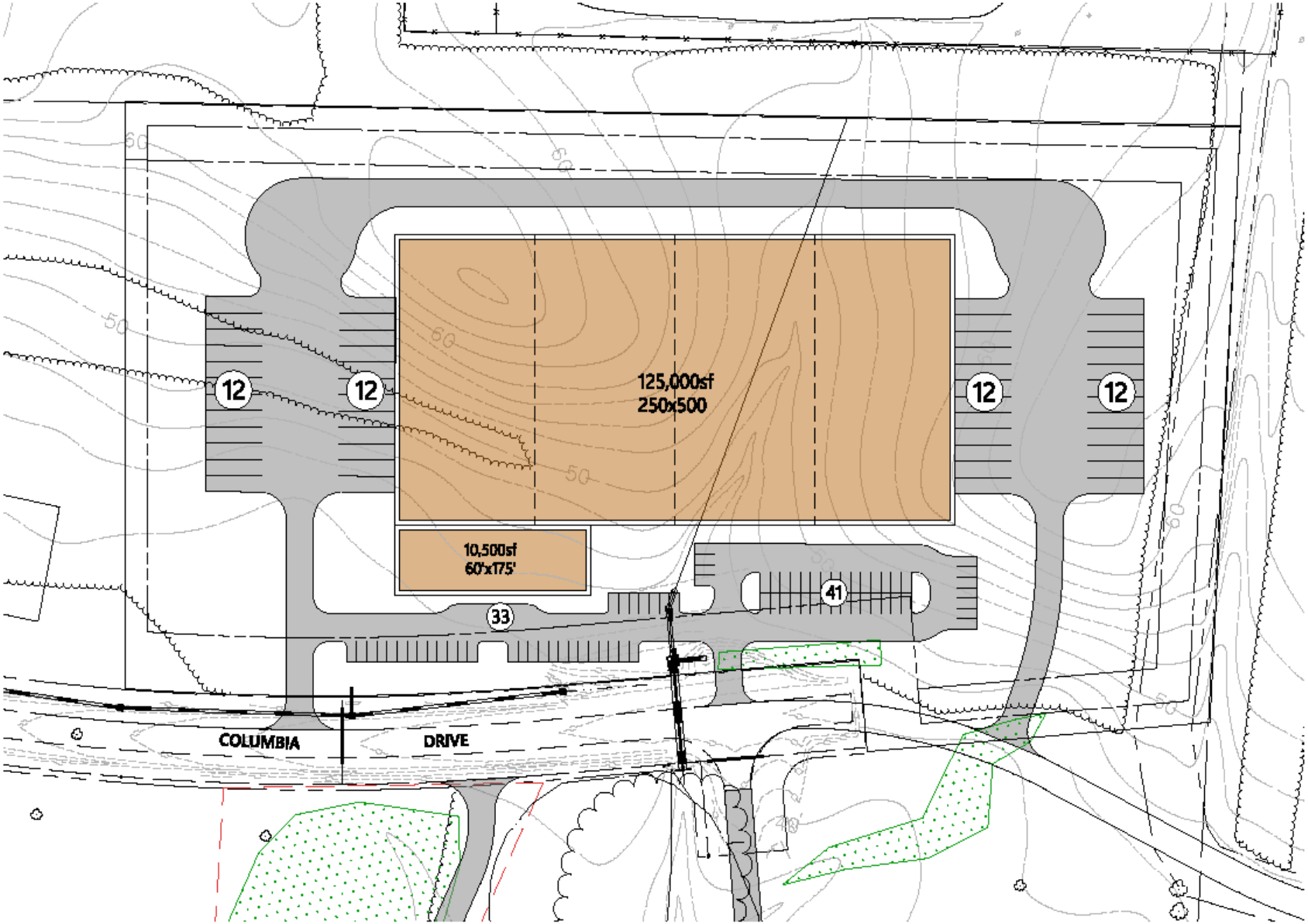
Cross-Dock_Warehouse



Warehouse 2



Manufacturing_Office 1



Manufacturing_Office 2

MINUTES
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REAL ESTATE HOLDINGS COMMITTEE MEETING
101 D Mounts Bay Road, Williamsburg, VA 23185
July 19, 2018
8:30 AM

A. CALL TO ORDER

At 8:32 a.m., Mr. Odle called the meeting to order

ADOPTED
AUG 30 2018

B. ROLL CALL

Robin Bledsoe
Robin Carson
Christopher Odle, Chair

Amy Jordan, Economic Development Authority (EDA) Secretary
Teresa Fellows, EDA Recording Secretary
Kate Sipes, Assistant Director of Economic Development

C. COMMITTEE DISCUSSIONS

1. Minutes Adoption - June 21, 2018 Meeting

   A motion to Approve was made by Robin Bledsoe, the motion result was Passed.
   AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
   Ayes: Carson, Bledsoe, Odle

2. James River Commerce Center Update

   Ms. Jordan reviewed the updates to the Priorities Spreadsheet and noted that the improvements to the James River Commerce Center had been added to include installing fiber and the installation of the stoplight at the intersection of Endeavor Drive and Route 60. Hence the increase in the total cost of improvements. These projects are at the bottom of the list and are much further down the timeline.

   Ms. Bledsoe concurred, but expressed her concern that the amount could be misinterpreted to mean that this is what the EDA is asking for now. She wants to make sure that the message is conveyed to the Board that this additional amount is for work much farther down the line.

   Ms. Jordan stated that Ms. Sipes has put together a Request for Proposal (RFP) for the shell-building site based off the discussion last month.

   Ms. Sipes stated that she had spoken with the Purchasing Department to ensure that staff was following the correct guidelines. She stated that she had spoken with Mr. Rick Shippey, James City County EDA Board Member, to get some baseline information on different warehouse sizes, parking requirements and number of loading docks. She noted that the draft RFP had been included in the meeting materials.

   Mr. Odle stated that his only comment was that on the warehouse plan there should be some type of office space included on the plan.

   General discussion ensued on the general assumptions included in the draft RFP.

The Committee expressed its approval for staff to move forward with sending the RFP to the three firms, Vanasse Hangen Brustlin, Inc., AES Consulting Engineers and Timmons.

Ms. Sipes stated that staff should receive the three responses prior to the next EDA meeting, which would allow the Authority to vote and approve one of the proposals.

Ms. Jordan noted that the Committee should move ahead with the Closed Session discussion and then come back to the remaining items on the agenda.

3. Expedited Review Guidelines

Ms. Jordan noted that the revised guidelines included with the meeting materials was given to her by Mr. Christopher Johnson, Ombudsman, and he would be coming to the next EDA meeting to give a presentation on the topic.

