

AT A WORK SESSION AND REGULAR MEETING OF THE BOARD OF SUPERVISORS OF
THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON THE 1ST DAY OF MARCH,
NINETEEN HUNDRED NINETY-THREE, AT 5:04 P.M. IN THE COUNTY GOVERNMENT
CENTER BOARD ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

A. ROLL CALL

Judith N. Knudson, Chairman, Jamestown District
Stewart U. Taylor, Vice Chairman, Stonehouse District

Perry M. DePue, Powhatan District
Jack D. Edwards, Berkeley District
David L. Sisk, Roberts District
David B. Norman, County Administrator
Frank M. Morton, III, County Attorney

B. WORK SESSION - Citizens Task Force on Solid Waste

Mr. Larry M. Foster, General Manager, James City Service Authority, introduced Mr. Bill Voliva, Chairman of the Citizens Task Force on Solid Waste. Mr. Voliva presented the Task Force recommendations: 1) close landfill, build, and operate a transfer station; and, 2) create County zones for curbside collection and close convenience centers.

The Board discussed reasons for closing centers; need for user fees; economics of using transfer station; and, transfer station cost differences between privately operated and operation by Virginia Peninsulas Public Service Authority or the County.

Ms. Knudson declared recess for dinner at 6:15 p.m.

Ms. Knudson reconvened the Board at 7:05 p.m. and recessed for a James City County Transit Company meeting.

Ms. Knudson reconvened the Board at 7:08 p.m.

C. MINUTES - February 16, 1993

Ms. Knudson asked if there were corrections or additions to the minutes.

Mr. Sisk made a motion to approve the minutes as presented.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

D. CONSENT CALENDAR

Ms. Knudson asked if any Board member wished to remove an item from the Consent Calendar.

Ms. Knudson made a motion to approve the Consent Calendar.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

1. Transit, FY 94 Section 18 Grant Application

R E S O L U T I O N

FTA SECTION 18 RESOLUTION

REQUEST FOR FEDERAL AND STATE MATCHING FUNDS - FY 94

WHEREAS, the Federal Government and Commonwealth of Virginia have made funds available for public transportation; and

WHEREAS, the Board of Supervisors is desirous of securing said funds in support of the James City County Transit System's operations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia, that the County Administrator is authorized by the Board to execute and file application to the Virginia Department of Rail and Public Transportation, Commonwealth of Virginia, for a grant of Federal public transportation assistance under Section 18 of the Intermodal Surface Transportation Efficiency Act of 1991 and for a grant of State public transportation assistance under Budget Item 644 of the 1982 Acts of the General Assembly, Chapter 648, Financial Assistance for Mass Transit. Amounts requested for Federal assistance include \$225,919 to assist in administrative, operating, and capital costs and for State assistance of \$56,437 to defray up to fifty percent (50%) of the local match for administrative expenses, \$7,600 to defray up to ninety-five percent (95%) of the local match for capital expenses, and \$72,941 to defray up to ninety-five percent (95%) of the costs by James City County for the purchase of fuels, lubricants, tires, and maintenance parts of an approved grant. The County Administrator shall be authorized to accept grant funds awarded and to furnish the Virginia Department of Rail and Public Transportation documents and other information as may be required for processing this grant request.

BE IT FURTHER RESOLVED that the Board of Supervisors of James City County, Virginia, certifies that the funds shall be used in accordance with the requirements of FTA Section 18 Program and the State Appropriations Act of 1982, and that James City County may be subject to audit by the Virginia Department of Rail and Public Transportation and by the State Auditor of Public Accounts.

2. Toano Trace Subdivision Lot Sales Plan

R E S O L U T I O N

AUTHORIZATION OF ACTIONS TO ENABLE

SALE OF LOTS IN THE TOANO TRACE SUBDIVISION

WHEREAS, the Board of Supervisors on August 17, 1992, by Resolution authorized the development of the Toano Trace Cluster Subdivision on property owned by the County.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, adopts the Toano Trace Subdivision Lot Sales Plan dated March 1, 1993, and authorizes lots to be sold to builders or individuals who will construct homes on the property in conformance with said plan.

BE IT FURTHER RESOLVED that the County Administrator is authorized to sign on behalf of the County, any sales contract, development agreement, deed, and any other document necessary to enable the County to convey to develop or ownership of property in the Toano Trace Subdivision.

3. Community Development Block Grant Program Income Plan

R E S O L U T I O N

ADOPTION OF COMMUNITY DEVELOPMENT BLOCK GRANT

PLAN FOR THE USE OF PROGRAM INCOME

WHEREAS, On November 9, 1990, as authorized by the James City County Board of Supervisors, the County entered into an Agreement with the Virginia Department of Housing and Community Development (DHCD) to carry out with Community Development Block Grant (CDBG) funds provided under the Agreement the Chickahominy Residential Improvement Program; and

WHEREAS, DHCD requires that if program income is anticipated to be received by a grantee after the grant is closed out that the County submit to DHCD a Plan for the Use of Program income; and

WHEREAS, the County anticipates receipt of an estimated \$105,000 from lot sales, \$132,247 from repayments of housing rehabilitation installment loans, and up to \$70,090 of program income from possible repayments of deferred payment loans.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, adopts the attached Community Improvement Grant Plan For Use of Program Income and authorizes the County Administrator to sign and submit this Plan to DHCD.

E. PUBLIC HEARINGS

1. Case No. Z-5-92. Donald E. Newsom (continued from 2/16/93)

Mr. R. Patrick Friel, Senior Planner, stated that Mr. Donald E. Newsom had applied to rezone approximately 2.0 acres from R-2, General Residential, to L-B, Limited Business, located at 7242 Merrimac Trail, further identified as Parcel (1-3) on James City County Real Estate Tax Map No. (50-2) and part of Parcel (1-19) on James City County Real Estate Tax Map No. (41-4).

Mr. Friel further stated that the application was generally consistent with the Comprehensive Plan designation and surrounding development and zoning. The Planning Commission, by a 9-0 vote recommended denial for the reason piecemeal commercial development of this area was not desirable.

Staff recommended approval of the rezoning.

The Board questioned staff regarding review of Planning Commission, Board of Zoning Appeals, and Board of Supervisors' minutes of past meetings, and asked whether residents had communicated with the applicant.

Mr. Friel responded in the affirmative to both concerns.

Ms. Knudson reopened the public hearing.

1. Mr. Donald Newsom, owner and applicant, gave a background of the property including a slide presentation and description of his plans for a plant nursery and privacy fence. He further stated the residents' concerns were unfounded and that a nursery would enhance the area.

2. Vernon Geddy, Esq., spoke to Board concerns that if the landscaping business did not succeed, that other business uses for the property might be undesirable, but a special use permit would be required for any commercial use of 10,000 square feet.

3. Ms. Nancy James, 7254 Merrimac Trail, spoke in opposition to approval of a business location in a residential neighborhood. She spoke at length regarding the area and the nearby residents' opposition to the privacy fence, lower property values, and traffic, noise, and litter from businesses. Ms. James asserted that records, which were not able to be located, stated from previous Boards' that the area would remain residential.

4. Mr. James Hudson, on behalf of his aunt, Susie Spraggins, spoke of objections to sharing a driveway, having a privacy fence, and increased noise level.

Ms. Knudson closed the public hearing.

In response to Board inquiries about the zoning, Mr. O. Marvin Sowers, Director of Planning, stated that the area was zoned B-1 in early 1970's; downzoning occurred in early 1980's; rezoning case filed early 1981, denied 2-3; downzoning in 1982 to commercial on Comprehensive

Plan; reaffirmed commercial on 1987 Comprehensive Plan; and, redesignated for commercial on 1991 Comprehensive Plan.

Staff responded to Board questions that the driveway could be placed on any part of the road frontage and the owner could choose to delete the fence from proffers.

Mr. Sisk made a motion to approve the rezoning.

Mr. Edwards indicated his concern that the owner and residents need to reach a better understanding of the matter.

Mr. Sisk withdrew his motion.

Without objection, Ms. Knudson declared deferral of the case, to allow further discussion between the owner and area residents, until the March 15, 1993, Board of Supervisors' meeting.

2. Case No. SUP-31-92. Williamsburg Pottery Factory Miniature Golf Course

Mr. Friel stated that Mr. Earl F. Smith had applied on behalf of the Williamsburg Pottery Factory for a special use permit to allow a miniature golf course in the northern corner of Pottery property located at 6092 Richmond Road, zoned M-1, Limited Industrial, further identified as part of Parcel (1-31) on James City County Real Estate Tax Map No. (24-3).

In accordance with staff, the Planning Commission unanimously recommended approval of the special use permit with conditions listed in the resolution.

Ms. Knudson opened the public hearing, and as no one wished to speak, she closed the public hearing.

Mr. Taylor made a motion to approve the special use permit.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

R E S O L U T I O N

CASE NO. SUP-31-92. WILLIAMSBURG POTTERY FACTORY

MINIATURE GOLF COURSE

WHEREAS, the Board of Supervisors of James City County has adopted by Ordinance specific land uses that shall be subjected to a special use permit process; and

WHEREAS, the Planning Commission of James City County, unanimously recommended approval of Case No. SUP-31-92 to permit a miniature golf course in the M-1, Limited Industrial District, on property identified as Parcel (1-31) on James City County Real Estate Tax Map No. (24-3).

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, does hereby approve the issuance of Special Use Permit No. SUP-31-92 as described herein with the following conditions.

1. If construction has not commenced on this project within a period of 12 months from the date of issuance of this special use permit, it shall become void.
2. Any irrigation system for the miniature golf course shall utilize the existing Williamsburg Pottery Factory non-potable water system.

3. 1993 Secondary Roads Six-Year Plan

Mr. John T. P. Horne, Manager, Development Management, stated that the Virginia Department of Transportation had provided the 1993 Secondary Roads Six-Year Plan and the Secondary System Construction Program for consideration. He noted that Mr. Quintin Elliott was available for questions.

Staff recommended approval of the resolution.

Ms. Knudson opened the public hearing, and as no one wished to speak, she closed the public hearing.

Ms. Knudson made a motion to approve the resolution.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

R E S O L U T I O N

SECONDARY ROADS SIX-YEAR PLAN

WHEREAS, the Board of Supervisors of James City County, Virginia, has reviewed the 1993 Six-Year Secondary Roads Construction Plan proposed by the Virginia Department of Transportation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby approves the 1993 Six-Year Secondary Roads Plan.

4. Ordinance Amendment, Chapter 18, Taxation, Article I, Section 18-6, Collection Fee on Delinquent Tax

Mr. John E. McDonald, Manager, Financial Management Services, stated that the proposed ordinance amendment, supported by the County Treasurer, recommended a fee of \$10 to cover the administrative costs associated with collection of delinquent taxes, and \$25 for collection of delinquent taxes after a judgment or other judicial relief was obtained.

Staff recommended approval of the ordinance amendment and a resolution appropriating \$15,000 in fee revenue to the County Treasurer's FY 93 budget.

Ms. Knudson opened the public hearing, and as no one wished to speak, she closed the public hearing.

Mr. DePue made a motion to approve the ordinance amendment and resolution.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

R E S O L U T I O N

DELINQUENT TAX COLLECTION FEE

WHEREAS, the Board of Supervisors of James City County has established an ordinance assessing a fee on delinquent taxpayers to cover the costs of collecting delinquent taxes.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby appropriates an estimated \$15,000 in fee revenue to the FY 1993 budget of the County Treasurer to allow her to pursue additional options for the collection of delinquent taxes:

Revenue - Fees and Charges:

Administrative Fee - Delinquent Taxes	<u>\$15,000</u>
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Expenditures - Treasurer's Office:

Special Services - Delinquent taxes	<u>\$15,000</u>
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F. BOARD CONSIDERATIONS

1. Mooretown Road Comprehensive Community Development Project

Mr. Richard Hanson, Community Development Administrator, described the proposed Comprehensive Community Development Project designed to address critical housing and public facility needs within a predominantly low- and moderate-income neighborhood adjacent to Mooretown Road. He stated the proposal would include new public streets, streetlights, housing improvements, neighborhood park and demolition of vacant dilapidated structures and clearance of that debris.

Staff recommended approval of the resolution.

The Board asked whether statements of allocations in the resolution should be changed, and questioned road location impact on existing houses.

Mr. Anthony Conyers, Jr., Manager, Community Development, replied that the wording was preferred by State and the County budget would be approved prior to entering into State contract.

Mr. Hanson responded that perhaps one house, in a state of disrepair which cannot be rebuilt, might be impacted by the road, and staff was working with that family for an acceptable solution.

Ms. Knudson made a motion to approve the resolution.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

RESOLUTION

MOORETOWN ROAD COMMUNITY IMPROVEMENT PROJECT

COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION

WHEREAS, financial assistance is available to units of local government through the Commonwealth of Virginia Community Development Block Grant Program (VCDBG); and

WHEREAS, in order to avail itself of such financial assistance, it is necessary to file with the Virginia Department of Housing and Community Development an application for a Community Improvement Grant; and

WHEREAS, two public hearings have been held regarding this application, in compliance with VCDBG citizen participation requirements; and

WHEREAS, James City County wishes to apply for \$1,250,000 in VCDBG funds to be used in undertaking a Comprehensive Community Development Project in the designated Mooretown Road Project Area; and

WHEREAS, \$371,710 in local funds are allocated to the project and \$520,000 in State funds will be expended on this project; and

WHEREAS, the project is anticipated to benefit 39 households of whom 31 are low- and moderate-income households by providing street improvements, streetlighting, sidewalks, neighborhood park, and property clearance and to benefit 24 low- and moderate-income households by providing housing rehabilitation, replacement or relocation assistance.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia, that the County Administrator is authorized to file an application, including all understandings and assurances contained therein, with the Virginia Department of Housing and Community Development and to provide such additional information as may be required by the Department.

2. Regional Drainage Improvement Contract

Mr. Bernard M. Farmer, Jr., Director of Code Compliance, stated that staff has designed the basin, acquired necessary easements and property rights, and received a low bid submitted by EMP General Contractors for construction of the regional stormwater control facility in the amount of \$116,400, with a reduction to \$113,200 through negotiation.

Staff recommended approval of the resolution.

Mr. Sisk made a motion to approve the resolution.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).

NAY: (0).

