

RESOLUTION OF THE BOARD OF SUPERVISORS

OF JAMES CITY COUNTY, VIRGINIA

WHEREAS, The Peninsula Ports Authority (the "Authority"), has considered the application of Patriots Colony, Inc. (the "Applicant"), a nonprofit Virginia nonstock 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 c/o Riverside Senior Services, 1010 Old Denbigh Boulevard, Newport News, Virginia 23602. In that application, the Applicant requested the Authority to issue, pursuant to Chapter 46 of the Virginia Acts of Assembly of 1952, as amended (the "Act") up to \$29,000,000 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 76 acres of land in James City County, Virginia (the "County") on the north side of State Route 5 opposite John Rolfe Lane and adjacent on its north and east boundaries to the Greensprings Plantation Historical Site (the "Project"); 2) funding capitalized interest on the Bonds; 3) funding a debt service reserve fund for the Bonds; and 4) payment of the costs of issuing the Bonds. The Authority held a public hearing regarding this matter on behalf of the Authority, the County and the City of Newport News, Virginia (the "City") on November 16, 1994, which is a date within sixty (60) days of the adoption of this resolution; and

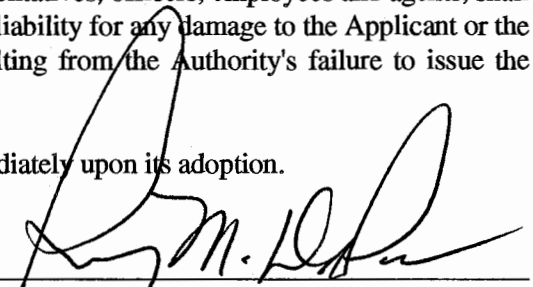
WHEREAS, Section 147(f) of the Code provides that both the governmental unit having jurisdiction over the issuer of private activity bonds and the governmental unit having jurisdiction over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds. The Project is located in the County, 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 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 November 16, 1994, a copy of the Fiscal Impact Statement submitted by the Applicant and a brief summary of the comments made at the public hearing.

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

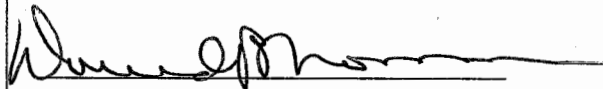
1. The recitals made in the first and second paragraphs of this Resolution are hereby adopted as a part of this Resolution.

2. The Board hereby ratifies the public hearing held on its behalf by the Authority on November 16, 1994, and the publication of notice thereof.
3. The Board approves the issuance of the Bonds by the Authority in an aggregate principal amount not to exceed \$29,000,000 for the benefit of the Applicant, to the extent required by Section 147(f) of the Code and Clause 2 of Chapter 514 of the Virginia Acts of Assembly of 1983.
4. 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 neither the Commonwealth of Virginia, the County, the City, nor 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 therefore and neither the faith and credit nor the taxing power of the Commonwealth of Virginia, the County, the City, or the Authority shall be pledged thereto.
5. 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.
6. 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.
7. This resolution shall take effect immediately upon its adoption.



Perry M. DePue  
Chairman/Board of Supervisors

ATTEST:



David B. Norman  
Clerk to the Board

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

Adopted by the Board of Supervisors of James City County, Virginia, this 5th day of December, 1994.