Ms. Bledsoe stated that she does not believe that the following statement was in the previous version of the guidelines that she had shared with the Authority:

Definition: An expedited review project is defined in Section 24-147 (b) of the Zoning Ordinance as "*any site plan which the Economic Development Director determines to create or significantly expand a use which contributes to the achievement of the economic development goals of the Comprehensive Plan.*"

Ms. Bledsoe stated that this definition helps clarify the types of projects that qualify for Expedited Review and answers some of the questions raised at the previous EDA meeting.

General discussion ensued regarding a discussion about having a similar policy in place for workforce housing that was brought up during the Workforce Housing Task Force.

Ms. Jordan noted that the County can utilize this process and streamline the process for significant economic development projects; but, the County has no control over the outside reviewing agencies or the engineering firms working on behalf of the applicant. The County can only streamline processes and operations on its side. She also noted that a more definitive definition of what constitutes a significant economic development project.

Ms. Bledsoe asked what other localities do for economic development projects.

Ms. Carson stated that the City of Williamsburg must have some form of expedited review since it has already gotten a portion of the Broad Street development project already open with the Earth Fare store.

Mr. Odle stated that other localities have certain threshold requirements to qualify projects. Some utilize a specified tax review threshold; some utilize job creation as well as utilizing the discretion of their economic development office. For example, building a Costco store would be about a $6 million investment, but everyone would be up in arms about landing a Costco and getting that store open in under a year.

Ms. Bledsoe asked Mr. Odle how other localities get the outside reviewing agencies to come to the table and work within a specified timeline.

Mr. Odle stated that James City County is in a little bit of a unique position in that the County does not control its roads. The Virginia Department of Transportation still controls the County's roads.

Ms. Jordan stated that is not the case with cities and with some larger counties in Virginia.

General discussion ensued regarding the planning process in the County and some of the frustrations within the development community.

Ms. Bledsoe stated that it makes sense as an EDA to help develop a policy that will support the development community. If economic development is a fundamental goal of the County, then there needs to be policies in place to support that goal. She questioned if it was possible for the EDA to look at best practices for the planning process and the development community. For clarification, if a business wants to come into the County and they cannot reasonably expect an answer to questions and concerns within a specified timeframe, then shouldn't the EDA be concerned about that?

Mr. Odle stated that it is very expensive for developers to go through the planning process in the County. You cannot reasonably manage the financial risk because the developer does not know what is going to get approved or not; and the developer is having to go back to the drawing board several times to come up with a plan that will meet approval. He stated that he believes there should be a greater ability for administrative approvals to handle minor changes to master plans instead of having to go back through the legislative process.

Ms. Jordan stated this is a bigger issue and really is a Board of Supervisors discussion. There is an extra layer of approvals that are in excess of what is required by State Code.

Ms. Bledsoe queried then how does it get fixed and inquired how do other localities deal with these issues?

Ms. Jordan recommended this be brought up at the next EDA meeting when Mr. Johnson does his presentation.

General discussion ensued about form-based Building Codes and making the process more efficient.

The Committee generally agreed to bring these discussion points up at the next EDA meeting.

D. CLOSED SESSION

1. The discussion or consideration of: 1) the disposition of a portion of publicly held real property located at 8925 Columbia Drive in James City County where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body pursuant to Virginia Code Section 2.2-3711(A)(3); and 2) the investment of public funds for a shell building at 8925 Columbia Drive where competition or bargaining is involved, where, if made public initially, the financial interest of the EDA and the County would be adversely affected pursuant to Virginia Code Section 2.2-3711(A)(6)

A motion to Enter a Closed Session was made by Christopher Odle, the motion result was Passed.
AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Bledsoe, Odle

At 8:50 a.m., the Committee entered into Closed Session.

At 9:09 a.m., the Committee reentered Open Session.

2. Closed Session Certification

A motion to Certify the Closed Session was made by Robin Carson, the motion result was Passed.
AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Bledsoe, Odle

E. ADJOURNMENT

1. Adjourn until 8:30 a.m., on August 16, 2018

A motion to Adjourn was made by Robin Bledsoe, the motion result was Passed.
AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Bledsoe, Odle

At 9:55 a.m., Mr. Odle adjourned the Committee.

Amy Jordan, EDA Secretary

Christopher Odle, Committee Chair

MINUTES
JAMES CITY COUNTY ECONOMIC DEVELOPMENT AUTHORITY
REAL ESTATE HOLDINGS COMMITTEE MEETING
101 D Mounts Bay Road, Williamsburg, VA 23185
August 30, 2018
8:30 AM

A. CALL TO ORDER

At 8:31 a.m., Mr. Odle called the meeting to order

ADOPTED
SEP 20 2018

B. ROLL CALL

Christopher Odle, Chair
Robin Bledsoe
Robin Carson-absent

Amy Jordan, Economic Development Authority (EDA) Secretary
Kate Sipes, Assistant Director of Economic Development
Chris Johnson, Ombudsman
John Carnifax, Director of Parks & Recreation

C. COMMITTEE DISCUSSIONS

1. Minutes Adoption – July 19, 2018 Meeting

A motion to Approve was made by Robin Bledsoe, the motion result was Passed.
AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Bledsoe, Odle

2. Marina/Jamestown Beach

Mr. John Carnifax provided an overview of the draft master plan, prepared by VHB, of the marina. Mr. Carnifax underscored this plan was for the improvements to the water and marina-related amenities; the master planning for the upland areas is set to begin with an organizational meeting in September 2018.

Mr. Carnifax highlighted the following features of this proposed plan (referred to as Phase I):

- A third boat slip either open or covered, with a lift is being considered to create 110 total boat slips on site;
- Dredging and soil removal. The amount of soil to be removed would cover about four acres at a depth of 1-2 feet;
- Placing utilities underground;
- Installing a concrete walkway;
- Installing a living shoreline to replace the existing bulkhead;
- Repairs to the floating slips;
- Adding a jet ski parking area;
- Relocating the boat ramp;
- Refurbishing the parking area for marina parking;
- Adding a walking path with a waterfront overlook for pedestrians;
- Relocating the gas pumps; and
- Adding security features, including cameras and card access for the boat storage area.

Mr. Carnifax pointed out that the boat maintenance lease will remain, but could increase as a result of the improvements. He also shared the initial estimated cost of Phase I improvements was $6 million.

Discussion followed emphasizing that Phase I did not include any improvements to the existing buildings, event spaces or non-marina parking areas. There was general consensus that the property presented tremendous opportunity, especially when Jamestown Beach Event Park and the Ambler House were taken into consideration. Many ideas were discussed around the concepts of creating a destination around the County's property, along with Jamestown Island and Jamestown Settlement; adding parking; improving connectivity for cars and pedestrians between the multiple properties and amenities; and adding amenities and opportunities for visitors.