R E S O L U T I O N

REGIONAL DRAINAGE IMPROVEMENT CONTRACT

WHEREAS, the adopted Mill Creek/Lake Powell Watershed Drainage Study recommends a regional basin adjacent to Indigo Dam and design of the basin is complete; and

WHEREAS, funds are available to construct a facility in this location in the Environmental Protection CIP account, and the Capital Contingency Fund.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby authorizes and directs the County Administrator to execute a contract with EMP General Contractors in the amount of \$113,200 for construction of a Regional Drainage Control Facility along Mill Creek in the vicinity of Indigo Dam; and, also authorizes the transfer of \$20,500 from the Capital Contingency Fund to the Environmental Protection Fund.

3. Virginia Peninsulas Public Service Authority Ground and Transfer Station Lease Agreements

Mr. Sanford B. Wanner, Assistant County Administrator, stated that the County proposed to finance the closure of the existing landfill and build a transfer station to County specifications through Virginia Peninsulas Public Service Authority (VPPSA) utilizing Virginia Resources Authority issued bonds.

Mr. Wanner indicated the County must enter into two agreements with VPPSA to assure revenue for retirement of debt: 1) Ground Lease Agreement - County would lease approximately 4 acres to locate the transfer station near the entrance of the landfill; and, 2) Transfer Station Lease Agreement - VPPSA would construct and lease the transfer station to the County. He noted the revenue to retire the debt and finance the operation and disposal costs would be funded by tipping fees assessed on users of the transfer station.

Staff recommended approval of the resolution and Mr. Wanner recommended addition of wording, "after final review by the County Attorney," following the word "Chairman" in the Therefore Be It Resolved clause of the Transfer Station Lease Agreement resolution.

Mr. DePue noted that the \$2.2 million in the second Whereas clause should be changed to "\$1.7."

Ms. Knudson made a motion to approve the Ground Lease resolution and the amended Transfer Station Lease resolution.

Mr. DePue expressed thanks to all parties who worked on this part of the process.

On a roll call, the vote was: AYE: Edwards, DePue, Sisk, Knudson (4). NAY: Taylor (1).

R E S O L U T I O N

GROUND LEASE AGREEMENT WITH

THE VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

WHEREAS, the Board of Supervisors has determined that it is in the County's best interest to lease approximately 4 acres of property to the Virginia Peninsula Public Service Authority for the location of a solid waste transfer station; and

WHEREAS, the property is located adjacent to the entrance of the landfill located on Jolly Pond Road, a copy of a lease plat is attached; and

WHEREAS, the term of the lease is 20 years and the fee is five dollars.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, after having conducted a public hearing, authorizes the Chairman to sign the attached agreement entering into a Ground Lease Agreement with the Virginia Peninsulas Public Service Authority.

R E S O L U T I O N

TRANSFER STATION LEASE AGREEMENT WITH

THE VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY

WHEREAS, the Board of Supervisors has determined it appropriate to close the County's Landfill and construct a solid waste transfer station to provide a system to transport solid waste from the County to a disposal point; and

WHEREAS, the estimated cost to close the existing landfill and build a transfer station is \$1.7 million; and

WHEREAS, the Virginia Peninsulas Public Service Authority has agreed to finance and build the facility and lease the transfer station back to the County. The lease amount will reflect the annual debt service required to retire the debt; and

WHEREAS, the term of the lease is 20 years and the estimated annual debt service is \$140,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, authorizes the Chairman, after final review by County Attorney, to sign the Transfer Station Lease Agreement between James City County and the Virginia Peninsulas Public Service Authority.

G. PUBLIC COMMENT

1. Mr. Joshua Palmer, Jr., Suburban Disposal Company, and Rev. James Tabb, Jr., Tabb's Disposal Company, stated that the two local companies could provide very good service for the County.

2. Mr. Jay Everson, 130 Oslo Court, stated the language in the Williamsburg-James City County Schools Strategic Plan Report to the community was difficult to comprehend.

H. REPORTS OF THE COUNTY ADMINISTRATOR

Mr. David B. Norman, County Administrator, recommended an executive session pursuant to Section 2.1-344(a)(1) of the Code of Virginia to consider a personnel matter, the appointment of individuals to County boards and/or commissions.

I. BOARD REQUESTS AND DIRECTIVES

Mr. Edwards advised staff of Board agreement on two trash items which would impact FY 94 budget: 1) recycling costs should be a part of the operating budget rather than tipping fees; and, 2) convenience centers should be financed from user fees rather than general fund.

Mr. Edwards asked for a review of the philosophy of limiting residential use on business property.

Mr. DePue commented that he expected a good turnout of citizens for the public comment on the school budget at the joint meeting Tuesday, March 2, 1993, at 7:30 p.m.

Ms. Knudson made a motion to convene into executive session as recommended by the County Administrator at 9:15 p.m.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

Ms. Knudson reconvened the Board into open session at 9:28 p.m.

Mr. DePue made a motion to approve the executive session resolution.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

R E S O L U T I O N

MEETING DATE: March 1, 1993

CERTIFICATION OF EXECUTIVE MEETING

WHEREAS, the Board of Supervisors of James City County, Virginia, (Board) has convened an executive meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

WHEREAS, Section 2.1-344.1 of the Code of Virginia requires a certification by the Board that such executive meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of James City County, Virginia, hereby certifies that, to the best of each member's knowledge; (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the executive meeting to which this certification resolution applies; and, (ii) only such public business matters as were identified in the motion convening the executive meeting were heard, discussed or considered by the Board.

Ms. Knudson made a motion to appoint Jerry Moore to serve an unexpired term on the Clean County Commission, term expiring May 1, 1994, and to appoint David Aday, Jr., to serve an unexpired term on the Social Services Advisory Board, term expiring July 1, 1994.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

Ms. Knudson made a motion to recess until Tuesday, March 2, 1993, 7:30 p.m., for a joint meeting with Williamsburg-James City County School Board and Williamsburg City Council.

On a roll call, the vote was: AYE: Taylor, Edwards, DePue, Sisk, Knudson (5).
NAY: (0).

The Board recessed at 9:30 p.m.



David B. Norman
Clerk to the Board

Mchlwkse.min

PLAN FOR USE OF PROGRAM INCOME

Locality: James City County

Grant No: 90-28

Project Title: Little Creek Housing Improvement Project

Date: March 1, 1993

OBJECTIVE:

To undertake programs to improve the quality of housing occupied by low-and moderate-income County residents.

1. ACTIVITIES - Describe the Activities which will be carried out with program income funds.
 - A. Housing Rehabilitation Loans and Grants.
 - B. Emergency Housing Repair Assistance.
 - C. Housing Rehabilitation Inspection/Administration (limited to 10 percent of funds provided for housing rehabilitation of housing occupied by low and moderate income households.)
 - D. Down payment and closing cost assistance for low-and moderate-income home buyers.
 - E. Any Approved Activity included in a Future Community Development Block Grant Project
 - F. Administrative expenses limited to 10 percent of the amount of funds expended for non administrative activities.
2. TIME FRAME - Briefly outline the time frame during which the project will be carried out and completed.

Program activities will be undertaken on an ongoing basis with program income funds generally expended within three years of receipt.

3. PROJECT AREA - Briefly describe the project area in which activities will be carried out. Attach a map locating the site of the proposed activities.

A. Activities A-D shall be limited to properties located within the Little Creek CDBG project area.

4. FUNDS TO BE AVAILABLE

a) Total Projected Program Income: \$237,247*

b) Number of Years Until Payback Complete: 15

c) Payback Schedule Total Principal and Interest:

Year 1	<u>\$ 60,663.00</u>	Year 11	<u>\$ 8,687.00</u>
Year 2	<u>\$ 65,663.00</u>	Year 12	<u>\$ 8,687.00</u>
Year 3	<u>\$ 10,663.00</u>	Year 13	<u>\$ 4,768.00</u>
Year 4	<u>\$ 10,663.00</u>	Year 14	<u>\$ 4,768.00</u>
Year 5	<u>\$ 9,846.00</u>	Year 15	<u>\$ 4,768.00</u>
Year 6	<u>\$ 9,846.00</u>	Year 16	<u>\$.00</u>
Year 7	<u>\$ 9,846.00</u>	Year 17	<u>\$.00</u>
Year 8	<u>\$ 9,846.00</u>	Year 18	<u>\$.00</u>
Year 9	<u>\$ 9,846.00</u>	Year 19	<u>\$.00</u>
Year 10	<u>\$ 8,687.00</u>	Year 20	<u>\$.00</u>

*Additionally there is a potential of up to \$70,090 of program income derived from repayment of deferred payment loans.

5. DECISION MAKING - Briefly state who will decide on the use of the Program Income, how that decision will be made, and what oversight will be used to assure that this plan is followed.

The James City County Board of Supervisors will adopt this Plan for Use of Program Income. The Board of Supervisors shall provide overall policy direction for use of program income and shall allocate program income funds by activity type (i.e., housing rehabilitation) or by specific project in accordance with this plan.

6. ADMINISTRATION: Briefly state who will manage the Program Income funds, who will implement the activities and how the activities will be carried out.

The County's Office of Housing and Community Development will have management responsibility for all activities finance with Program Income Funds. The County Treasurer and the Accounting Department shall be responsible for managing the accounts. The Office of Housing and Community Development will implement the activities either directly or through a contractual arrangement with an entity which would qualify under CDBG regulations.

I certify that this is the plan of this locality for use of income derived from the Community Improvement Grant Program after current grant expires. I further certify that the governing body fully intends to carry out this plan, to oversee its implementation and assures that no other use of these funds will be allowed. I certify that this locality will budget program income funds in a separate, distinct account and will maintain records documenting the use of those funds. Funds will be expended in accordance with all relevant CDBG regulations under Title I of the Housing and Community Development Act, as amended. I understand that the Virginia Department of Housing and Community Development may review the expenditure of program income funds.



Authorized Official of Grantee

3/1/93

Date

Income.frm

CONSTRUCTION PROGRAM

COUNTY: JAMES CITY

(In Dollars)

[illegible]

CONSTRUCTION PROGRAM

1993-94 thru 1998-99

ROUTE	DESCRIPTION LENGTH	ESTIMATED COST	PREVIOUS FUNDING	ADDITIONAL FUNDING REQUIRED	1993-94	PROJECTED	FISCAL	YEAR	ALLOCATIONS	BALANCE TO COMPLETE	COMMENTS	
					1993-94	1994-95	1995-96	1996-97	1997-98	1998-99		
ROUTE: 0615 LONGHILL CONNECTOR C: 9010 0615-047- ID: FR: 0.15 MI RIE 322 CONTRACT TO: 0.15 MI RIE 322 STATE LENGTH: 0.3 MI (10) ESD 07/01/95 CONSTR. RT. TRN LN ECD 10/01/95		P.E. 10,000 R/W 0 CON 25,000 TOT 35,000 ESD 07/01/95 ECD 10/01/95	0 0 0 0	0 0 25,000 35,000	10,000 0 0 10,000	0 0 25,000 25,000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0		
ROUTE: 0682 WICK 0-LAND ROAD C: 1070 0682-047-149,MS01 ID: 11265 FROM: ROUTE 31 CONTRACT TO: ROUTE 1450 STATE LENGTH: 1.19 (11) ESD 07/01/95 GR, DR, STAB & ST ECD 07/01/96		P.E. 35,000 R/W 300,000 CON 850,000 TOT 1,185,000 ESD 07/01/95 ECD 07/01/96	35,000 0 0 0	0 300,000 850,000 1,150,000	0 154,896 0 154,896	0 145,104 0 145,104	0 339,756 339,756	0 510,244 510,244	0 0 0 0	0 0 0 0	0 ANTICIPATING ADDITIONAL 0 REVENUE SHARING IN FUTURE 0 YEARS TO KEEP THIS PROJECT 0 ON SCHEDULE	
ROUTE: 0617 LAKE POINTE C: 1174 0603-047- ID: 12237 FR: RT. 709 CONTRACT TO: RT. 618 STATE LENGTH: 0.90 MI (12) ESD 07/01/97 GR, DR, STAB & ST ECD 07/01/98		P.E. 20,000 R/W 175,000 CON 400,000 TOT 595,000 ESD 07/01/97 ECD 07/01/98	20,000 0 0 20,000	0 175,000 400,000 575,000	0 0 0 0	0 0 0 0	0 0 0 0	0 122,500 122,500	0 52,500 346,504 399,004	0 0 53,496 53,496	0 0 0 0	
ROUTE: 0603 MOORETOWN RD C: 1174 0603-047- ID: 12237 FR: 0.21 MI RIE 1446 CONTRACT TO: 0.36 MI RIE 646 STATE LENGTH: 0.76 (13) ESD 04/01/95 ECD 10/01/95		P.E. 30,000 R/W 100,000 CON 550,000 TOT 680,000 ESD 04/01/95 ECD 10/01/95	0 0 0 0	30,000 100,000 550,000 680,000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 100,000 100,000	0 0 80,000 80,000	0 0 0 0	30,000 \$500,000 TO BE FINANCED BY 100,000 REVENUE SHARING FY 93-94 370,000 PROJECT TO INCLUDE SIDEWALKS 500,000	
ROUTE: 0607 CROAKER ROAD C: 0694 0607-047-113 C ID: 2089 FR: RT. 1601 CONTRACT TO: RT. 605 STATE LENGTH: 1.73 MI (14) ESD 07/01/97 GR, DR, STAB & ST ECD 05/01/98		P.E. 25,000 R/W 75,000 CON 500,000 TOT 600,000 ESD 07/01/97 ECD 05/01/98	25,000 0 0 25,000	0 75,000 500,000 575,000	0 0 0 0	0 0 0 0	0 0 0 0	0 52,500 52,500	0 22,500 350,000 372,500	0 0 150,000 150,000	0 0 0 0	
ROUTE: 0612 LONGHILL RD C: 9010 0612-047- ID: FR: RIE 614 CONTRACT TO: RIE 322 STATE LENGTH: 3.53 (15) ESD 01/01/80 4 LANE WIDENING ECD 01/01/01		P.E. 200,000 R/W 1,000,000 CON 3,500,000 TOT 4,700,000 ESD 01/01/80 ECD 01/01/01	0 0 0 0	200,000 1,000,000 3,500,000 4,700,000	0 0 0 0	0 0 0 0	0 0 0 0	0 191,504 191,504	8,496 144,527 153,023	0 855,473 49,500 904,973	0 0 3,450,500 3,450,500	0 ALIGNMENT TO BE COORDINATED 0 WITH THE 4 LANE OF RIE 612
ROUTE: 0612 LONGHILL RD C: 9010 0612-047- ID: FR: RIE 658 CONTRACT TO: RIE 612 STATE LENGTH: 0.86 (16) ESD 07/01/80 CONSTR. BIKEWAYS ECD 01/01/01		P.E. 30,000 R/W 20,000 CON 100,000 TOT 150,000 ESD 07/01/80 ECD 01/01/01	0 0 0 0	30,000 20,000 100,000 150,000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	30,000 0 30,000	0 0 20,000 20,000	0 0 100,000 100,000	0 ALIGNMENT TO BE COORDINATED 0 WITH THE 4 LANE OF RIE 612
ROUTE: 0615 TROBUND RD C: 9010 0615-047- ID: FR: RIE 322 CONTRACT TO: RIE 616 STATE LENGTH: 1.08 MI (17) ESD 07/01/98 CONSTR. BIKEWAYS ECD 01/01/99		P.E. 20,000 R/W 40,000 CON 100,000 TOT 160,000 ESD 07/01/98 ECD 01/01/99	0 0 0 0	20,000 40,000 100,000 160,000	0 0 0 0	0 0 0 0	0 0 0 0	20,000 0 20,000	0 40,000 40,000	0 0 100,000 100,000	0 0 0 0	0
ROUTE: 0607 OUTER BYPASS C: 0607-047- ID: FR: RT. 607 & 60 INTR. CONTRACT TO: RIE 614 STATE LENGTH: 2.98 MI (18) ESD 01/01/01 ECD 01/01/02		P.E. 150,000 R/W 900,000 CON 3,000,000 TOT 4,050,000 ESD 01/01/01 ECD 01/01/02	0 0 0 0	150,000 900,000 3,000,000 4,050,000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	150,000 0 150,000	0 0 0 0	0 900,000 3,000,000 3,900,000	0 PROJECT TO BE DEFERRED UNTIL 295,000 A DECISION IS MADE ON THE 500,000 DESIGN OF ALTERNATE TO RIE 5 & 795,000 PONTIAC SECONDARY DEVELOPMENT
ROUTE: 0613 MEUS ROAD C: 1144 0613-047-133,MS01 ID: 1719 FR: RT. 615 CONTRACT TO: 1.0 MI RT. 615 STATE LENGTH: 1.0 MI (19) GR, DR, STAB & ST ECD 07/01/99		P.E. 40,000 R/W 295,000 CON 500,000 TOT 835,000 ESD 08/01/98 ECD 07/01/99	40,000 0 0 40,000	0 295,000 500,000 795,000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 PROJECT TO BE DEFERRED UNTIL 295,000 A DECISION IS MADE ON THE 500,000 DESIGN OF ALTERNATE TO RIE 5 & 795,000 PONTIAC SECONDARY DEVELOPMENT	

