

RESOLUTION

PATRIOT'S COLONY, INC., REVENUE BOND ISSUE

WHEREAS, the Industrial Development Authority of the County of James City, Virginia (the "Authority"), has considered the application of Patriot's Colony, Inc., (the "Applicant"), a nonprofit Virginia non-stock corporation described in Section 501 (c) (3) of the Internal Revenue Code of 1986, as amended (the "Code"), and exempt from tax under Section 501 (a) of the Code having its principal place of business at 6000 Patriot's Colony Drive, Williamsburg, Virginia 23187. In that application, the Industrial Development and Revenue Bond Act, Chapter 33, Title 15.1 of the Code of Virginia of 1950, as amended (the "Act"), up to \$30,500,000 of its revenue bonds for the residence and care of the aged (the "Bonds"); and

WHEREAS, the proceeds of the Bonds will be used to assist the Applicant in: 1) financing the acquisition, construction and equipping of a 150-unit continuing care retirement facility for the residence and care of the aged, consisting of a five-story apartment building, a one-story community center and eight one-story attached villa courtyards, located on approximately 90 acres of land in James City County, Virginia (the "County") at 6000 Patriot's Colony Drive, Williamsburg, Virginia 23187 (the "Project") and 2) payment of the costs of issuing the Bonds. The Authority held a public hearing regarding this matter on behalf of the Authority and the County on January 13, 1997, which is a date within sixty (60) days of the adoption of this resolution; and

WHEREAS, Section 147(f) of the Code provides that both the governmental unit having jurisdiction over the issuer of private activity bonds and the governmental unit having jurisdiction over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds. The Project is located in the County, the Authority issues its bonds on behalf of the County and the Board of Supervisors of the County (the "Board") constitutes the highest elected governmental unit of the County; and

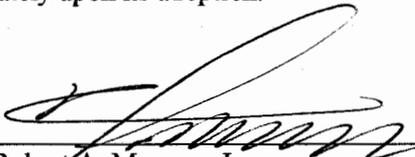
WHEREAS, the Authority has recommended that the Board approve the issuance of the Bonds and has forwarded to the Board 1) a copy of the Authority's resolution approving the issuance of the Bonds, subject to terms to be agreed upon, which was adopted following its public hearing on January 13, 1997; 2) a copy of the Fiscal Impact Statement submitted by the Applicant; and, 3) a reasonably detailed summary of the comments made at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia, that:

1. The recitals made in the first and second paragraphs of this resolution are hereby adopted as a part of this resolution.
2. The Board approves the issuance of the Bonds by the Authority in an aggregate principal amount not to exceed \$30,500,000 for the benefit of the Applicant, to the extent required by Section 147 (f) of the Code and Section 15.1-1378.1 of the Code of Virginia of 1950, as amended.
3. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Applicant or the Project, and, as required by the Act and Virginia law, the Bonds shall provide that none

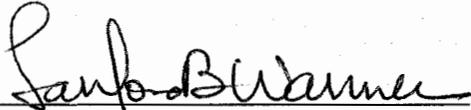
of the Commonwealth of Virginia, the County or the Authority shall be obligated to pay the principal, or premium, if any, of the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefor, and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the County, or the Authority shall be pledged thereto.

- 4. Pursuant to the limitation contained in Temporary Treasury Regulation Section 5f.103-2 (f) (1), this Resolution shall remain in effect for a period of one year from the date of its adoption.
- 5. The County, including its elected representatives, officers, employees, and agents shall not be liable and hereby disclaims all liability for any damage to the Applicant or the Project, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.
- 6. This resolution shall take effect immediately upon its adoption.



Robert A. Magoon, Jr.
Chairman, Board of Supervisors

ATTEST:



Sanford B. Wanner
Clerk to the Board

SUPERVISOR	VOTE
EDWARDS	AYE
TAYLOR	AYE
SISK	AYE
DEPUE	AYE
MAGOON	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 28th day of January, 1997.

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