3. Expedited Review Discussion

Mr. Odle suggested the county should consider adopting Form Based Code, as a way to eliminate the need for various committees and boards to get involved throughout the development process.

Mr. Johnson indicated the Development Review Committee (DRC) of the Planning Commission, which previously had purview over many of the actions related to a development, was now seeing fewer cases as a result to changes to the county code. He continued that the DRC now serves more as a guiding body at the beginning of the design process and an appellate body when needed near the end of the process, which is working much more efficiently. Mr. Johnson also offered that Form Based Code seems to work best in urban environments, and suggested that overlay districts may work better in the county so design parameters can be customized for various distinct areas of the county.

4. James River Commerce Center Update

Ms. Jordan shared that the drainage plans for the EDA's properties in JRCC were about 85% complete, and staff will continue to work with VHB for the final drawings and associated cost estimates for the proposed work. Ms. Jordan also shared that staff expects concepts for the shell property will be ready for the September Real Estate Committee meeting.

E. ADJOURNMENT

1. Adjourn until 8:30 a.m., on September 20, 2018

A motion to Adjourn was made by Robin Carson, the motion result was Passed.
AYES: 3 NAYS: 0 ABSTAIN: 0 ABSENT: 0
Ayes: Carson, Bledsoe, Odle

At 9:54 a.m., Mr. Odle adjourned the Committee.

Amy Jordan, EDA Secretary

Christopher Odle, Committee Chair

ESTIMATE WORKSHEET ~ CAPITAL PROJECT

	PROJECT NAME	JCC Commerce Park			September 18, 2018
	DEPARTMENT	Economic Development			
ITEM	DESCRIPTION	UNIT	QUANTITY	UNIT PRICE	TOTAL
	MOBILIZATION	LS	1	$ 15,000.00	$ 15,000.00
	CLEARING AND GRUBBING	AC	0.50	$ 18,000.00	$ 9,000.00
	EROSION & SEDIMENT CONTROL MISC				
	Temporary Stone Construction Entrance	EA	1	$ 4,500.00	$ 4,500.00
	Silt Fence	LF	1000	$ 4.50	$ 4,500.00
	Storm Drain Inlet	EA	5	$ 25.00	$ 125.00
	Permanent Seeding (Includes TO, PS, MU& Amds.)	ACRE	1.00	$ 3,000.00	$ 3,000.00
	Soil Stabilization Blanketing and Matting	SY	1000	$ 5.00	$ 5,000.00
	Super Silt Fence	LF	100	$ 9.00	$ 900.00
	EARTHWORK:				
	CUT	CY	500	$ 25.00	$ 12,500.00
	FILL	CY	500	$ 25.00	$ 12,500.00
	GRADING	SY	2500	$ 5.00	$ 12,500.00
				SUBTOTAL	$ 79,525.00
	20% CONTINGENCY				$ 15,905.00
	CONTRACTOR OH&P (10%)	LS	1	$ 7,952.50	$ 7,952.50
	CONTRACTOR GENERAL CONDITIONS (10%)	LS	1	$ 7,952.50	$ 7,952.50
	TOTAL				$ 111,335.00

Crew Daily Costs	**Wage-hr**	**Equipment-hr**	Wage- 8hr day	Equipment - 8hr day
1 Truck	50	50	400	400
1 Excavator	60	60	480	480
1 Other Equipment	60	60	480	480
2 Laborors	40		320	
1 Super/PM	70		560	
Project duration (Days)			14	
2-week Project			**$35,840.00**	**$19,040.00**
Moblization Lump Sum				**$15,000.00**
Subtotal			**$35,840.00**	**$34,040.00**
Contingency (20%)			$7,168.00	$6,808.00
Total			**$43,008.00**	**$40,848.00**
Contractor OH&P (10%)			$4,300.80	$4,084.80
Contractor General Conditions (10%)			$430.08	$408.48
Total			$47,738.88	$45,341.28
Grand Total				**$93,080.16**

AGENDA ITEM NO. I.1.

ITEM SUMMARY

DATE: 10/11/2018

TO: The Economic Development Authority

FROM: Amy Jordan, EDA Secretary

SUBJECT: October 2018 Director's Report

RIFA information included for your reference.

ATTACHMENTS:

	Description	Type
	RIFA Power Point to BOS	Presentation
	RIFA Memo	Exhibit
	RIFA Resolution	Exhibit
	Agreement	Exhibit
	RIFA By-laws	Exhibit

REVIEWERS:

Department	Reviewer	Action	Date
Economic Development Authority	Sipes, Kate	Approved	10/8/2018 - 4:51 PM

Regional Industrial Facility Authority

September 25, 2018

Economic Development

Regional Industrial Facility Authority (RIFA)

Act – Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400. et seq., Code of Virginia authority mechanism for member localities to cooperate in developing, owning and operating one or more facilities that may overcome a lack of resources facing an individual locality through combined action.

RIFA Purpose

Respective individual Member Localities may lack the financial resources acting alone to assist in the development of economic development projects, and the creation of regional authority provides a mechanism for the Member Localities to cooperate in the development of facilities, which will assist the region in overcoming this barrier to economic growth.

RIFA Creation

Creation – Governing bodies of the localities create, by adoption of concurrent ordinances, the Eastern Virginia Regional Industrial Facility Authority (“EVRIFA”), which concurrent ordinances will be filed with the Secretary of the Commonwealth causing the creation of the Authority.

1. Creation of EVRIFA by concurrent ordinances and filing with the Commonwealth; and
2. Agreement on individual projects for participation - first project will be the Unmanned Systems Project using GoVirginia initial funding.

RIFA Members

The initial Member Localities of the Eastern Virginia Regional Industrial Facility Authority are:

- County of Gloucester
- City of Hampton
- County of James City
- City of Newport News
- City of Poquoson
- City of Williamsburg
- County of York

RIFA – Future Expansion

Later, the membership of the EVRIFA may be expanded to include any locality within the region that would have been eligible to be an initial member.

RIFA Governing Board

EVRIFA shall be governed by a Board of Directors. Each Member Locality appoints two board members:

(i) one an *elected member* of the locality's governing body, and

(ii) the other a *member of the locality's Economic Development Authority.*

Each locality may appoint up to two alternate Board members. One of the alternate Board members will be the *Economic Development Director* (or equivalent) for each Member Locality. An alternate shall have all the voting rights of the Board member not present.

The Board shall elect from its membership a chair, vice chair, treasurer and secretary for each calendar year.

RIFA Annual Report

The Board shall submit an annual report of the EVRIFA's activities of the preceding year to the governing bodies of the Member Localities promptly following the close of the fiscal year including a complete operating and financial statement covering the operation of the Authority during such reporting year.