DISTRICT: SUFFOLK

COUNTY: JAMES CITY

CONSTRUCTION PROGRAM
(In Dollars)

1993-94 thru 1998-99

ROUTE	DESCRIPTION LENGTH	ESTIMATED COST	PREVIOUS FUNDING	ADDITIONAL FUNDING REQUIRED	1993-94	PROJECTED 1994-95	FISCAL 1995-96	YEAR 1996-97	ALLOCATIONS 1997-98	1998-99	BALANCE TO COMPLETE	COMMENTS
*****	COUNTY TOTALS	21,064,227	4,747,076	16,316,351	1,053,380	1,061,020	1,202,938	1,226,470	1,278,405	1,282,347	9,210,991	
*****	REPORT TOTALS - PE	808,178	2,913,117	13,133,061	63,208	3,234	3,664	212,473	188,496	0	30,000	
	-R/W	5,018,049	1,834,759	3,183,290	348,186	230,104	0	175,000	259,527	875,473	1,295,000	
	-CON	15,238,000	0	0	641,986	828,482	1,199,274	838,997	830,382	406,874	7,885,991	
	TOTAL ALLOCATION				1,053,380	1,061,020	1,202,938	1,226,470	1,278,405	1,282,347		
	AMOUNT REMAINING				0	0	0	0	0	0	0	

GROUND LEASE

This GROUND LEASE, dated as of May 1, 1993, is made between the COUNTY OF JAMES CITY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Community"), as lessor, and the VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY, a political subdivision of the Commonwealth of Virginia formed under the Virginia Water and Sewer Authorities Act, Va. Code §15.1-1239 et seq. (the "Lessee"), as lessee.

RECITALS

A. The Lessee was formed for the purpose of developing regional refuse collection, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing and/or operating and maintaining a regional residential, commercial and industrial garbage and refuse transfer and disposal system or systems.

B. The Lessee desires to acquire a leasehold interest in certain real estate and improvements located thereon described on Exhibit A attached hereto (the "Real Estate") and to provide funds to construct and equip a solid waste transfer station thereon (the "Project") for the Community. The Community's Board of Supervisors has approved the lease of the Real Estate to the Lessee. The Lessee will lease the Project and the Real Estate to the Community pursuant to a Transfer Station Lease Agreement, dated as of May 1, 1993 (the "Transfer Station Lease"), between the Community and the Lessee. The Community proposes to enter

into this Ground Lease with the Lessee in order to enable the Lessee to acquire a leasehold interest in the Real Estate.

C. This Ground Lease is exempt from recording taxes under Section 58.1-807 of the Code pursuant to Section 58.1-811E.

AGREEMENT

In consideration of the promises and the mutual covenants hereinafter contained, the parties hereto covenant and agree as follows:

Section 1. Lease of Real Estate. The Community hereby demises and leases to the Lessee, and the Lessee hereby leases from the Community, the Real Estate, together with all improvements now or hereafter located therein or situated thereon and financed with proceeds of the Lessee's Bonds, upon the terms and conditions hereinafter set forth.

Section 2. Definitions. All terms defined in the Transfer Station Lease shall have the same meaning when used herein, unless the context requires otherwise.

Section 3. Term. The term of this Ground Lease shall commence on the date of issuance and delivery of the Bonds and shall end on May 1, 2013 unless such term is sooner terminated or relinquished as hereinafter provided.

Section 4. Rental. The Lessee shall pay to the Community as rental hereunder the sum of \$5.00 representing rental of the Real Estate and the Project in advance for the term of this Ground Lease, receipt of which is hereby acknowledged.

Section 5. Purpose. The Lessee shall use the Real Estate solely for the purpose of constructing, installing and equipping the Project, which, together with the Real Estate, the Lessee will lease to the Community pursuant to the Transfer Station Lease, as well as for such purposes as may be incidental and necessary thereto; provided, however, that upon the occurrence of an Event of Default (as defined in the Transfer Station Lease) by the Community under the Transfer Station Lease, the Lessee may exercise the remedies provided in the Transfer Station Lease.

Section 6. Owner in Fee. The Community represents and warrants that it is the owner in fee simple of the Real Estate and the improvements thereon.

Section 7. Assignment and Sublease; Encumbrances.

(a) The Lessee may sell, assign or encumber its rights under this Ground Lease or sublet the Project without the consent of the Community only (i) in connection with the assignment of its rights contemplated by the Transfer Station Lease, (ii) if the Transfer Station Lease is terminated pursuant to Article XI thereof, or (iii) if an Event of Default under the Transfer Station Lease has occurred.

(b) Except as otherwise provided herein or in the Transfer Station Lease, until the occurrence of an Event of Default under the Transfer Station Lease, the Lessee shall not be entitled to mortgage, pledge, assign or encumber its interest in the Project or this Ground Lease. Notwithstanding the foregoing, the Lessee is hereby given the right by the Community, in

addition to any other rights herein granted, without the Community's consent, assign its interest in the Transfer Station Lease and this Ground Lease as collateral security for the Bonds pursuant to the Financing Agreement. The Lessee's right to encumber and assign its interest in this Ground Lease is granted upon the condition that all rights acquired under the Financing Agreement shall be subject to each and all of the covenants, conditions and restrictions set forth in this Ground Lease and to all rights and interests of the Community herein, none of which is or shall be waived by the Community by reason of the right given to the Lessee to encumber and assign its interest in this Ground Lease.

(c) Except as specifically provided for herein or in the Transfer Station Lease, the union of the interests of the Community and the Lessee shall not result in a merger of this Ground Lease and the fee interest in the Real Estate and any part of the Project without the prior written consent of the holder of the Bonds.

(d) Except as set forth herein and in the Transfer Station Lease, the Lessee will not sell, convey or encumber its interest in this Ground Lease nor subordinate this Ground Lease to any encumbrance of the Community's fee interest in the Real Estate or the Project. The Community will not sell, convey or encumber its fee interest in the Real Estate or the Project unless (A) the Community determines, in good faith, that any such sale, conveyance or encumbrance would be in the best interest of

the citizens of the Community and (B) such conveyance is made subject to this Ground Lease.

Section 8. Termination. In the event the Community makes all of the rental payments provided for in the Transfer Station Lease, this Ground Lease shall be considered assigned to the Community and shall be terminated through merger of the leasehold interest with the fee simple interest. The Lessee agrees, upon such assignment and termination or upon the expiration of the term hereunder, to surrender the Real Estate and the Project to the Community. Any permanent improvements and structures and any personal property existing upon the Real Estate at the time of termination of this Ground Lease shall remain thereon, and the Lessee shall have no interest therein, and such improvements, structures and personal property shall be free of any encumbrance at the time of such termination.

Section 9. Default. Upon the occurrence of an Event of Default under the Transfer Station Lease or upon termination of the Transfer Station Lease pursuant to Article XI thereof, the Lessee shall have the right to possession of the Real Estate and the Project for the remainder of the term of this Ground Lease and shall have the right to sublease the Real Estate and the Project or sell its leasehold interest in the Real Estate and the Project and this Ground Lease upon whatever terms and conditions it deems prudent; provided, however, that the Lessee shall require any subtenant or successor to provide the Community with adequate public liability insurance covering the Project for the

remainder of the term against such risks and in such coverage as is customarily insured against for facilities similar in size and character and shall furnish the Community with evidence thereof. Notwithstanding the foregoing, if the Lessee, its assigns or sublessee, shall receive a payment for the sale of its interest or total rental payments for sublease that are, after payment of their expenses in connection therewith, in excess of the total Rental Payments and all other payments specified in the Transfer Station Lease applicable at the time of the occurrence of such termination or Event of Default, such excess shall be paid to the Community by the Lessee, its assigns or its sublessee.

The Community shall not have the right to exclude the Lessee from the Project, to take possession of the Project (other than pursuant to the Transfer Station Lease or sperate agreement with Lessee) or to terminate this Ground Lease prior to the expiration of its term upon any default by the Lessee hereunder. In addition, if the Lessee shall default in the payment or performance of any of its obligations hereunder or under the Transfer Station Lease, the Community may maintain an action for damages or for specific performance.

Section 10. Quiet Enjoyment. Subject to Section 11 hereof, the Lessee at all times during the term of this Ground Lease peaceably and quietly shall have, hold and enjoy all of the Real Estate and the Project.

Section 11. Leaseback to Community. Contemporaneously with the execution of this Ground Lease, the Lessee and the Community

shall execute the Transfer Station Lease whereby the Lessee will lease back to the Community, and the Community will lease from the Lessee, the Project together with the Real Estate in accordance with the terms thereof. Title to the Real Estate and the Project shall remain in the Community at all times, subject to the leasehold interest of the Lessee. The Transfer Station Lease contains provisions which govern maintenance, payment of taxes, insurance, damage and destruction and includes the option of the Community, upon payment of the purchase price or upon completion of all rental payments required thereunder, to purchase the Lessee's interest in the Real Estate and the Project.

Section 12. Environmental Matters. (a) The Community represents and warrants to the best of its knowledge at the time of the execution of this Ground Lease, without independent investigation and acknowledging that the Real Estate is adjacent to a sanitary landfill, that:

1. There are not present at the Real Estate any (a) "hazardous substances" (as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §§9601 et seq., as amended), (B) asbestos, (C) radon gas, (D) underground storage tanks, (E) items or equipment containing polychlorinated bipenyls in excess of 50 parts per million, or (F) stored, spilled or leaked petroleum products, nor is the Real Estate the subject of governmental regulation or liability because of the past release, threat of release,

discharge, storage, treatment, generation or disposal of such substances; and

2. no lien for environmental investigation or remediation has been filed against the Real Estate or is proposed or anticipated, nor any environmental condition exist which could result in liability for an owner or operator of the Real Estate.

(b) The Community shall be responsible for, shall promptly conduct or address, and shall defend the Lessee from, all response actions, remediation, cleanup, assessment, monitoring, treatment, restoration, suits, costs, expenses, attorney's and consultant's fees, penalties or fines (the "Environmental Responsibility") required by any governmental agency, statute, rule, regulation, ordinance or judicial or administrative order, consent decree or settlement, resulting from the presence as of the date of commencement of the Lease as to the Real Estate of any hazardous substances, underground storage tanks, petroleum or petroleum products, hazardous waste, toxic substances or any other pollutants ("Pollutants") in, on or under the Real Estate and the Project, or which in the future migrates onto, into or through the Real Estate and the Project from the adjacent property of the Community. The obligations of the Community under this paragraph shall survive termination or expiration of this Ground Lease.

Section 13. Severability. If any clause, provision or section of this Ground Lease 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 Ground Lease which shall be construed and enforced as if such illegal or invalid clause, provision or section had not been contained in this Ground Lease. If any agreement or obligation contained in this Lease is held to be in violation of law, then such agreement or obligation shall be deemed to be the agreement or obligation of the Community or the Lessee, as the case may be, only to the extent permitted by law.

Section 14. Notices. All notices or other communications 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 Community, at Post Office Box 8784, Williamsburg, Virginia 23187-8784, (Attention: County Administrator) or (b) if to the Lessee, at 2 Eaton Street, Suite 502, Hampton, Virginia 23666 (Attention: Executive Director). The Community and the Lessee may designate, by notice given hereunder, any further or different addresses to which subsequent notices or other communications shall be sent.

Section 15. 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 instrument.

Section 16. Successors. 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 17. Applicable Law. This Ground Lease shall be governed by the applicable laws of Virginia.

Section 18. Headings. The headings of the several sections of this Ground Lease are inserted for convenience only and do not comprise a part of this Ground Lease.

Section 19. No Partnership. Nothing in this Ground Lease shall be construed as making any party a partner or joint venturer with any other party.