RIFA Projects Participation

Each Member Locality may consider the participation in participation agreements for individual facilities or projects. The cost for such projects and any remuneration from a project shall only be shared by those that participate in the Participation Agreement for that project.

RIFA Revenue Sharing

The governing body of the Member Locality in which a facility owned by the Authority is located may direct, by resolution or ordinance that all tax revenues collected with respect to the facility shall be remitted to the Authority. The Member Localities may agree to a revenue and economic growth sharing arrangement with respect to tax revenues and other income and revenues generated by any facility owned by the Authority. Any such agreement shall be approved by a majority vote of the governing bodies of the Member Localities reaching such an agreement, but shall not require any other approval.

RIFA Termination

Any Member Locality may withdraw:

(i) upon dissolution of the Authority, or

(ii) with majority approval of all other Member Localities, after making contractual provisions for the repayment of its portion of any debt incurred and any general dues for operation of the Authority for the current and succeeding fiscal year.

Questions?

Economic Development

M E M O R A N D U M

DATE: October 9, 2018

TO: The Board of Supervisors

FROM: Amy B. Jordan, Director of Economic Development

SUBJECT: Creation of the Eastern Virginia Regional Industrial Facility Authority

---

Pursuant to the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400. et seq., *Code of Virginia*, the governing bodies of the County of Gloucester, the City of Hampton, the County of James City, the City of Newport News, the City of Poquoson, the City of Williamsburg and the County of York are seeking to create, by adoption of concurrent Ordinances, the Eastern Virginia Regional Industrial Facility Authority (EVRIFA) for the purpose of enhancing the economic base in the region by collectively developing, owning and operating one or more facilities on a cooperative basis.

Whereas individual localities may lack the financial resources to develop economic development projects, the creation of a regional authority provides a mechanism for the member localities to cooperate in the development of facilities which will assist the region in overcoming this barrier to economic growth. Initial membership will include the six jurisdictions of the Peninsula and Gloucester, but may be expanded to include any locality within the region that would have been eligible to be an initial member. Each member locality will appoint two members, one of which is to be an elected official. Each member locality may participate in individual facilities and projects through participation. The cost and remuneration of such projects will only be shared by those member localities that participate in the Participation Agreement for that project.

Staff recommends approval of the Ordinance and Agreement creating the EVRIFA so that James City County may participate in economic development opportunities with other jurisdictions in the region.

ABJ/md
EVRIFAcreat-mem

Attachments

ORDINANCE NO._____

AN ORDINANCE TO CREATE A REGIONAL INDUSTRIAL FACILITY AUTHORITY

PURSUANT TO SECTION 15.2-6400 ET SEQ. OF THE CODE OF VIRGINIA (the "Act")

WHEREAS, this Board of Supervisors recognizes that a mechanism for localities in the local region to cooperate in the development of economic development projects and facilities is needed and desired in the Region (as defined below); and

WHEREAS, this Board of Supervisors acknowledges that the purpose of a regional industrial facility authority is to enhance the economic base for its member localities by developing, owning and operating one or more facilities on a cooperative basis involving its member localities; and

WHEREAS, this Board of Supervisors finds that economic growth and development of the County of James City, Virginia (the "County"), and the comfort, convenience and welfare of the citizens of the County require the development of facilities, and that the collaborative and collective action through a regional industrial facility authority by the County of Gloucester, the City of Hampton, the County of James City, the City of Newport News, the City of Poquoson, the City of Williamsburg and the County of York will facilitate the development of the needed facilities within the region that comprises said geographic areas (the "Region").

BE IT ORDAINED, by the Board of Supervisors of the County of James City, Virginia (the "Board of Supervisors"), that

1. The name of the Regional Industrial Facility Authority shall be the "Eastern Virginia Regional Industrial Facility Authority" (the "Authority").

2. The initial member localities shall be the County of Gloucester, the City of Hampton, the County of James City, the City of Newport News, the City of Poquoson, the City of Williamsburg and the County of York (each, a "Member Locality" and collectively, the "Member Localities"). Each Member Locality's participation shall become effective on the date its respective governing body enacts an Ordinance substantially similar to this Ordinance authorizing the creation of the Authority. At any time subsequent to the creation of the Authority, the membership of the Authority may, with the approval of the Authority Board (as hereinafter defined and as more fully described in the Bylaws of the Authority), be expanded to include any locality within the region that would have been eligible to be an initial member. The governing body of a locality seeking to become a member shall evidence its intent to become a member by adopting an Ordinance substantially similar to this Ordinance (and otherwise in conformance with Section 15.2-6402 of the Act). The admission of such member shall be completed upon the Authority Board approving the admission, after being presented with the requisite Ordinance adopted by such locality.

3. The Authority shall be governed by an initial board (the "Authority Board") consisting of two board members from each Member Locality. Authority Board members shall be appointed by their respective Member Locality's governing body.

   Each governing body of each Member Locality may appoint up to two alternate Authority Board members. Alternates shall be appointed for terms that coincide with one or more of the Authority Board members from the Member Locality that appoints the alternate. If either Authority Board member for a Member Locality is not present at a meeting of the Authority, an alternate shall have all the voting and other rights of the Board member not present and shall be counted for purpose of determining a quorum and all other purposes of that meeting.

   In the event that additional Member Localities shall enact an Ordinance to join the Authority and are admitted upon the Authority Board approving the admission, the number of members of the Authority Board shall be increased by two members for each additional Member Locality, with Authority Board members to be appointed in accordance with the criteria set forth above for initial Authority Board Members and alternates.

   Each member of the Authority Board shall serve for a term of four years and may be reappointed for as many terms as the governing body from said Authority Board member's Member Locality desires.

4. The Authority Board shall have such authority and exercise such powers as are permitted by the Code of Virginia, the Agreement Creating Authority (as defined below), and in the Bylaws of the Authority Board (a draft copy of which is attached hereto and which shall be approved by the Authority in substantially the same form as said draft).

5. The Authority Board shall elect from its membership a Chair, Vice Chair, Treasurer and Secretary for each calendar year. The Authority Board may also appoint an Executive Director and staff who shall discharge such functions as may be directed by the Authority Board. The Executive Director and staff may be paid from funds received by the Authority.

6. This Board of Supervisors authorizes approval, by appropriate execution by the designated representative of the County and/or by the Chair of this Board of Supervisors, of an agreement (the "Agreement Creating Authority") among the Member Localities whereby the Authority shall be established and further whereby the respective rights and obligations of the Member Localities with respect to the Authority, in accordance with the provisions of the Act, shall be set forth (a draft copy of which is attached hereto and which shall be approved by the Authority in substantially the same form as said draft). The Agreement Creating Authority shall (i) establish the terms for participation in the Authority by Member Localities and (ii) further describe the participation agreements (the "Participation Agreements") that the Authority may enter into with one or more Member Localities by which any facilities allowed by the Act may be constructed and developed. This authorization includes, but is not limited to, authority for this Board of Supervisors to approve, by Ordinance, Participation Agreements by which Authority projects shall be constructed and developed and which may be funded from this Board of Supervisors' commitment of loans or grants and in the event that a facility will be

located within the County, future tax revenue derived from the Authority's project facilities located within the County, pursuant to Section 15.2-6406 of the Act.

7. If and to the extent one or more of the Member Localities named herein does not pass an Ordinance substantially similar to this Ordinance, this Ordinance shall be deemed to automatically remove said Member Locality without further action or vote of this Board of Supervisors; it being the intent of this Ordinance that it shall be adopted with any number and composition of the Member Localities named herein so long as said Ordinance, and the Authority created herein, shall be in compliance with all applicable statutes.

_____
Ruth M. Larson
Chairman, Board of Supervisors

VOTES	AYE	NAY	ABSTAIN
MCGLENNON	____	____	____
ICENHOUR	____	____	____
SADLER	____	____	____
HIPPLE	____	____	____
LARSON	____	____	____

ATTEST:

_____
Teresa J. Fellows
Deputy Clerk to the Board

Adopted by the Board of Supervisors of James City County, Virginia, this 9th day of October, 2018.

EVRIFA-res

AGREEMENT CREATING THE EASTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY

WHEREAS, the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400. et seq., Code of Virginia, 1950, as amended (the "**Act**") was enacted by the General Assembly of the Commonwealth of Virginia to provide a regional authority mechanism for member localities of such an authority to cooperate in developing, owning, and operating one or more facilities through combined action; and

WHEREAS, the exercise of the power granted by the Act is to be in all aspects for the benefit of the inhabitants of the geographic region included within the Member Localities, as defined below (the "**Region**") for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity; and

WHEREAS, the governing bodies of the Member Localities (as defined below) have determined that joint action through a regional industrial facility authority will facilitate the development of needed and desired facilities in the Region; and

WHEREAS, pursuant to the Act, the governing bodies of the County of Gloucester, the City of Hampton, the County of James City, the City of Newport News, the City of Poquoson, the City of Williamsburg and the County of York (each, a "**Member Locality**" and collectively, the "**Member Localities**") by adoption of concurrent ordinances, have proposed to create the Eastern Virginia Regional Industrial Facility Authority (the "**Authority**") for the purpose of enhancing the economic base for the Member Localities by developing, owning, and operating one or more facilities on a cooperative basis involving its Member Localities, which concurrent ordinances will be filed with the Secretary of the Commonwealth causing the creation of the Authority; and

WHEREAS, the Member Localities have agreed to enter into this Agreement Creating the Eastern Virginia Regional Industrial Facility Authority (this "**Agreement**") establishing and describing the respective rights and obligations of the Member Localities with respect to the Authority.

NOW, THEREFORE, in consideration of the mutual promises of the parties and other good and valuable consideration herein stated, the Member Localities hereto agree as follows.

ARTICLE 1
NAME AND OFFICE

The name of the authority shall be the "**Eastern Virginia Regional Industrial Facility Authority**" (the "Authority"), and the address of its initial office is c/o York County Economic Development Authority, P.O. Box 532, Yorktown, Virginia 23690.

ARTICLE 2
PARTIES TO THE EASTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY AGREEMENT

1. The initial Member Localities of the Authority are:

County of Gloucester
City of Hampton
County of James City
City of Newport News
City of Poquoson
City of Williamsburg
County of York

2. At any time subsequent to the creation of this Authority, the membership of the Authority may, with the approval of the Authority Board, be expanded to include any locality within the region that would have been eligible to be an initial member. The governing body of a locality seeking to become a member shall evidence its intent to become a member by adopting an ordinance proposing to join the Authority that conforms to the requirements established by Section 15.2-6402 of the Code of Virginia. The admission of such additional member shall be completed upon the Authority Board approving the admission, after presented with the requisite ordinance adopted by such locality, which then shall be a Member Locality for all purposes, and with all rights, under this Agreement and the Bylaws (as defined below).

ARTICLE 3
FINDINGS AND PURPOSE OF THE AUTHORITY

The Member Localities agree that this Authority has been established for the following purpose and function.

1. The Member Localities agree that the creation of the Authority provides a mechanism for the Member Localities to cooperate in the development of facilities needed and desired in the Region.

2. The exercise of the powers granted by the Act shall be in all aspects for the benefit of the inhabitants of the Region for the increase of their commerce, and for the promotion of their safety, health, welfare, convenience and prosperity. Special emphasis shall be placed on directing these benefits to the inhabitants of the Member Localities, while recognizing the regional benefit of the Member Localities' economic development projects.

3. The Authority shall be nonprofit and no part of its earnings remaining after payment of its expenses and fulfillment of commitments in furtherance of the Authority's purposes shall inure to the benefit of any individual, firm or corporation, and if the Authority is dissolved in accordance with the provisions of the Act, the title to all funds and other property

owned by the Authority shall vest in the Member Localities which have contributed to the Authority in proportion to their respective contributions as provided by the Act. In order to benefit from the dissolution, the Member Locality must be in good standing with this Agreement, the Authority's Bylaws and other documents describing the Member Localities' obligations to the Authority.

4. The Act provides the Member Localities with powers by which the Member Localities may interact as one body or as individual participating groups consisting of more than one Member Locality of the Authority which the members believe will give each local government an opportunity to establish successful partnerships for the development of economic projects which will serve the region.

5. The governing body of each Member Locality has found that the economic growth and development of the localities, and the comfort, convenience and welfare of the citizens of the Member Localities require the development of facilities and that joint action through the Authority will facilitate the development of such facilities.

ARTICLE 4
BOARD OF THE AUTHORITY

1. All powers, rights and duties conferred by the Act, or other provisions of law, upon the Authority shall be exercised by a Board of Directors, each of whom shall be a resident of the Commonwealth of Virginia (the "**Board**"). The Board shall consist of two board members from each Member Locality pursuant to Section 15.2-6403 (A) of the Act appointed by the governing body of each Member Locality. One Board member shall be an elected member of the locality's governing body. Each Board member shall serve for a term of four years and may be reappointed for as many terms as the Member Locality's governing body desires. If a vacancy occurs by reason of death, disqualification or resignation, the governing body of the Member Locality that appointed the Authority Board member shall appoint a successor to fill the unexpired term.