Section 20. Amendments. This Ground Lease may not be amended except by written instrument signed by the parties hereto and consented to by the holder of the Bonds in accordance with the provisions of the Financing Agreement.

Section 21. Liability of Lessee. Notwithstanding any provision of this Ground Lease to the contrary, the liability of the Lessee under this Ground Lease shall be limited to its interest in the Real Estate and the Project and there shall be no recourse under this Ground Lease to any other assets or properties of the Lessee whether now owned or hereafter acquired.

IN WITNESS WHEREOF, the Community and the Lessee have caused this Ground Lease to be duly executed and sealed as of the day and year first above written.

COUNTY OF JAMES CITY, VIRGINIA

[SEAL]

By:

Judith N. Knudson
JUDITH N. KNUDSON, CHAIRMAN

Attest:

David M. [Signature]
Clerk,

Approved as to form:

[Signature]
County Attorney

VIRGINIA PENINSULAS PUBLIC SERVICE
AUTHORITY

[SEAL]

By: *[Signature]*
Its: Chairman

Attest:

By: *[Signature]*
Its: Secretary/Treasurer

COMMONWEALTH OF VIRGINIA:

County of James City:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this 20th day of May, 1993, by Judith N. Knudson, as Chairman of the Board of Supervisors of the County of James City, Virginia on behalf of said County.

My commission expires: October 31, 1997.

[Signature]
Notary Public

COMMONWEALTH OF VIRGINIA:

COUNTY OF York:

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this 17th day of May, 1993, by Daniel M. Stuck, as Chairman, of the VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY on behalf of the Authority.

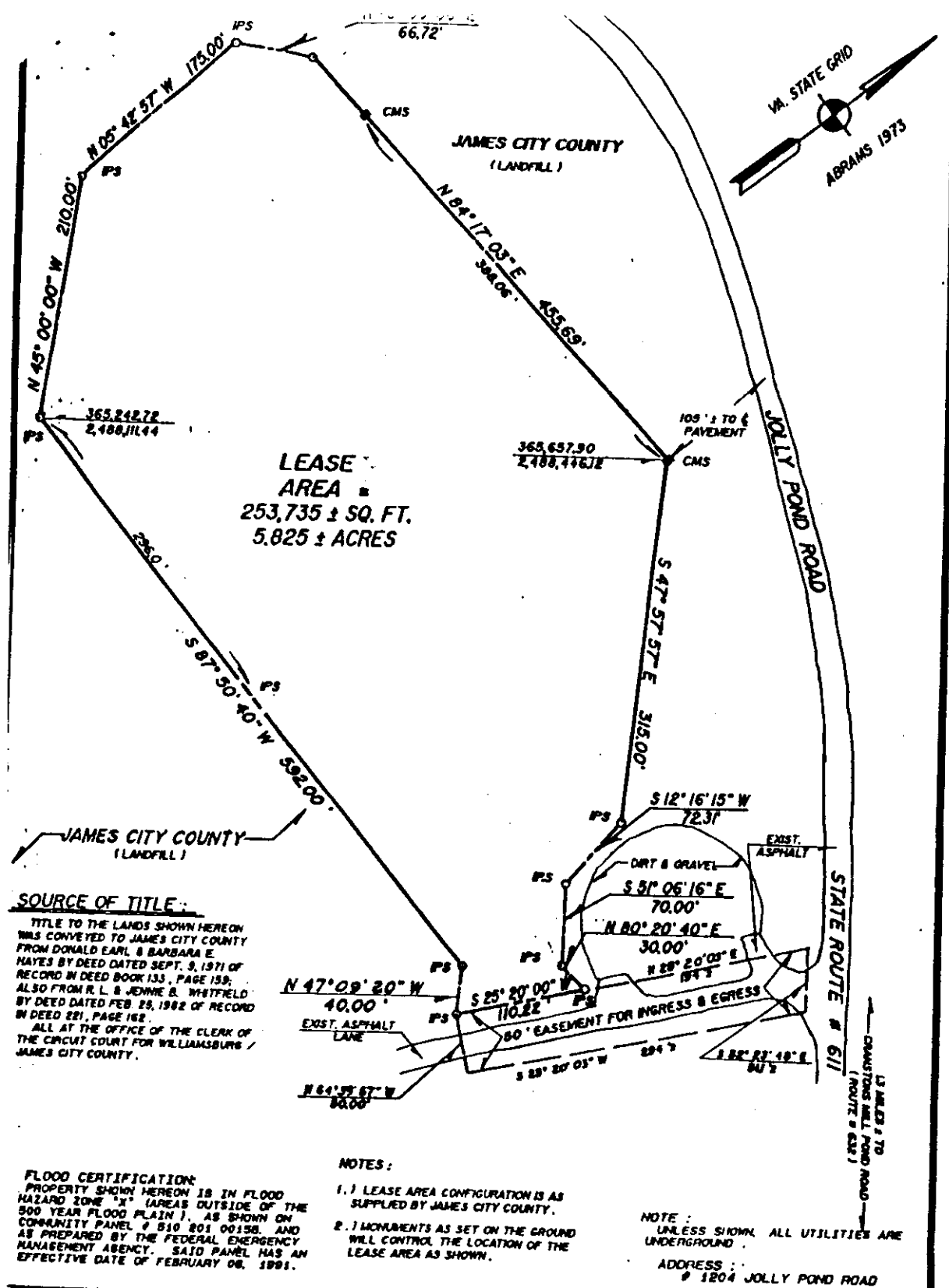
My commission expires: 8/31/96.

Juanna E. Meaddus
Notary Public

Exhibit A

JAMES CITY

That certain parcel of land containing 5.825± Acres located in James City County, Virginia shown and set out as "Lease Area = 253,735± Sq. Ft. 5.825± Acres" on a plat entitled "Plat of Survey to Accompany a Lease Agreement Between James City County and Virginia Peninsulas Public Service Authority" made by Spearman & Associates, P.C. and dated January 7, 1993, revised March 25, 1993, a copy of which is attached hereto, TOGETHER WITH, a non-exclusive easement for ingress and egress from the parcel described above to State Route 611 over the area shown and set out as "50' Easement for Ingress & Egress" on the aforesaid plat.



LEASE AGREEMENT

BETWEEN

THE VIRGINIA PENINSULAS PUBLIC
SERVICE AUTHORITY

AND

THE COUNTY OF JAMES CITY, VIRGINIA

**TRANSFER STATION
LEASE AGREEMENT**

THIS TRANSFER STATION LEASE AGREEMENT is made as of May 1, 1993, between the VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY, a political subdivision of the Commonwealth of Virginia (the "Authority"), and the COUNTY OF JAMES CITY, VIRGINIA, a political subdivision of the Commonwealth of Virginia (the "Community").

RECITALS

A. The Authority was formed under the Virginia Water and Sewer Authorities Act, Va. Code §15.1-1239 et seq., for the purpose of developing regional refuse collection, waste reduction and disposal alternatives with the ultimate goal of acquiring, financing, constructing and/or operating and maintaining a residential, commercial, and industrial garbage and refuse collection and disposal system or systems.

B. The Authority will negotiate and enter into a contract or contracts with one or more owners/operators of landfills to establish the right of the Authority and certain of its member jurisdictions to deliver waste to the selected landfill(s) at specified rates.

C. The Authority has recommended to certain of its member jurisdictions that it would be beneficial for them to have a solid waste transfer station in the jurisdiction to which the jurisdiction could deliver solid waste for transport to the selected landfill(s). The Authority has agreed to finance, construct and equip such transfer stations pursuant to this Lease Agreement and the Financing Agreement (as hereinafter defined).

D. The Authority and the Community have agreed pursuant to the Act for the Authority to acquire a leasehold interest from the Community in certain real estate and improvements thereon located in the Community to construct, furnish, install and equip on such real estate a solid waste transfer station and to lease the land and facilities to the Community. The Authority will, pursuant to the Act, provide for the payment of the cost of the acquisition, construction, furnishing, installation and equipping of the transfer station by the issuance of its revenue bonds payable from rentals to be received from the Community pursuant to this Lease and other member jurisdictions pursuant to similar leases.

E. This Lease is exempt from recording taxes under Section 58.1-807 of the Code of Virginia of 1950, as amended, pursuant to Section 58.1-811E.

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1. Definitions. All words and terms defined in Article I of the Financing Agreement and not otherwise defined herein have the same meanings in this Lease as in the Financing Agreement. In addition, the following words and terms have the following meanings in this Lease unless the context clearly requires otherwise:

"Additional Bonds" means the Authority's revenue bonds issued in accordance with Section 4.9 to finance the Costs of the Project in excess of the amount available to pay such costs from the proceeds of the Bonds or the costs of Project Additions.

"Additional Rent" means the Additional Rent that is payable pursuant to Section 5.2(b).

"Applicable Law" means any law, regulation, requirement (including but not limited to permit and governmental approval requirements) or order of any local, state or federal agency, court or other governmental body, applicable from time to time to the acquisition, design, construction, equipping, testing, start-up, financing, ownership, possession, maintenance or operation of the Project or the performance of any obligations under any agreement entered into in connection therewith.

"Basic Rent" means the Basic Rent that is payable pursuant to Section 5.2(a).

"Board" means the Board of Supervisors of the Community.

"Bonds" mean the Authority's Solid Waste Management Revenue Bonds, Series 1993 B, issued to the Virginia Resources Authority pursuant to the Financing Agreement.

"Closing Date" shall have the meaning set forth in the Financing Agreement.

"Closure Fund" means the fund to be established by the Authority pursuant to the Financing Agreement from the proceeds of the Bonds, a portion of which will be advanced to the Community pursuant to Section 4.7 to fund a portion of the Community's Closure Costs.

"Closure Allowance" has the meaning set forth in Section 4.7.

"Closure Costs" mean the costs of the Community closing its existing sanitary landfill (s) in accordance with Applicable Law,

including the costs of necessary engineering studies and reports.

"Cost", when used with respect to the Project, and "Cost of the Project" each mean the total Cost of the Project (as defined in the Financing Agreement) attributable to the Project or any Project Addition.

"Community" means the County of James City, Virginia.

"Event of Default" or "Default" means any of the events enumerated in Section 10.1.

"Financing Agreement" means the Financing Agreement dated as of May 1, 1993 between the Authority and the Virginia Resources Authority providing for the issuance of the Bonds.

"Ground Lease" means the Ground Lease, dated as of May 1, 1993, between the Community and the Authority.

"Indenture" means the Indenture of Trust between the Virginia Resources Authority and Crestar Bank, as Trustee, \$11,910,000, Solid Waste Disposal System Revenue Bonds, 1993 Series B, dated as of May 1, 1993 providing for the the issuance of the VRA Bonds.

"Lease" means this Lease Agreement, dated as of May 1, 1993, between the Authority and the Community, as it may be modified, altered, amended and supplemented in accordance with its terms and the terms of the Financing Agreement.

"Lease Term" means the duration of the leasehold estate created in this Lease as specified in Section 5.1.

"Net Proceeds" mean the gross proceeds of any recovery on any insurance policy or alternative arrangement or substitute arrangement (including but not limited to any recovery on any policy of title insurance as to the Project) or condemnation or eminent domain award remaining after payment of attorneys fees, fees and expenses and other expenses incurred in the collection of such gross proceeds.

"Payment of the Bonds" mean payment in full of the principal of and interest on the Bonds and any Additional Bonds or provision for such payment as provided in the Financing Agreement.

"Permitted Encumbrances" mean, as of any particular time as to the Project, (i) any security interest or other liens created by this Lease, the Ground Lease or the Financing Agreement, (ii) mechanics' and materialmen's liens incident to the construction or maintenance of the Project which are being contested in good faith and have not proceeded to judgment, provided the Authority

or the Community has set aside adequate reserves or posted bonds for payment, (iii) restrictions and mineral rights and 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, (iv) such defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to property similar in character to the Project and as will not affect in any material and adverse way the ownership, operation or use of the Project, (v) present or future valid zoning laws and ordinances, and (vi) any other exceptions described in Exhibit A.

"Plans and Specifications" mean the plans and specifications for the Project prepared by Malcolm Pirnie, Inc. and approved or to be approved by the Authority and the Community, as the same may be amended by the Authority and the Community from time to time.

"Project" means the Real Estate, together with all buildings, structures, improvements and appurtenances now located thereon, if any, and the solid waste transfer station to be constructed thereon in accordance with the Plans and Specifications, including all buildings, structures, improvements, and appurtenances hereafter located on the Real Estate and financed with proceeds of the Bonds or Additional Bonds, all as they may exist from time to time.

"Project Additions" mean any additions, enlargements, improvements, expansions, repairs, restorations or reconstructions of the Project.

"Real Estate" means the land and its appurtenances described in Exhibit A.

"Rental Payments" mean the sum of the Basic Rent and the Additional Rent set forth in Section 5.2.

"Start-Up Date" means the date the Project is ready to begin full and continuous operation, which date is estimated to be September 1, 1993, with the exact date to be specified in a written notice to be given by the Authority to the Community at least 30 days in advance of such date.

"VRA" means the Virginia Resources Authority.

"VRA Bonds" means any or all of the Solid Waste Disposal System Revenue Bonds, 1993 Series B issued by VRA pursuant to the Indenture.

Section 1.2. Rules of Construction. Except where the context otherwise requires, (i) singular words connote the plural number as well as the singular and vice versa, and (ii) pronouns inferring the masculine gender include the feminine and neuter genders and vice versa. All references to particular articles or sections are references to articles or sections of this Lease unless otherwise indicated. The headings and Table of Contents in this Lease are solely for convenience of reference and do not constitute a part of this Lease or affect its meaning, construction or effect.

ARTICLE II

REPRESENTATIONS

Section 2.1. Representations by Authority. The Authority makes the following representations as the basis for its undertakings under this Lease:

(a) The Authority is a public body corporate and politic of the Commonwealth, duly created and existing under the Act.

(b) The undertaking by the Authority to acquire, construct and equip the Project and to lease it to the Community has been authorized by the Authority as required by the Act.

(c) The Authority has the power to (i) lease the Real Estate from the Community pursuant to the Ground Lease, (ii) acquire, construct and equip the Project thereon, and (iii) lease it to the Community pursuant to this Lease Agreement.

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

(e) The Authority (i) has the power to enter into and to carry out its obligations under this Lease and the Ground Lease and to issue the Bonds to finance the cost of acquiring, constructing and equipping the Project, and (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under this Lease and the Ground Lease.