2. The governing body of each Member Locality may appoint up to two alternate Board members. An alternate may serve as an alternate for either Board member from the Member Locality that appoints the alternate. Alternates shall be appointed for terms that coincide with one or more of the Board members from the Member Locality that appoints the alternate. If either Board member for a Member Locality is not present at a meeting of the Authority, an alternate shall have all the voting and other rights of the Board member not present and shall be counted for purpose of determining a quorum and all other purposes at that meeting.

3. The Board shall elect from its membership, for each calendar year, a chair, vice chair, treasurer, and secretary.

4. Appointments, officers, Board meetings and procedures shall be held and conducted in accordance with the Act, this Agreement, and with the Bylaws of this Authority, attached hereto as Exhibit A and fully incorporated into this Agreement (the "**Bylaws**").

5. The Board shall submit an annual report of the Authority's activities of the preceding year to the governing bodies of the Member Localities, including a complete operating and financial statement.

6. The Board may establish dues or other annual financial fees for the operation of the Authority and its approved purposes ("**Operational Dues**") to be paid by the Member Localities. Such Operational Dues shall be approved by all Member Localities, including (without limitation) by or through a Member Locality's Economic Development Authority, by appropriate resolutions or ordinances. Such Operational Dues shall be separate from amounts due in accordance with Participation Agreements (as defined in Article 5 below). No Board member shall receive compensation, but shall be reimbursed for actual expenses incurred in the performance of his or her duties from funds available to the Authority.

7. The Authority is vested with the powers of a body corporate, including the powers to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient.

ARTICLE 5
PARTICIPATION AGREEMENTS FOR FACILITIES

1. The Authority may enter into participation agreements with more than one or more Member Localities by which any facilities allowed by the Act may be constructed, developed and operated in the Region ("**Participation Agreement(s)**"). Such Participation Agreements may include participation by public and private entities who are not Member Localities of the Authority ("**Other Participants**").

2. Each Member Locality may consider its terms in the participation in each proposed project. The cost for such Participation Agreements and any remuneration from the creation of a Participation Agreement shall only be shared by the Member Localities and Other Participants in accordance with the Participation Agreement for that project. The Authority may from time to time finance an economic development project (a "**Project**") pursuant to a Participation Agreement through the issuance of notes and bonds by the Authority ("**Bonds**"). Such Bonds shall be limited obligations of the Authority to be paid solely from revenues and receipts of that particular Project and from revenues that may be received pursuant to any Participation Agreement or other agreement related to the Project being financed, and may be secured by collateral encumbered or pledged in support of the financing ("**Project-Based Financing**"). Project-Based Financing is approved and consented to by the Member Localities. Any individual Member Locality may, at its discretion and as allowed by law, choose to enter into, or not enter into, a specific Project-Based Financing arrangement in support of any particular Project. Any Member Locality not entering into an agreement in support of a Project (i) shall have no monetary obligation or other duty or responsibility in relation to that Project, and (ii) its Member Locality status and participation in other Projects shall not be modified by any decision not to participate in any particular Project.

ARTICLE 6
DONATIONS; REMITTANCE OF TAX REVENUE; REVENUE SHARING AGREEMENTS

1. Member Localities, including (without limitation) by or through a Member Locality's Economic Development Authority, are hereby authorized to lend, or donate money or other property to the Authority for any of its purposes. The Member Locality, including (without limitation) by or through a Member Locality's Economic Development Authority, making the grant or loan may restrict the use of such grants or loans to a specific facility owned by the Authority within or outside of that Member Locality.

2. The governing body of the Member Locality in which a facility owned by the Authority is located may direct, by resolution or ordinance, that all tax revenues collected with respect to the facility shall be remitted to the Authority. Such revenues may be used for the payment of debt service on bonds of the Authority and other obligations of the Authority incurred with respect to such facility. The action of such governing body shall not constitute a pledge of the credit or taxing power of such Member Locality.

3. Notwithstanding the requirements of Chapter 34 of Title 15.2 of the Code of Virginia (Section 15.2-3400 et seq.), the Member Localities may agree to a revenue and economic growth sharing arrangement with respect to tax revenues and other income and revenues generated by any facility owned by the Authority. The obligations of the parties to any such agreement shall not be construed to be debt within the meaning of Article VII, Section 10, of the Constitution of Virginia. Any such agreement shall be approved by a majority vote of the governing bodies of the Member Localities reaching such an agreement, but shall not require any other approval.

ARTICLE 7
BOND ISSUES

The Authority may at any time issue bonds for any valid purpose, including the establishment of reserves and the payment of interest. Any such bonds issued pursuant to the Act shall comply with all terms and conditions identified in Sections 15.2-6409, 15.2-6410, 15.2-6411 and 15.2-6412 of the Code of Virginia, as amended.

ARTICLE 8
ACCOUNTS AND RECORDS

The accounts and records of the Authority showing the receipt and disbursement of funds from whatever source derived shall be in such form as the Auditor of Public Accounts prescribes, provided that such accounts correspond as nearly as possible to the accounts and records for such matters maintained by corporate enterprises. The accounts and records of the Authority shall be subject to audit pursuant to Section 30-140 of the Code of Virginia and the costs of such audit services shall be borne by the Authority. The Authority's fiscal year shall be the same as the Commonwealth's.

ARTICLE 9
MEMBER LOCALITIES APPROVALS

The Authority may request action or approvals by the governing bodies of the Member Localities for any appropriate matters or actions in accordance with the Act. The Authority shall not act without approvals of the governing bodies of the Member Localities for any of the following:

(i) Participation Agreements for individual Projects in accordance with Article 5 of this Agreement;

(ii) tax revenue remittances in accordance with Section 15.2-6406.B of the Act;

(iii) revenue sharing agreements in accordance with Section 15.2-6407 of the Act and Article 6 of this Agreement;

(iv) Operational Dues in accordance with Article 4, Section 6 of this Agreement;

(v) Any modification of the Board provisions in Article 4 Sections 1 and 2 of this Agreement; and

(vi) Any other requirement or limitation as may be imposed by the Act, as may be amended.

ARTICLE 10
DISSOLUTION OF AUTHORITY

1. Any Member Locality of the Authority may withdraw from the Authority (i) upon dissolution of the Authority as set forth herein, or (ii) with majority approval of all other Member Localities of the Authority, upon a resolution adopted by the governing body of such Member Locality and after satisfaction of such Member Locality's legal obligations, including repayment of its portion of any debt incurred with regard to the Authority, or after making contractual provisions for the repayment of its portion of any debt incurred with regard to the Authority, as well as pledging to pay any general dues for operation of the Authority for the current and succeeding fiscal year following the effective date of withdrawal.

No Member Locality seeking withdrawal shall retain, without the consent of a majority of the remaining Member Localities, any rights to contributions made by such Member Locality, to any property held by the Authority or to any revenue sharing as allowed by the Act.

Upon withdrawal, the withdrawing Member Locality also shall return to the Authority any dues or other contributions refunded to such Member Locality during its membership in the Authority.

2. Whenever the Board determines that the purpose for which the Authority was created has been substantially fulfilled or is impractical or impossible to accomplish and that all obligations incurred by the Authority have been paid or that cash or sufficient amount of approved securities has been deposited for their repayment, or provisions satisfactory for the timely payment of all its outstanding obligations have been arranged, the Board may adopt resolutions declaring and finding that the Authority shall be dissolved.

Appropriate attested copies of such resolutions shall be delivered to the Governor so that legislation dissolving the Authority may be introduced in the General Assembly. The dissolution of the Authority shall become effective according to the terms of such legislation. The title to all funds and other property owned by the Authority at the time of such dissolution shall vest (i) in the Member Localities which have contributed to the Authority in proportion to their respective contributions, (ii) as stated in the Authority's dissolution resolution(s), or (iii) as otherwise mutually agreed upon by the Member Localities.

ARTICLE 11
MISCELLANEOUS

This Agreement may be amended or altered, from time to time, in any manner not inconsistent with the provisions of the Act and other applicable law. This Agreement shall be amended or altered only by an amendment, resolution or other approval of all of the governing bodies of the Member Localities. No such amendment shall reduce the rights, or modify the obligations of a Member Locality, for any previously approved Participation Agreement. All amendments shall be in writing and shall be signed by the Authority Chairman and Secretary after approval in accordance with this Agreement and the Bylaws. The Authority shall provide a copy of any amendment to each Member Locality not later than ten (10) days after final approval of all Member Localities.

The title of and article headings in this Agreement are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

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

If any clause, provision or section of this Agreement shall be held illegal or invalid by any court, the illegality or invalidity of such clause, provision or section shall not affect the remainder of this Agreement which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Agreement. If any agreement or obligation contained in this Agreement is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the parties hereto only to the extent permitted by law. In the event that the General Assembly amends the Act in a manner that conflicts herewith, the provisions of this Agreement are hereby amended in conformity with such amendment of the Act.

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

COUNTY OF GLOUCESTER

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Edwin N. Wilmot, County Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

CITY OF HAMPTON

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Cheran Cordell Ivery, City Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

COUNTY OF JAMES CITY

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Adam Kinsman, County Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

CITY OF NEWPORT NEWS

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Collins L. Owens, Jr., City Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

CITY OF POQUOSON

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Wayne Moore, City Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

CITY OF WILLIAMSBURG

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
Christina Shelton, City Attorney

[Signatures continue on next page]

IN WITNESS WHEREOF, the governing bodies identified, by authorized action, have caused this Agreement to be executed and their respective seals to be affixed hereto and attested by their respective clerks or secretaries commencing effective on the date when fully executed.

COUNTY OF YORK

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

Approved as to form:

By: _____
James Barnett, County Attorney

EXHIBIT A

BYLAWS

EASTERN VIRGINIA REGIONAL INDUSTRIAL FACILITY AUTHORITY
BYLAWS

ARTICLE I

NAME; FORMATION; POWERS OF AUTHORITY; CERTAIN DEFINITIONS

Section 1

The name of the authority (the "**Authority**") shall be "Eastern Virginia Regional Industrial Facility Authority."

Section 2

The Authority was formed in accordance with the Virginia Regional Industrial Facilities Act, Chapter 64, Title 15.2, Section 15.2-6400 et seq., Code of Virginia, 1950, as amended (the "**Act**"). The initial Member Localities have entered into that certain Agreement Creating the Eastern Virginia Industrial Facility Authority as the same may be amended from time to time (the "**RIFA Agreement")**.

Section 3

The Authority is vested with the powers of a body corporate, including the power to sue and be sued in its own name, plead and be impleaded, and adopt and use a common seal and alter the same as may be deemed expedient. In addition to additional powers set forth in the Act, the Authority may:

1. adopt bylaws, rules and regulations to carry out the provisions of the Act;

2. employ, either as regular employees or as independent contractors, consultants, engineers, architects, accountants, attorneys, financial experts, construction experts and personnel, superintendents, managers and other professional personnel, personnel, and agents as may be necessary in the judgment of the Authority, and fix their compensation;

3. determine the locations of, develop, establish, construct, erect, repair, remodel, add to, extend, improve, equip, operate, regulate, and maintain facilities to the extent necessary or convenient to accomplish the purposes of the Authority;

4. acquire, own, hold, lease, use, sell, encumber, transfer, or dispose of, in its own name, any real or personal property or interests therein;

5. invest and reinvest funds of the Authority;

6. enter into contracts of any kind, and execute all instruments necessary or convenient with respect to its carrying out the powers in the Act to accomplish the purposes of the Authority;

7. expend such funds as may be available to it for the purpose of developing facilities, including but not limited to (i) purchasing real estate; (ii) grading sites; (iii) improving, replacing, and extending water, sewer, natural gas, electrical, and other utility lines; (iv) constructing, rehabilitating, and expanding buildings; (v) constructing parking facilities; (vi) constructing access roads, streets, and rail lines; (vii) purchasing or leasing machinery and tools; and (viii) making any other improvements deemed necessary by the Authority to meet its objectives;

8. fix and revise from time to time and charge and collect rates, rents, fees, or other charges for the use of facilities or for services rendered in connection with the facilities;

9. borrow money from any source for any valid purpose, including working capital for its operations, reserve funds, or interest; mortgage, pledge, or otherwise encumber the property or funds of the Authority; and contract with or engage the services of any person in connection with any financing, including financial institutions, issuers of letters of credit, or insurers;

10. issue bonds under the Act;

11. accept funds and property from the Commonwealth of Virginia (the "**Commonwealth**"), persons, counties, cities, and towns and use the same for any of the purposes for which the Authority is created;

12. apply for and accept grants or loans of money or other property from any federal agency for any of the purposes authorized in the Act and expend or use the same in accordance with the directions and requirements attached thereto or imposed thereon by any such federal agency;

13. make loans or grants to, and enter into cooperative arrangements with, any person, partnership, association, corporation, business or governmental entity in furtherance of the purposes of the Act, for the purposes of promoting economic and workforce development, provided that such loans or grants shall be made only from revenues of the Authority that have not been pledged or assigned for the payment of any of the Authority's bonds, and to enter into such contracts, instruments, and agreements as may be expedient to provide for such loans, and any security therefor. The word "revenues" as used in this subsection includes grants, loans, funds and property, as set out in subsections 11 and 12;

14. enter into agreements with any other political subdivision of the Commonwealth for joint or cooperative action in accordance with Section 15.2-1300 of the Code of Virginia, 1950, as amended; and

15. do all things necessary or convenient to carry out the purposes of the Act.