(f) The Authority is not in default under or in violation of, and the execution, delivery and compliance by the Authority with the terms and conditions of, this Lease and the Ground Lease, will not conflict with or constitute or result in a

default under or violation of, (i) the Authority's Articles of Incorporation or Bylaws; (ii) the Act or any other existing law, rule or regulation applicable to the Authority; or (iii) 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 Authority or any of its assets is subject, and no event has occurred that with the lapse of time or giving of notice, or both, would constitute or result in such an event of default.

(g) No further approval, consent or withholding of objection on the part of any regulatory body or any federal, state or local official is required in connection with (i) the execution or delivery by the Authority of this Lease and the Ground Lease or (ii) the performance by the Authority of its obligations under this Lease and the Ground Lease.

(h) No litigation, inquiry or investigation of any kind in or by any judicial or administrative court or agency is pending or, to the Authority's knowledge, threatened against it with respect to (i) the creation and existence of the Authority, (ii) its authority to execute and deliver this Lease or the Ground Lease, (iii) the validity or enforceability of any of such instruments, (iv) the title of any officer of the Authority who executed such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Authority (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

Section 2.2. Representations by the Community. The Community makes the following representations as the basis for its undertakings under this Lease:

(a) The Community is a political subdivision of the Commonwealth of Virginia duly organized and existing and validly created under the laws of the Commonwealth of Virginia.

(b) The Community (i) has the power to enter into and to perform its obligations under this Lease and the Ground Lease and (ii) by proper action has duly authorized the execution and delivery of and performance of its obligations under this Lease and the Ground Lease.

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

(d) The Community is not in default under or in violation of, and the execution, delivery and compliance by the Community with the terms and conditions of this Lease and the Ground Lease, 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 Community 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 Community, 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 federal, state or local official is required in connection with (i) the execution and delivery of this Lease and the Ground Lease, or (ii) the performance by the Community of its obligations under this Lease and the Ground Lease.

(f) No litigation, inquiry or investigation of any kind or by any judicial or administrative court or agency is pending or, to the Community's knowledge, threatened against it with respect to (i) the creation and existence of the Community, (ii) its authority to execute and deliver this Lease or the Ground Lease, (iii) the validity or enforceability of any such instruments, or (v) any authority or proceedings related to the execution and delivery of such instruments on behalf of the Community (and no such authority or proceeding has been repealed, revoked, rescinded or amended).

(g) The lease of the Project to the Community pursuant to this Lease will provide necessary solid waste transfer facilities needed for essential operations and services of the Community and, therefore, will serve a function which is necessary and essential to the proper, efficient and economic operation of the Community and for the health, safety and welfare of its citizens.

ARTICLE III

LEASE OF PROJECT

Section 3.1. Lease of Project. The Authority demises and leases to the Community, and the Community leases from the Authority, the Project at the Rental Payments set forth in Section 5.2 and in accordance with the provisions of this Lease.

ARTICLE IV

CONSTRUCTION AND EQUIPPING OF PROJECT AND ISSUANCE OF BONDS

Section 4.1 Financing. Subject to Section 4.6, the Authority agrees (i) to finance the Costs of the Project, including expenses associated with the financing, and (ii) to fund the Closure Fund from the issuance of the Bonds. The Authority will use its best efforts to issue the Bonds by May 15, 1993.

Section 4.2. Construction. Subject to Section 4.6, the Authority agrees to acquire, and construct the Project substantially in accordance with the Plans and Specifications for the Project, as amended from time to time, and Applicable Law. The Community agrees to equip the Project as necessary for its efficient operation as a solid waste transfer station.

Section 4.3 Permits. The Authority will use its best efforts to obtain all permits and governmental approvals required under Applicable Law to acquire, and construct the Project.

Section 4.4 Cooperation. The Community agrees to provide reasonable assistance to the Authority in performing its obligations under this Article IV, including, without limitation, providing all available information regarding the Real Estate and access thereto.

Section 4.5 Notice of Start-Up. The Authority will give the Community at least 30 days prior written notice of the Start-Up Date. Subject to (i) timely provision of design funds by the Community for the design of the Project, (ii) timely approval by the Community of the Plans and Specifications, (iii) timely issuance by the Community of all required zoning approvals, special use permits and any other permit or approval required from the Community, the Start-Up Date will be no later than October 1, 1993 (subject to extension by agreement among the Authority and the Community); provided, however, the failure of the Authority to meet such date will not relieve the Community of its obligations under this Lease, including its obligation to make Rental Payments.

Section 4.6 Application of Proceeds of Bonds. In order to provide funds for payment of the Cost of the Project and to fund the Closure Fund, the proceeds of the Bonds and any Additional Bonds will be applied as provided in the Financing Agreement. The Authority will have no obligations to pay Costs of

the Project other than from the proceeds of the Bonds and any Additional Bonds.

Section 4.7 Closure Allowance. The Community will have an allowance (the "Closure Allowance") in the amount of \$650,000 from the Closure Fund to be used by the Community solely to pay the Community's Closure Costs. The Closure Allowance is being made available to the Community in order to induce the Community to close its existing landfill and to use the Project. The Community agrees to close its existing sanitary landfill in accordance with Applicable Law and not reopen the same unless the Bonds have been paid in full or defeased pursuant to the Financing Agreement. The Authority agrees to make periodic advances to the Community up to the amount of its Closure Allowance for use by the Community solely to pay its actual Closure Costs upon receipt by the Authority of a written request for such advance from the Community, together with such supporting information and documentation, which may include copies of invoices, to establish the amount of the actual costs being paid with the advance. The Community shall draw and expend its Closure Allowance in accordance with this Section before expending other funds on Closure Costs and, in any event, will draw and expend its Closure Allowance within two years from the date the Bonds are issued. The Closure Allowance is not revolving in nature and once the Community's entire Closure Allowance has been advanced to it by the Authority, the Authority shall have no obligation to make any further advances to the Community. The Community's Closure Allowance will be repaid through the payment of Basic Rent provided for in Section 5.2(a).

Section 4.8 Additional Costs; Delay in Completion. The estimated Costs of the Project is \$1,216,909 which amount, at a minimum, will be financed by the issuance of the Bonds and deposited in the Project Fund for completion of the Project. If the money deposited in the Project Fund from the proceeds of the Bonds and any Additional Bonds is not sufficient to pay in full the Costs of the Project, the Community will, subject to Section 5.5 (b), provide for the payment of the excess costs to complete the Project. The Community will not by reason of the payment of such excess costs be entitled to any reimbursement from the Authority or to any abatement, diminution or postponement of any amounts payable under this Lease, nor will there be any diminution in or postponement of the payments required to be paid by the Community pursuant to Section 5.2 if for any reason the acquisition, construction, installation, and renovation of any portion of the Project is not completed or is not completed on schedule.

Section 4.9 Additional Bonds. Upon the request of the Community, the Authority may (but is not required to), subject to the terms of the Financing Agreement, issue Additional Bonds to finance the Cost of the Project (in excess of the amount

available to pay such Cost from the proceeds of the Bonds) or the Cost of the Project Additions; provided, however, the failure of the Authority to do so will not release the Community from any of its obligations under this Lease or impose any liability on the Authority.

Section 4.10 Default in Contractors' Performance. In the event of default of any contractor or subcontractor under any contract for the Project, the Authority will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Authority, as appropriate, against the contractor or subcontractor so in default and against each surety for the performance of such contractor. The Authority agrees to advise the Community, in writing, of the steps it intends to take in connection with any such default. The Authority may, in good faith, in its own name or in the name of the Community, prosecute or defend any action or proceeding or take other action involving any such contractor, subcontractor or surety which the Authority deems reasonably necessary, and in such event the Community agrees to cooperate fully with the Authority. Unless some other disposition is approved by the Community, amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing will be paid into the Project Fund established under the Financing Agreement to be applied to pay the Cost of the Project or, if recovered after completion of the Project, will be paid to the Community.

Section 4.11 Disclaimer of Warranty. The Project is being acquired, constructed, installed and equipped at the Community's request and in accordance with the Plans and Specifications approved by the Community. THE AUTHORITY MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION OR FITNESS OF ANY PORTION OF THE PROJECT FOR THE COMMUNITY'S PURPOSES OR TO THE EXTENT THE PROCEEDS OF THE BONDS WILL BE SUFFICIENT TO PAY THE COSTS INCURRED IN CONNECTION WITH THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT.

ARTICLE V

LEASE TERM AND RENT PROVISIONS

Section 5.1. Term of Lease. The Lease Term for the Project will commence on the date of issuance and delivery of the Bonds by the Authority and, unless sooner terminated in accordance with this Lease, terminate at the earlier of (i) May 1, 2013 (provided that all Rental Payments due under this Lease have been paid on such date) or (ii) payment in full of the VRA Bonds.

Section 5.2. Payment of Rental Payments. (a) The Community will pay the following Basic Rent for the Project on the dates and in the amounts as follows:

(1) With respect to interest on the Bonds, commencing on November 1, 1993, and on the first day of each month thereafter during the Lease Term, an amount to equal 1/6th of the interest due on the Bonds outstanding on the next ensuing interest payment date (November 1 or May 1); and

(2) With respect to principal on the Bonds, commencing on the November 1, 1993 and continuing on the first day of each month thereafter through and including April 1, 1994, an amount equal to one-sixth of the principal due on the Bonds on May 1, 1994, and commencing on May 1, 1994 and continuing on the first day of each month thereafter an amount equal to 1/12th of the principal due on the Bonds outstanding on May 1 of the following year.

The Authority shall pay to the Community or cause the Trustee under the Indenture to pay directly to the Community, the Community's share determined in accordance with the Capital Reserve Allocation Formula (as defined in the Indenture) of any amount refunded to the Authority by the Trustee under the Indenture under Section 7.3 of the Indenture. If any installment of Basic Rent payable under this Section is not paid within ten days after its due date, the Community shall pay to the Authority a late payment penalty in an amount equal to two and one-half percent (2-1/2%) of the overdue installment.

(b) The Community will pay when due as Additional Rent any other amount payable with respect the Bonds or related to the Project by the Authority or the Community under the Bonds, the Financing Agreement or the Indenture at least fifteen days before such amounts are payable by the Authority or the Community, including, without limitation, the Community's share of the administrative fee of the VRA, Trustee's fees and VRA's and the Trustee's costs and expenses, including reasonable attorney's fees, as set forth in Section 6.3 of the Financing Agreement.

(c) Anything in this Section 5.2 to the contrary notwithstanding, all amounts (including Basic Rent and Additional Rent) due and payable hereunder shall be paid in full on or before March 1, 2012.

(d) All payments hereunder shall be made by the Community directly to the Trustee under the Indenture unless otherwise directed in writing by the Authority.

Section 5.3. Prepayment of Rental Payments. (a) So long as all payments then due pursuant to Section 5.2 (a) have been paid, the Community may elect by written notice to the Authority to make from time to time prepayments of Rental Payments to purchase non-callable Government Obligations or non-callable Government Certificates, or to remain as cash, to be held by the

Trustee under the Indenture or the Local Paying Agent (if one has been appointed) pursuant to Section 6.4 of the Financing Agreement, the principal of and interest on which at maturity will be sufficient (1) if Bonds have been called for redemption, to redeem in accordance with the Section 6.2 of the Financing Agreement all such Bonds on the date set for such redemption, (2) to pay at maturity all Outstanding Bonds not to be redeemed, (3) to pay interest and principal accruing on all Bonds prior to their redemption or payment at maturity, and (4) to pay all fees and expenses for which the Community is responsible under this Lease or the Financing Agreement.

(b) So long as all payments then due pursuant to Section 5.2 (a) have been paid, the Community may elect by written notice to the Authority to make on or after May 1, 2003 a prepayment of Rental Payments in an amount equal to the outstanding principal of the Bonds and interest accrued thereon to the redemption date for the Bonds specified in such Notice, plus an amount equal to any premium due upon such redemption and all fees and expenses for which the Community is responsible under this Lease or the Financing Agreement, all in accordance with Section 6.2 of the Financing Agreement. The Authority will apply any amounts so prepaid to redeem the Bonds under the provisions of Section 6.2 of the Financing Agreement on the specified redemption date. In order to exercise this prepayment right, the Community will, at least forty-five days before the date on which the redemption of the Bonds is to occur, give written notice to the Authority, VRA and the Trustee under the Indenture of the prepayment.

Section 5.4. Agreement to Defend. To the extent permitted by applicable law, the Community, at all times, will protect and defend the Authority and VRA from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses (including, without limitation, reasonable attorneys' fees) for all acts or failures to act (or alleged failure to act) in connection with the Project, the issuance and servicing of the Bonds and the maintenance and preservation of the Project, including without limitation: (i) all amounts paid in settlement of any litigation commenced or threatened against the Authority or VRA, if such settlement is effected with the written consent of the Community; (ii) all expenses reasonably incurred in the investigation of, preparation for or defense of any litigation, proceeding or investigation of any nature whatsoever, commenced or threatened against the Community, the Project, the Authority or VRA; and (iii) the full amount of any judgments, penalties, fines, damages, assessments, indemnities or contributions; (iv) the reasonable fees and expenses of attorneys, auditors and consultants.

Nothing contained in this Section will require the Community to defend the Authority or VRA for any claim or liability resulting from the Authority's or VRA's gross negligence or willful or wrongful acts.

All references in this Section to the Authority and VRA include their respective members, directors, officers, employees and agents.

Section 5.5. Nature of Obligations of the Community. (a) Except as otherwise provided in this Section, the obligation of the Community to pay Rental Payments and all other amounts provided for in this Lease and to perform its obligations under this Lease will be absolute and unconditional, and such Rental Payments and other amounts will be payable without any rights of set-off, recoupment or counterclaim that the Community might have against the Authority, or any other person and whether or not the Project is used or occupied by the Community or available for use or occupancy by the Community.

(b) Notwithstanding anything in this Lease to the contrary, the Community's obligation to pay the cost and expense of performing its obligations under this Lease, including without limitation its obligation to pay all Rental Payments and all other amounts required to be paid by the Community under this Lease, is subject to and dependent upon appropriations being made by the Board for such purpose. The Community directs the County Administrator to include in the budget for each fiscal year of the Community during the Lease Term a request that the Board appropriate in the fiscal year the amount of Rental Payments and other payments due under this Lease during such fiscal year. A schedule setting forth the estimated annual payments payable by the Community under this Lease is attached hereto as Exhibit B. If at any time during any fiscal year of the Community, the amount appropriated in the budget of the Community for the fiscal year is insufficient to pay when due the Rental Payments and other amounts due under this Lease, the Community directs the County Administrator to submit to the Board at the next scheduled meeting of the Board or as promptly as practicable, but in any event within 45 days, a request for a supplemental appropriation sufficient to cover the deficit.