Section 4

Capitalized terms used in these Bylaws and not otherwise defined shall have the meanings prescribed in the Act.

ARTICLE II
BOARD

Section 1

The Authority shall be governed by a board as prescribed in Section 15.2-6403 of the Act and provided in the RIFA Agreement (the "**Board**"). The Board shall consist of such number of Board members as provided in the RIFA Agreement. Board members and alternate Board members shall be appointed and shall serve for such terms as provided in the RIFA Agreement. The chair (the "**Chair**"), vice chair ("**Vice Chair**"), treasurer ("**Treasurer**") and secretary ("**Secretary**") of the Board shall be appointed as provided in the RIFA Agreement.

Section 2

A. The Chair of the Board shall conduct the meetings of the Board, execute documents on behalf of the Board, function as the chief executive officer of the Authority, and execute such duties as the Board may delegate to the Chair by resolution.

B. The Vice Chair of the Board shall serve in the place and stead of the Chair when he or she is unable or unwilling to serve in such capacity.

C. The Secretary shall have the responsibility for preparing and maintaining custody of minutes of the Board's meetings, for maintaining the records, and for authenticating records of the Authority. The Secretary shall also perform such other duties as may be assigned from time to time by the Board.

D. The Treasurer shall keep or cause to be kept complete and accurate books of account. Whenever required by the Board, the Treasurer shall render a financial statement showing all transactions of the Authority and the financial condition of the Authority. The Treasurer shall also perform such other duties as may be assigned from time to time by the Board.

Section 3

The Board may appoint an executive director ("**Executive Director**") and such other staff who shall discharge such functions as may be directed by the Board. The Executive Director and any staff members shall be paid from funds received by the Authority.

Section 4

Each member of the Board shall, before entering upon the discharge of the duties of his or her office, take and subscribe to the oath prescribed in Section 49-1 of the Code of Virginia, 1950, as amended. Each member of the Board is an "officer" under the State and Local Government Conflict of Interests Act (Va. Code § 2.2-3100 et seq.) ("COIA").

Section 5

Members of the Board shall be reimbursed for actual expenses incurred in the performance of their duties from funds available to the Authority. No Board member shall receive compensation.

Section 6

6.1 The regular meetings of the Board shall occur once every six months on such dates and at such places and hours as may be agreed upon by the members of the Board. Regular meetings of the Board may be adjourned or continued, without further public notice, from day to day or from time to time or from place to place, but not beyond the time fixed for the next regular meeting, until the business before the Board is completed. The Board may agree to modify the frequency, dates, schedule or other details for regular meetings by a regular vote of the Board in accordance with these Bylaws. All meetings of the Authority and its committees shall comply with the Virginia Freedom of Information Act (Title 2.2, Chapter 37 of the Code of Virginia, 1950, as amended); and the Board and its committees may hold closed sessions as permitted therein.

6.2 A quorum for the transaction of business at any meeting of the Board shall exist when a majority of the Member Localities are represented by at least one member of the Board. Except as otherwise provided in these Bylaws, the affirmative vote of a quorum of the Board shall be necessary for any action taken by the Board. No vacancy in the membership of the Board shall impair the right of a quorum to exercise all the rights and perform all of the duties of the Board.

6.3 The affirmative vote of members of the Board representing two-thirds of the total number of members of the Board (a "**Supermajority**") shall be required for the following actions of the Board:

(i) sale or transfer of all or substantially all of the Authority assets;

(ii) causing or permitting the Authority to incur any indebtedness for borrowed money in excess of $50,000 over the term of such borrowing (taking in to account any permitted renewals or extensions thereof), except pursuant to a budget that has been approved by a Supermajority;

(iii) causing or permitting the Authority to make any loan, capital expenditure, call or other contribution with respect to any security, asset, venture or investment project or item held or engaged in by the Authority, or any series of related loans, expenditures, calls or other contributions, except pursuant to a budget that has been approved by a Supermajority;

(iv) causing or permitting the Authority to enter into any contract or agreement with a term in excess of one year, other than in the ordinary course of business, or involving payments by or to the Authority in excess of $50,000 over the term of such contract or agreement (taking in to account any permitted renewals or extensions thereof), except pursuant to a budget that has been approved by a Supermajority;

(v) making any distributions of Authority cash or other property, except as specifically provided in the RIFA Agreement, these Bylaws or any Participation Agreement; and

(vi) issuance of any Bonds by the Authority.

6.4 No member of the Board present shall abstain from voting unless the member has a conflict of interest in the matter being voted upon. For the purposes of this paragraph, a "conflict of interest" shall exist when there is an actual conflict: (1) pursuant to COIA; or (2) pursuant to any applicable policy adopted by the Authority; or (3) as stated by the member unless objected to by a vote of a quorum of the Board.

6.5 Any two or more Board members representing two or more Member Localities may call a special meeting of the Board. Any such request for a special meeting shall be in writing, and the request shall specify the time and place of the meeting and the matters to be considered at the meeting. A reasonable effort shall be made to provide each member of the Board with notice of any special meeting. No matter not specified in the notice shall be considered at such special meeting unless all the members of the Board are present. Special meetings may be adjourned or continued, without further public notice, from day to day or from time to time or from place to place, not beyond the time fixed for the next regular meeting, until the business before the Board is completed.

Section 7

The Authority's fiscal year shall be the same as the fiscal year of the Commonwealth of Virginia. The Board, within one hundred twenty (120) days following the close of the fiscal year, shall submit an annual report of the Authority's activities of the preceding year to the governing body of each Member Locality. Each such report shall set forth a complete operating and financial statement covering the operation of the Authority during such year. The Authority's books and records shall be kept in such form as the Auditor of Public Accounts prescribes, but otherwise shall correspond as nearly as possible to accounts and records maintained by corporate enterprises, all subject to and in accordance with Section 15.2-6413 of the Act.

ARTICLE III
OFFICE OF AUTHORITY; TITLE TO PROPERTY

The Board shall maintain the principal office of the Authority within a Member Locality. All records shall be kept at such office. The title to all property of every kind belonging to the Authority shall be titled to the Authority, which shall hold it for the benefit of the Member Localities.

ARTICLE IV
AMENDMENT OF BYLAWS

These Bylaws may be altered, amended or repealed only by an amendment, resolutions, or ordinance approved by the governing bodies of all Member Localities. No such amendment shall be inconsistent with the Act, the RIFA Agreement, or other applicable law, nor shall any such amendment reduce the rights, or modify the obligations of a Member Locality, for any previously approved Participation Agreement (as defined in the RIFA Agreement).

Adopted as of
_____, 2018
for the Authority

By: _____
Name: _____
Title: Chair

Attest:

_____
, Secretary