Section 5.6. Nature of Obligations of Authority. The cost and expense of the performance by the Authority of any of its obligations under this Lease will be limited to the availability of the proceeds of the Bonds issued for such purposes or any Net Proceeds or from other funds received by the Authority under this Lease and available for such purposes.

Section 5.7. Assignments of Lease by Authority and by VRA. The Community acknowledges that the payment obligations of the Community under this Lease will be assigned by the Authority to

VRA and by VRA to the Trustee under the Indenture pursuant to the Financing Agreement and the Indenture, respectively.

Section 5.8. Transfer Upon Termination. After all payments have been made pursuant to Section 5.2 or the Rental Payments have been prepaid in full pursuant to Section 5.3 and after payment in full of the Bonds and any Additional Bonds and the discharge of the Financing Agreement, the Community shall be deemed to have acquired all of the Authority's right, title and interest in the Project, the Real Estate and the Ground Lease. In such event, and upon request, the Authority will execute and deliver to the Community an appropriate instrument or instruments assigning, transferring and conveying to the Community all of the Authority's right, title and interest in the Ground Lease, the Real Estate and the Project free from any lien, encumbrance or security interest except such as may be created or permitted by the Community, but without other warranties, and will enter into an appropriate instrument terminating this Lease.

Section 5.9. Title to Project. This Lease is intended for security. For purpose of laws governing taxation, title to the Project and the Real Estate will be deemed to be in the Community at all times, subject to the Authority's right to possession upon the occurrence of an Event of Default or a failure by the Community to appropriate funds for Rental Payments.

Section 5.10. Additional Reserve Fund. (a) On or before the July 15, 1993 and on or before each July 15th thereafter, the Community shall deposit directly with the Trustee under the Indenture, an amount equal to at least one-third of the Community's Account Reserve Requirement (as defined in Section 7.6 of the Indenture) until the Community's Account of the Account Reserve Fund (as defined in Section 7.6 of the Indenture) contains at least the Community's Account Reserve Requirement. All amounts so deposited shall be held by the Trustee in accordance with Section 7.6 of the Indenture.

(b) Upon receipt by the Community of a notice of a deficiency in its Account of the Additional Reserve Fund, the Community shall deposit from available funds on or before the Replenishment Date (as defined in the Indenture) in its Account of the Additional Reserve Fund the amount necessary to meet the Community's Account Reserve Requirement as determined pursuant to Section 7.6 of the Indenture or the County Administrator of the Community shall promptly request the Board of Supervisors of the Community to appropriate funds in an amount sufficient to cure the deficiency, subject to and in accordance with this Section and Section 7.6(c) of the Indenture. The Board shall be under no legal obligation to appropriate funds for this purpose.

(c) Upon receipt by the Community of a notice of a valuation deficiency determined under Section 7.6 (d) of the

Indenture, the County Administrator shall deposit with the Trustee from available funds or shall request the Board of Supervisors to appropriate the Community's share of the valuation deficiency determined in accordance with the Additional Reserve Allocation Formula set forth in Section 7.6 (e) of the Indenture for deposit with the Trustee under Section 7.6 of the Indenture.

(d) In the case of a payment deficiency determined under Section 7.6 (b) of the Indenture, so long as the payment deficiency was not the result of a draw from the Additional Reserve Fund because of a default by the Community, the Community shall have no obligation to deposit funds with the Trustee to cure such deficiency or to request an appropriation for such purpose. If the payment deficiency in the Additional Reserve Fund was caused by a default by the Community, the County Administrator shall request the Board of Supervisors to appropriate funds for deposit with the Trustee to cure the payment deficiency.

(e) The balance, if any, in the Community's Account of the Additional Reserve Fund shall be refunded to the Community in the circumstances and at the time set forth in Section 7.6 (f) of the Indenture. The obligations of the Community under this Section are subject to termination as provided in Section 7.6 (g) of the Indenture.

Section 5.11 Capital Reserve Fund. (a) Upon receipt of a notice of a deficiency in the Capital Reserve Fund (as defined in the Indenture), the County Administrator of the Community shall deposit with the Trustee from available funds or shall request the Board of Supervisors to appropriate the amount required to be deposited by the Community hereunder to restore the Reserve Requirement (as defined in Section 7.5 of the Indenture) not later than the Replenishment Date (as defined in Section 7.5 of the Indenture), subject to and in accordance with this Section. The Board of Supervisors shall have no legal obligation to make such appropriations.

(b) Upon receipt by the Community of a notice of a valuation deficiency determined under Section 7.5 (c) of the Indenture, the County Administrator shall deposit with the Trustee from available funds or shall request the Board of Supervisors to appropriate the Community's share of the valuation deficiency determined in accordance with the Capital Reserve Allocation Formula set forth in Section 7.5 (d) of the Indenture for deposit with the Trustee under Section 7.5 of the Indenture.

(c) In the case of a payment deficiency determined under Section 7.5 (b) of the Indenture, so long as the payment deficiency was not the result of a draw from the Capital Reserve Fund because of a default by the Community, the Community shall have no obligation to deposit funds with the Trustee to cure such

deficiency or to request an appropriation for such purpose. If the payment deficiency in the Capital Reserve Fund was caused by a default by the Community, the County Administrator shall request the Board of Supervisors to appropriate funds for deposit with the Trustee to cure the payment deficiency.

(d) The obligations of the Community under this Section are subject to termination as set forth in Section 7.5 (g) of the Indenture.

Section 5.12 Interest on Final Term Bond. Upon receipt of notice of a deficiency from the Trustee under the Indenture pursuant to Section 7.3 (c) of the Indenture, the Community agrees to immediately pay to the Trustee under the Indenture its share of the deficiency determined in accordance with the Capital Reserve Allocation Formula, subject to Section 5.5 (b). The obligations of the Community under this Section shall survive and may be discharged as set forth in Section 7.3 (c) of the Indenture.

ARTICLE VI

OPERATION AND MAINTENANCE; INSURANCE

Section 6.1. Maintenance and Modifications by the Community. During the Lease Term, the Community will, at its own expense, keep the Project in as reasonably safe condition as its operation will permit and keep the Project in good repair and operating condition (normal wear and tear excepted). The Community will operate and maintain the Project and pay the cost of such operation and maintenance. The Community, as lessee, will provide services, including, but not to the exclusion of other items specified, water, heat, light, electricity, repairs, replacements, security, janitorial, cleaning and caretaking services, all at the Community's expense and without right of reimbursement from the Authority. The Authority as lessor will not be required to rebuild or to make any repairs, renewals or replacements of the Project of any nature whatsoever, and the Community expressly waives any right it may have to make any repairs, renewals or replacements at the expense of the Authority as lessor. The Community may make any additions, enlargements, improvements and expansions to, or repairs, reconstruction and restoration of, the Project that do not adversely affect the value of the Project or the structural integrity of any building or other structure forming a part of the Project. All additions, enlargements, improvements and expansions to, or repairs, reconstruction and restorations of, the Project must comply with all Applicable Laws and Section 7.2 of the Financing Agreement and shall become part of the Project.

Section 6.2. Taxes, Other Governmental Charges and Utility Charges. The Community will pay when due all taxes and governmental charges of any kind whatsoever lawfully assessed, levied or imposed against the Authority with respect to the Project or any machinery, equipment or other property installed in or brought by the Community to the Project. The Community will pay when due all utility and other charges incurred in the operations, maintenance, use and occupancy of the Project and all assessments and charges lawfully made by any governmental body for public improvements to the Project. The Community may, if permitted by and in accordance with Section 7.6 of the Financing Agreement, however, upon ten days' notice from the County Administrator to the Authority of the Community's intention to do so, at its own expense and in its own name or in the name of the Authority, contest in good faith any such tax, assessment, utility or other charge, in which event it may permit the charge to remain unpaid during the period of the contest and any appeal unless, in the opinion of the Authority, the action may subject to loss or forfeiture the assignment of the Basic Rent for the payment of the Bonds, in which event the charge will be promptly satisfied or secured by posting with an appropriate court of record a bond in form and amount satisfactory to the Authority. The Authority will cooperate with the Community in the conduct, at the expense of the Community, of any such contest and will, to the extent that it may lawfully do so, permit the Community to conduct the contest.

Section 6.3. Additional Rights of Community. The Community may from time to time, in its discretion and at its own expense, install machinery, equipment and furnishings at the Project. All machinery, equipment and furnishings installed by the Community will remain the property of the Community and the Authority will have no interest in it. All machinery, equipment and furnishings installed by the Community may be modified or removed at any time while the Community is not in default under this Lease so long as such removal or modification either does not damage the Project or the Community repairs any such damage.

Section 6.4. Insurance. (a) The Community will continuously maintain such insurance as may be required from time to time and pay all premiums when due to insure against such risks as are customarily insured against by public bodies for facilities and equipment similar in size and character to the Project, including, without limitation the insurance required under Section 8.1 of the Financing Agreement. The Community shall provide to the Authority on July 1 of each year during the Lease Term a certificate or certificates of the respective insurers evidencing the fact that the insurance required by this Section is in force and effect. All such insurance shall meet the requirements of and shall be maintained in accordance with the provisions of Section 8.2 of the Financing Agreement.

Section 6.5. Net Lease. This Lease will be deemed and construed to be a net lease, noncancellable by the Community during the Lease Term, and during the Lease Term the Community will pay absolutely net throughout the Lease Term the Rental Payments and all other payments required under this Lease, free of any or all deductions, diminutions and set-offs, and without abatement for casualty, loss of title, condemnation or any other reason.

Section 6.6. Advances by Authority. If the Community fails to make any payment or perform any act required of it under this Lease, the Authority, without prior notice to or demand upon the Community and without waiving or releasing any obligation or default, may (but will be under no obligation to) make the payment or perform the act. All amounts so paid by the Authority and all costs, fees and expenses so incurred as to such payment and performance will, together with interest at the annual rate borne by the Bonds, be payable by the Community as Additional Rent.

Section 6.7. Bond Holder's Rights to Enforce Payment. The Community acknowledges and consents to the provisions the Financing Agreement which permit the holder of the Bonds in its name or in the name of the Authority to enforce all rights of the Authority and all obligations of the Community under and pursuant to this Lease providing for any payment to be made by the Community under this Lease.

ARTICLE VII

DAMAGE OR DESTRUCTION

Section 7.1. Notice of Damage, Destruction or Condemnation. In case of (i) any damage to or destruction of any material part of the Project, (ii) a taking of all or any part of the Project or any right therein under the exercise of the power of eminent domain, (iii) any loss of the Project because of failure of title or (iv) the commencement of any proceedings or negotiations which might result in such a taking or loss, the Community shall give prompt notice thereof to the Authority describing generally the nature and extent of such damage, destruction, taking, loss, proceedings or negotiations.

Section 7.2. Damage and Destruction. If all or any part of the Project is destroyed or damaged by fire or other casualty, the Community shall promptly deposit any Net Proceeds with the Trustee (or the Local Paying Agent, if one has been appointed) to be applied to the optional redemption of Bonds under Section 6.2 (a) of the Financing Agreement at the earliest date on which Bonds can be called without premium under such Section 6.2 (a). In lieu of the foregoing, the Community with the prior consent of the Authority, may cause the Net Proceeds to be applied to the

restoration of the Project to substantially its condition before such damage or destruction, with such alterations as will not affect the utility of the Project. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Community shall pay so much of the cost as may be in excess of such Net Proceeds. Any balance of such Net Proceeds in excess of \$65,000 remaining after payment of the cost of such restoration shall be promptly deposited with the Trustee (or Local Paying Agent, if one has been appointed) and applied to the optional redemption of Bonds under Section 6.2 (a) of the Financing Agreement at the earliest date on which Bonds can be called without premium under such Section 6.2 (a). Any such balance of Net Proceeds in the amount of \$65,000 or less may be retained by the Community.

Section 7.3. Condemnation and Loss of Title. If title to or the temporary use of all or any part of the Project shall be taken under the exercise of the power of eminent domain or lost because of failure of title, the Community shall promptly deposit any Net Proceeds with the Trustee (or the Local Paying Agent, if one has been appointed) to be applied to the optional redemption of Bonds under Section 6.2 (a) of the Financing Agreement at the earliest date on which Bonds can be called without premium under such Section 6.2 (a). In lieu of the foregoing, the Community may cause the Net Proceeds to be applied to the restoration of the Project to substantially its condition before the exercise of such power of eminent domain or failure of title, with such alterations as will not affect the utility of the Project. If such Net Proceeds are not sufficient to pay in full the cost of such restoration, the Community shall pay so much of the cost as may be in excess of such Net Proceeds. Any balance of such Net Proceeds in excess of \$65,000 remaining after payment of the cost of such restoration shall be promptly deposited with the Trustee (or Local Paying Agent, if one has been appointed) and applied to the optional redemption of Bonds under Section 6.2 (a) of the Financing Agreement at the earliest date on which bonds can be called without premium under such Section 6.2 (a). Any such balance of Net Proceeds in the amount of \$65,000 or less may be retained by the Community.

Section 7.4 No Abatement of Rent. Damage destruction or condemnation of the Project will in no way annul or void this Lease or give rise to an abatement of the rent and the amounts payable under this Lease or release the Community from its obligations under this Lease.

ARTICLE VIII

SPECIAL COVENANTS

Section 8.1. Community's Right to Possession. Except as otherwise provided in this Lease, the Community will be in sole possession of the Project during the Lease Term. The Community may, by separate agreement subordinate to this Lease, retain the Authority to operate the Project on its behalf and in connection therewith perform the Community's obligations under Articles VI and VII of this Lease. If the Authority is so retained, the Community may deliver possession of the Project to the Authority for this purpose.

Section 8.2. Quiet Enjoyment. The Authority makes no representation or covenant that the Community will have quiet and peaceful possession of the Project, except that the Project is and will remain free from encumbrances, other than Permitted Encumbrances, done, made or knowingly suffered by the Authority or anyone claiming by, through or under it.

Section 8.3. Right of Inspection. The Authority, VRA and the Trustee under the Indenture and their duly authorized agents will have such rights of access to the Project as may be reasonably necessary for the proper maintenance of the Project in the event of the Community's failure to perform its obligations under Section 6.1. The Authority, VRA and the Trustee under the Indenture and their duly authorized agents have the right at all reasonable times to enter upon, examine and inspect any part of the Project and to examine the books and records of the Community insofar as they relate to the operations and maintenance of the Project.

Section 8.4. Covenant Not to Affect Tax-Exempt Status of Bonds. (a) The Community agrees that so long as it leases the Project under this Lease, it will not take any action nor permit any of its agencies or departments to take any action with respect to the Project which will adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation, including without limitation any action that would result in either (i) ten percent or more of the gross proceeds of the Bonds being considered as having been used directly or indirectly in any trade or business carried on by any person other than a governmental unit as provided in Section 141(b) of the Code, or (ii) five percent or more of such proceeds being considered as having been used directly or indirectly to make or finance loans to any person other than a governmental unit as provided in Section 141(c) of the Code.

(b) Without limiting the generality of the foregoing, the Community will, at its sole expense, take all action required under Section 148 of the Code and applicable regulations to prevent loss of the exclusion from federal income taxation of interest on the Bonds, including, but not limited to (i) paying on behalf of the Authority the "rebate amount" to the United

States in accordance with the "rebate requirement" described in Section 148 of the Code and applicable regulations; (ii) determining on behalf of the Authority, pursuant to such regulations the "rebate amount" and retaining records of all such determinations until six years after Payment of the Bonds, and (iii) complying with any requirements contained in any applicable Treasury Regulations.

(c) Neither the Community nor the Authority will (i) knowingly take any action, which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations, or (ii) barring unforeseen circumstances, use or approve the use of the proceeds from the sale of any Bonds otherwise than in accordance with the Authority's "Tax Compliance Agreement" (as defined in the Indenture) entered into immediately before the issuance and delivery of the Bonds.

Section 8.5. Mechanics' and Other Liens. Neither the Authority nor the Community will permit any mechanics' or other liens incurred by it or on its behalf to be established or remain against the Project, except that the Authority or the Community may, if permitted by and in accordance with Section 7.6 of the Financing Agreement, at its own expense and in its own name or in the name of the other, contest in good faith any lien, in which event the parties may permit the lien to remain unsatisfied and undischarged during the period of the contest and any appeal unless the action may result in the loss or forfeiture of any rights of the Authority under the Financing Agreement or this Lease, in which event the lien will be promptly satisfied or secured by posting with an appropriate court of record a bond in form and amount satisfactory to the Authority.

Section 8.6. Recording and Filing. The Community will, upon the request of the Authority or VRA, at its expense, record a counterpart of the Ground Lease, and this Lease, in the Office of the Clerk of the Circuit Court of the County of James City, Virginia, on or before the date of delivery of the Bonds.

Section 8.7. Notice of Appropriation. The Community will give notice to the Authority and VRA by no later than June 1st, of each year, while there remain Bonds Outstanding, of the amount appropriated by the Board for all payments required to be made by the Community under the Lease in the Fiscal Year commencing on the immediately succeeding July 1 and whether such amount is sufficient to meet all such required payments during such period. The Community shall provide the Authority and VRA with a copy of its adopted budget for each fiscal year during the term of this Lease promptly upon the adoption of the budget by the Board of Supervisors.

ARTICLE IX

ASSIGNMENT, SALE, ENCUMBRANCE AND SUBLETTING

Section 9.1. No Assignment, Sale or Encumbrance by Community. The Community will not sell, assign or otherwise dispose of or encumber its interest in the Project except as provided in this Article.

Section 9.2. Subletting by Community. (a) The Community may sublease space in the Project with the consent of the Authority and VRA (which consent will not be unreasonably withheld); provided, however, that no sublease will be made if it would (i) have any adverse effect upon or affect or reduce the Community's obligations under this Lease, (ii) be to a party that could not under the Act be the lessee from the Authority of all or any portion of the Project, or (iii) be contrary to law, or (iv) adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

(b) Before any sublease is made, the Community will cause to be delivered to the Authority and VRA an opinion of Bond Counsel that the sublease and the use of the Project by the sublessee will not cause the interest on any of the Bonds then outstanding to be included in gross income for purposes of federal income taxation.

(c) No sublease will relieve the Community from primary liability for any of its obligations under this Lease, and the Community will continue to remain primarily liable for the payment of Rental Payments and for the observance and performance of all of the Community's other agreements under this Lease.

(d) Each sublessee pursuant to this Section will, to the extent of the interest subleased to it, in writing (i) assume and agree to perform the obligations of the Community under this Lease and (ii) agree to attorn to the Authority and any other successor in interest to the Authority (whether pursuant to this Lease, the Financing Agreement or otherwise).

(e) The Community will promptly deliver executed counterparts of each sublease pursuant to this Section to the Authority and VRA.

Section 9.3 Granting of Easements. At the request of the Community and if permitted under Section 7.5 of the Financing Agreement, if the Community is not in default under this Lease, the Authority will grant or permit the Community to grant such easements, licenses, rights-of-way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Real Estate, free from the lien of

this Lease, or release existing easements, licenses, rights-of-way and other rights or privileges, with or without consideration, provided that the Community delivers to the Authority the following in form reasonably acceptable to the Authority.

(1) A copy of the proposed instrument of grant or release;

(2) A written application signed by the County Administrator requesting the Authority to execute the instrument; and

(3) A certificate of the County Administrator stating that the grant or release will not impair the effective use or interfere with the operation of the Project for the purpose for which it is then being used or is intended to be used and will not destroy or materially impair the means of ingress or egress to and from the Project.

Upon receipt of the above items, the Authority will promptly execute and deliver any and all instruments necessary or appropriate to confirm and grant any easement, license, right-of-way or other right or privilege and to release them from the lien of this Lease and will promptly furnish a copy of such instruments to VRA.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default. (a) An "Event of Default" or a "Default" means, whenever used in this Lease, any or more of the following events:

(1) Failure by the Community to pay, when due, any payments to be made under Section 5.2(a);

(2) Failure by the Community to pay when due any payment to be made under this Lease, other than payments under Section 5.2(a), which failure continues for a period of twenty days after written notice, specifying the failure and requesting that it be remedied, is given to the Community by the Authority;

(3) Failure by the Community to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Sections 10.1(a)(1) and 10.1(a)(2), which failure continues for a period of sixty days after notice, specifying the failure and requesting that it be remedied, is given to the Community by the Authority, or, in case of any such failure which cannot with diligence be

cured within such sixty day period, the failure by the Community to proceed promptly to cure the failure and thereafter to prosecute the curing of the failure with diligence;

(4) Any representation or warranty of the Community made herein proves to have been incorrect in any material respect when made;

(5) The entering of an order or decree appointing a receiver for all or any part of the Project or of the revenues from Project with the consent or acquiescence of the Community or the entering of an order or decree without the acquiescence or consent of the Community if it is not vacated, discharged or stayed within sixty days after entry;

(6) The institution of any proceeding, with the Community's consent or acquiescence for the purpose of effecting a composition between the Community and its creditors or for the purpose of adjusting such creditors claims pursuant to any federal or state statute now or hereafter enacted; or

(7) The institution of any bankruptcy, insolvency or other similar proceeding by or against the Community under any federal or state bankruptcy or insolvency law now or hereafter in effect, and, if instituted against the Community, if such proceeding is not dismissed within sixty days after filing.

(b) Notwithstanding anything contained in this Section to the contrary, a failure by the Community to pay when due any payment required to be made under this Lease or a failure by the Community to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease, resulting from a failure by the Board to appropriate money for such purposes after a request to appropriate in accordance with Section 5.5 (b), will not constitute an Event of Default. Upon any such failure, the provisions of Article XI will be applicable.

Section 10.2. Remedies. (a) Whenever any Event of Default has happened and is continuing, any one or more of the following remedial actions may be taken to the extent that those actions are consistent with the Act and the Financing Agreement, provided that the Authority has given notice of the Event of Default to the Community and the Event of Default has not been cured:

(1) The Authority may re-enter and take possession of all or any part of the Project without terminating this Lease, exclude the Community from possession of all or any part of the Project, and, for the account of the Community, keep in force and effect all subleases entered into pursuant to Section 9.2 which then are outstanding and sublease all or any part of the Project which then is not already so subleased to one

or more parties, in each case holding the Community liable for the difference in the rent and other amounts paid by the sublessee in such subleasing and the Rental Payments and other amounts payable by the Community under this Lease. Upon taking this remedial action, the Authority's leasehold interest in the Project and the leasehold estate under this Lease will not merge but will remain separate and distinct.

(2) The Authority may terminate this Lease as to all or any part of the Project, exclude the Community from possession of all or any part of the Project, and lease all or any part of the Project for the account of the Community to one or more parties, holding the Community liable for all Rental Payments and other amounts due under this Lease and not paid by the other party.

(3) The Authority may have access to and inspect, examine and make copies of, the books, records and accounts of the Community pertaining to the Project.

(4) The Authority may take whatever action at law or in equity may appear necessary or desirable to collect the payments then due and thereafter to become due, or to enforce performance and observance of any obligation or agreement of the Community under this Lease.

(5) The Authority may cease providing any solid waste disposal service related to the Project to the Community, whether under this Agreement or any other agreement or arrangement between the Authority and the Community related to the Project, and any and all such other agreements between the Authority and the Community are hereby deemed to be amended to allow such action by the Authority.

(b) The Authority will give notice to the Community of the exercise of any of its rights or remedies under this Section in the manner provided in Section 12.7 and by telephone or telegram; provided, however, that failure to give notice by telephone or telegram will not affect the validity of the exercise of any right or remedy under this Section.

(c) Any balance of the money collected pursuant to action taken under this Section remaining after payment of all costs and expenses of collection and amounts due as Additional Rent will be paid into the Bond Fund for application to the payment of the Bonds then outstanding in accordance with the provisions of the Financing Agreement, or, if Payment of the Bonds has occurred, to the Community.

Section 10.3. Reinstatement. Notwithstanding the exercise of any remedy granted by Section 10.2, if all arrears of the principal of and interest on the Bonds which have become due and

payable otherwise than by acceleration, and all other sums payable under the Financing Agreement, except the principal of such Bonds which by acceleration has become due and payable, have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses, including administrative expenses, of the holder of the Bonds (including reasonable attorneys' fees paid or incurred) and any acceleration under the Financing Agreement is rescinded, then the Event of Default under this Lease will be waived without further action by the Authority. Upon such payment and waiver, this Lease will be fully reinstated, as if it had never been terminated, and the Community will be restored to the use, occupancy and possession of the Project, except any portion of the Project with respect to which the Authority has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

Section 10.4. No Remedy Exclusive. No remedy conferred upon or reserved to the Authority in this Lease is intended to be exclusive of any other available remedy, but each remedy will be cumulative and will be in addition to every other remedy given under this Lease or now or hereafter existing at law, in equity or by statute. No delay or omission in exercising any right or power accruing upon any Event of Default will impair or will be construed to be a waiver of any right or power, but any right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it will not be necessary to give any notice, other than such notice as may be expressly required under this Lease.

Section 10.5. No Additional Waiver Implied by One Waiver. If any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, the waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach under this Lease.

Section 10.6. Attorneys' Fees and Other Expenses. The Community will on demand pay to the Authority the reasonable fees of attorneys and other reasonable expenses incurred by it in the collection of Rental Payments, the enforcement of any other obligation of the Community or in carrying out any of their respective obligations under this Lease.

ARTICLE XI

TERMINATION OF LEASE

Section 11.1. Termination of Lease by Authority. If, as a result of a failure of the Community to appropriate money for such purposes, the Community is unable to pay when due the

amounts required to be paid under this Lease or the Community is unable to observe and perform any covenant or agreement on its part to be observed or performed under this Lease, the Authority, will have the right to terminate this Lease. In order to exercise the right to terminate this Lease, the Authority must give thirty days' notice to the Community of the exercise of its rights pursuant to this Section and the date for the termination.

Section 11.2. Right to Lease Project. Upon the exercise of its right to terminate this Lease pursuant to Section 11.1, the Authority, may exclude the Community from possession of the Project and lease all or any part of the Project to one or more parties. Any proceeds from any lease of the Project will be applied in accordance with the Financing Agreement.

Section 11.3. Reinstatement. Notwithstanding any termination of this Lease by the Authority, in accordance with the provisions of Section 11.1, if all arrears of the principal of and interest on the Bonds which have become due and payable otherwise than by acceleration, and all other sums payable under the Financing Agreement, except the principal of such Bonds which by any acceleration has become due and payable, have been paid, all other things have been performed in respect of which there was a default and there has been paid the reasonable fees and expenses, including administrative expenses, of the holder of such Bonds (including reasonable attorneys' fees paid or incurred) and any acceleration under the Financing Agreement is rescinded, and if the Community has agreed to pay or provide for the payment of amounts under this Lease and if the Community observes or performs or agrees to observe or perform all covenants or agreements on its part to be observed or performed under this Lease, this Lease will be fully reinstated, as if it had never been terminated, and the Community will be restored to the use, occupancy and possession of the Project, except any portion of the Project with respect to which the Authority has entered into a firm bilateral agreement providing for its lease for a period of at least one year.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Successors and Assigns. This Lease is binding upon, inures to the benefit of and is enforceable by the parties and their respective successor and assigns, subject, however, to the provisions of Section 9.1 and 9.2.

Section 12.2. Severability. If any provision of this Lease is held invalid by any court of competent jurisdiction, the holding will not invalidate any other provision.

Section 12.3. Amendments. This Lease may not be amended before Payment of the Bonds except as provided in the Financing Agreement.

Section 12.4. Amounts Remaining Under Financing Agreement. It is agreed by the parties to this Lease that any amount with respect to the Bonds remaining in any fund or account created under the Financing Agreement will, after Payment of the Bonds belong to and be paid to the Community.

Section 12.5. Governing Law. This Lease will be governed by the laws of the Commonwealth of Virginia.

Section 12.6. Counterparts. This Lease may be simultaneously executed in several counterparts, each of which will be an original and all of which taken together will constitute one and the same instrument.

Section 12.7. Notices. Unless otherwise provided in this Lease, all demands, notices, approvals, consents, requests, opinions and other communications under this Lease must be in writing and will be deemed to have been given when delivered in person, or by Federal Express or a comparable express courier service, or when mailed by registered or certified mail, postage prepaid, addressed (i) if to the Community, Post Office Box 8784, Williamsburg, Virginia 23187, Attention: County Administrator or, (ii) if to the Authority, at 2 Easton Street, Suite 502, Hampton, Virginia 23666 Attention: Executive Director, The Authority and the Community, by notice given under this Lease, designate any additional or different addresses or persons to which subsequent demands, notices, approvals, consents, requests, opinions or other communications are to be sent.

Section 12.8. Liability of Authority. Notwithstanding any provision of the Bonds, the Financing Agreement, the Ground Lease or this Lease to the contrary, the obligations of the Authority under the Documents are not general obligations of the Authority, but are limited obligations payable solely from the revenues which are specifically pledged for such purpose. Neither the Bonds, the Financing Agreement, the Ground Lease or this Lease will be deemed to create or constitute a debt or a pledge of the faith and credit of the Commonwealth of Virginia or any of its political subdivisions, including the Community, and neither the Commonwealth of Virginia nor any of its political subdivisions, including the Authority, is obligated to pay the Bonds or the interest on or other costs incident to them except from the special funds pledged for such purpose.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed on their behalf by their duly authorized officers.

VIRGINIA PENINSULAS PUBLIC
SERVICE AUTHORITY

[SEAL]

By: *Daniel M. Shuck*
Chairman

ATTEST:

R. Gault Allen
Secretary

COUNTY OF JAMES CITY

[SEAL]

By: *Justin N. Hensley*

ATTEST:

Daniel M. Shuck
Clerk

RECORDED AS 15.

J. Hensley
Notary Public

COMMONWEALTH OF VIRGINIA)

COUNTY OF ESSEX)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, this 18th day of May, 1993, by Daniel M. Shuck, Chairman and R. Gault Allen, Secretary of the Virginia Peninsulas Public Service Authority, a political subdivision of the Commonwealth of Virginia, on behalf of the Authority.

My Commission Expires:

8/31/96
Shiranna E. Bredde
Notary Public

COMMONWEALTH OF VIRGINIA)

County of James City)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, the 20th day of May, 1993, by David E. Tamm, County Administrator, County of James City, Virginia, acting on behalf of the County.

My Authority Expires:

October 31, 1997

Mary Frances Rieger
Notary Public

COMMONWEALTH OF VIRGINIA)

County of James City)

The foregoing instrument was acknowledged before me in the jurisdiction aforesaid, the 20th day of May, 1993, by Judith N. Knudson, Chairman of the James City County Board of Supervisors, acting on behalf of the County.

My Authority Expires:

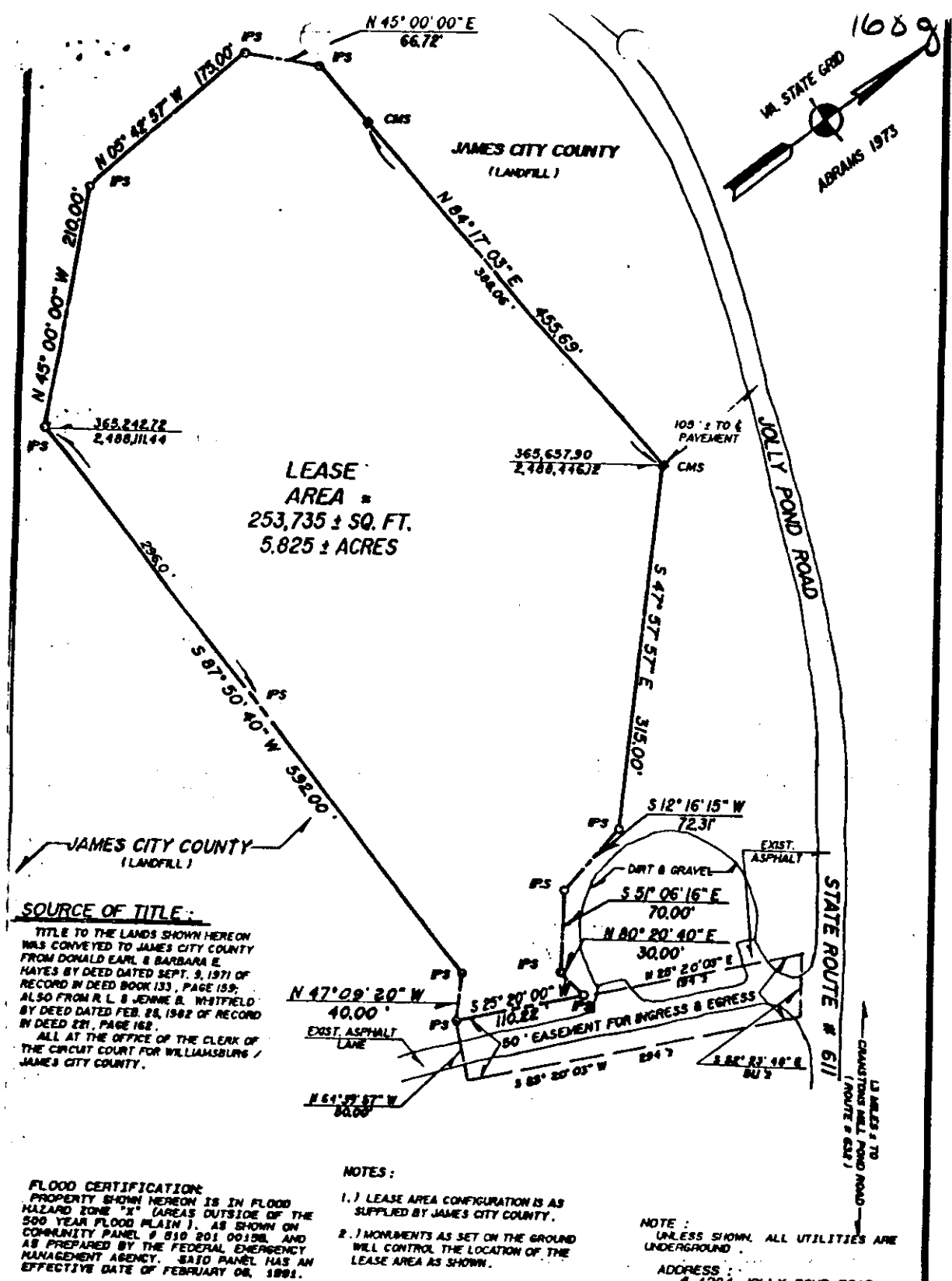
October 31, 1997

Mary Frances Rieger
Notary Public

Exhibit A

JAMES CITY

That certain parcel of land containing 5.825± Acres located in James City County, Virginia shown and set out as "Lease Area = 253,735± Sq. Ft. 5.825± Acres" on a plat entitled "Plat of Survey to Accompany a Lease Agreement Between James City County and Virginia Peninsulas Public Service Authority" made by Spearman & Associates, P.C. and dated January 7, 1993, revised March 25, 1993, a copy of which is attached hereto, TOGETHER WITH, a non-exclusive easement for ingress and egress from the parcel described above to State Route 611 over the area shown and set out as "50' Easement for Ingress & Egress" on the aforesaid plat.



SOURCE OF TITLE:

TITLE TO THE LANDS SHOWN HEREON WAS CONVEYED TO JAMES CITY COUNTY FROM DONALD EARL & BARBARA E. HAYES BY DEED DATED SEPT. 9, 1971 OF RECORD IN DEED BOOK 133, PAGE 159; ALSO FROM R. L. & JENNE B. WHITFIELD BY DEED DATED FEB. 28, 1982 OF RECORD IN DEED 221, PAGE 162. ALL AT THE OFFICE OF THE CLERK OF THE CIRCUIT COURT FOR WILLIAMSBURG / JAMES CITY COUNTY.

FLOOD CERTIFICATION:
PROPERTY SHOWN HEREON IS IN FLOOD HAZARD ZONE "X" (AREAS OUTSIDE OF THE 500 YEAR FLOOD PLAIN). AS SHOWN ON COMMUNITY PANEL # 810 201 00150L AND AS PREPARED BY THE FEDERAL EMERGENCY MANAGEMENT AGENCY. SAIO PANEL HAS AN EFFECTIVE DATE OF FEBRUARY 08, 1991.

NOTES:

- 1.) LEASE AREA CONFIGURATION IS AS SUPPLIED BY JAMES CITY COUNTY.
- 2.) MONUMENTS AS SET ON THE GROUND WILL CONTROL THE LOCATION OF THE LEASE AREA AS SHOWN.

NOTE:
UNLESS SHOWN, ALL UTILITIES ARE UNDERGROUND.
ADDRESS: # 1204 JOLLY POND ROAD

	REFERENCES: PB 28, P. 68 PB 37, P. 23	PLAT OF SURVEY TO ACCOMPANY A LEASE AGREEMENT BETWEEN JAMES CITY COUNTY AND VIRGINIA PENINSULAS PUBLIC SERVICE AUTHORITY LOCATED JAMES CITY COUNTY, VIRGINIA SPEARMAN & ASSOCIATES, P.C. SURVEYORS AND PLANNERS 488 MCLANS CIRCLE — WILLIAMSBURG, VA. (804) 253-8720
	LEGEND: IPF - IRON PIPE FOUND IPS - IRON PIPE SET IRL - IRON ROD SET IRL - IRON ROD FOUND BSL - BLDG. SETBACK LINE	
	DATE: JAN. 07, 1993 SCALE: 1" = 100' JOB 8187 PB "F"	
	REVISED: MAR. 25, 1993 — JO # 6260	

SERIES B - JAMES CITY COUNTY

Exhibit I

Fiscal Year	Local Bonds			Additional Reserve Fund	Capital Reserve Fund	VRA Annual Fee	Appropriation Amount	Projected Earnings (1)	Projected Cost
	Principal	Interest	Total						
1994	\$35,000.00	\$50,939.75	\$85,939.75	\$58,022.00	\$10,726.71	\$2,726.08	\$157,414.54	\$13,452.79	\$143,961.75
1995	70,000.00	103,410.43	173,410.43	58,022.00	10,726.71	2,684.88	244,844.02	13,411.59	231,432.43
1996	70,000.00	103,515.72	173,515.72	58,022.00	10,726.71	2,600.19	244,864.62	13,326.90	231,537.72
1997	75,000.00	98,428.74	173,428.74		10,726.71	2,510.93	186,666.38	13,237.64	173,428.74
1998	80,000.00	94,065.06	174,065.06		10,726.71	2,417.08	187,208.85	13,143.79	174,065.06
1999	85,000.00	88,545.48	173,545.48		10,726.71	2,317.51	186,589.70	13,044.22	173,545.48
2000	90,000.00	83,749.19	173,749.19		10,726.71	2,213.37	186,689.27	12,940.08	173,749.19
2001	90,000.00	83,712.57	173,712.57		10,726.71	2,103.50	186,542.78	12,830.21	173,712.57
2002	95,000.00	78,435.61	173,435.61		10,726.71	1,987.91	186,150.23	12,714.62	173,435.61
2003	95,000.00	78,979.45	173,979.45		10,726.71	1,866.60	186,572.76	12,593.31	173,979.45
2004	105,000.00	68,225.03	173,225.03		10,726.71	1,738.42	185,690.16	12,465.13	173,225.03
2005	115,000.00	58,041.00	173,041.00		10,726.71	1,604.52	185,372.23	12,331.23	173,041.00
2006	120,000.00	53,256.16	173,256.16		10,726.71	1,463.75	185,446.62	12,190.46	173,256.16
2007	125,000.00	48,118.83	173,118.83		10,726.71	1,314.97	185,160.51	12,041.69	173,118.83
2008	135,000.00	38,544.56	173,544.56		10,726.71	1,158.18	185,429.46	11,884.90	173,544.56
2009	140,000.00	33,567.45	173,567.45		10,726.71	992.24	185,286.40	11,718.95	173,567.45
2010	150,000.00	24,103.05	174,103.05		10,726.71	817.14	185,646.90	11,543.85	174,103.05
2011	155,000.00	18,269.89	173,269.89		10,726.71	631.74	184,628.34	11,358.45	173,269.89
2012	165,000.00	8,865.01	173,865.01		10,726.71	437.18	185,028.90	11,163.89	173,865.01
Total	\$1,995,000.00	\$1,214,772.97	\$3,209,772.97	\$174,066.00	\$203,807.51	\$33,586.21	\$3,621,232.69	\$237,393.72	\$3,383,838.97

(1) Anticipated Interest Earnings from Capital Reserve Fund and Revenue Fund.

MAR 1 1993

ORDINANCE NO. 107A-14

BOARD OF SUPERVISORS
JAMES CITY COUNTY
VIRGINIA

AN ORDINANCE TO AMEND AND REORDAIN CHAPTER 18, TAXATION, OF THE CODE OF THE COUNTY OF JAMES CITY, VIRGINIA, BY AMENDING ARTICLE I, IN GENERAL, BY ADDING SECTION 18-6, ADMINISTRATIVE FEE FOR COLLECTION OF DELINQUENT TAXES.

BE IT ORDAINED by the Board of Supervisors of the County of James City, Virginia, that Chapter 18, Taxation, is hereby amended and reordained by adding Section 18-6, Administrative fee for collection of delinquent taxes.

Chapter 18. Taxation

Article I. In General.

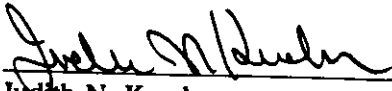
Section 18-6. Administrative fee for collection of delinquent taxes.

A. A fee of \$10.00 shall be imposed on delinquent taxpayers to cover the administrative costs associated with the collection of delinquent taxes. Such fee shall be in addition to all penalties and interest and shall be added to the outstanding balance.

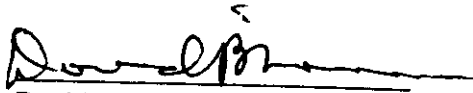
B. A fee of \$25.00 shall be imposed on delinquent taxpayers to cover administrative costs associated with the collection of delinquent taxes after a judgment or other judicial relief is obtained. Such fee shall be in addition to all penalties and interest and shall be added to the outstanding balance.

The effective date of this Ordinance shall be April 1, 1993.

Ordinance to Amend and Reordain
Chapter 18. Taxation
Page 2


Judith N. Knudson
Chairman, Board of Supervisors

ATTEST:


David B. Norman
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
TAYLOR	AYE
EDWARDS	AYE
DEPUE	AYE
SISK	AYE
KNUDSON	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 1st day of March
1993.

deltax93.ord