

AT A MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON SEPTEMBER 12, 2002, AT 1:30 P.M. IN THE BUILDING C CONFERENCE ROOM, 101 MOUNTS BAY ROAD, JAMES CITY COUNTY, VIRGINIA.

1. CALL TO ORDER

The meeting was called to order by Chairman Nichols at 1:35 p.m.

2. ROLL CALL

A roll call identified the following members present:

Mr. Gilbert Bartlett
Mr. John Berkenkamp
Mr. Alvin Bush
Mr. Vincent Campana, Jr.
Ms. Virginia Hartmann
Mr. Sterling Nichols
Mr. Mark Rinaldi

ALSO PRESENT

Keith A. Taylor, IDA Secretary
Ann Davis, IDA Treasurer
Bruce Goodson, Board of Supervisors IDA Liaison
William C. Porter, Assistant County Administrator
Kelly See, IDA Recording Secretary
Sandra Barner, County Economic Development Project Coordinator
Sue Mellen, County Director of Budget and Accounting
Lee Scruggs, Director, The College of William & Mary Technology and Business Center
Jeffrey Smith, Assistant Superintendent for Academic Services, Williamsburg-James City County Schools
Karen Thompson, Director of Curriculum and Staff Development, Williamsburg-James City County Schools
Stephen L. Johnson, James City County IDA Bond Counsel, Troutman Sanders LLP
William W. Harrison, Jr., CMCP-Williamsburg, LLC Bond Counsel, Williams Mullen
Doug Powell, County Assistant Manager of Community Services
Leo Rogers, Assistant IDA General Counsel

3. PERSONNEL MATTERS

a. Introduction of New IDA Director Mr. Alvin J. Bush

Mr. Nichols welcomed Mr. Alvin Bush as the newest member of the IDA.

b. Certificate of Appreciation for Mr. Jon Nystrom

Mr. Taylor read the Certificate of Appreciation for Mr. Jon Nystrom. On a motion by Mr. Berkenkamp, and a second by Mr. Bartlett, the Certificate of Appreciation Resolution was approved by unanimous voice vote.

4. APPROVAL OF MINUTES

On a motion by Mr. Bartlett and a second by Mr. Berkenkamp, the minutes from the July 18, 2002 regular and August 22, 2002 special meetings were approved by unanimous voice vote.

5. FINANCIAL REPORTS

a. Treasurer's and Financial Reports

Ms. Mellen presented the Treasurer's and Financial Reports and answered questions. On a motion by Mr. Bartlett, and a second by Mr. Berkenkamp, the Treasurer's and Financial Reports were accepted as presented by unanimous voice vote.

6. ACTION ITEM

a. Approval of James River Enterprise Zone Grant Request for Wal-Mart

Mr. Doug Powell, Enterprise Zone Administrator, requested that the IDA approve the application submitted by Wal-Mart for its first year Enterprise Zone grant. He stated that this grant amounts to \$149,625, .45% of Wal-Mart's assessed value on its first warehouse. Mr. Powell noted that Wal-Mart would soon be eligible for a grant based on its second warehouse since the two are separate projects. On a motion by Mr. Bartlett, and a second by Ms. Hartmann, the IDA approved the application submitted by Wal-Mart for its first year Enterprise Zone grant by unanimous voice vote.

7. PRESENTATIONS

a. The College of William & Mary Technology and Business Center

Mr. Nichols introduced Mr. Lee Scruggs, who gave a presentation on the vision, objectives, services and early results of the Technology and Business Center at the College of William & Mary. He then presented a funding request to the IDA for a \$20,000 challenge match grant. He explained that the additional funds from the James City County IDA would be used to establish and expand business services to local companies, the mentor program, the entrepreneurship forum and the intern program. Mr. Nichols stated that he had received a letter in May from the Williamsburg IDA indicating that if the James City County and York County IDAs each matched its contribution of \$20,000, it would contribute another \$20,000. Mr. Scruggs then answered questions from

the Directors. Mr. Bartlett made a motion to table any action on Mr. Scruggs' request until the request is reviewed by Staff and a recommendation is received from the County Administrator. The motion was seconded by Mr. Berkenkamp and approved by unanimous voice vote. Mr. Nichols thanked Mr. Scruggs for his presentation.

b. Williamsburg-James City County Schools High School Programming Recommendations Overview

Mr. Jeffrey Smith and Ms. Karen Thompson presented an overview of the high school programming committee recommendations and stated they were at the meeting to provide information and answer questions, as well as receive feedback from the Directors on the recommendations. Mr. Smith and Ms. Thompson then answered questions from the Directors. Mr. Smith asked the Directors to make any comments in writing so those comments could be submitted to the committee. The Directors agreed to make Ms. Hartmann the point of contact so that the Authority member's comments could be communicated with one voice.

c. CMCP-Williamsburg, LLC Revenue Refunding Bond Financing Request (Chambrel at Williamsburg Project)

Mr. Harrison gave an overview of CMCP-Williamsburg, LLC's Bond Financing Request for up to \$25 million worth of refunding bonds for the purpose of refinancing the Authority's currently outstanding Rental Housing Revenue Refunding Bonds (Williamsburg-Oxford Retirement Community Project) 1996 Series A and B. He stated that their opinion as bond counsel was that these bonds will be far more secure than the bonds currently outstanding due to the credit enhancement to be provided by Fannie Mae. He stated that the benefit to the County would be the continued requirement that 20% of the units leased at the Chambrel at Williamsburg facility be to low-and-moderate income individuals. Mr. Harrison then answered questions from the Directors.

Mr. Johnson stated that he had written a letter to the Authority members noting that in his opinion the application documents are in order and that he has no concerns about the application. Mr. Johnson then answered questions from the Directors.

8. PUBLIC HEARING

a. Proposed Revenue Refunding Bond Financing for CMCP-Williamsburg, LLC (Chambrel at Williamsburg Project)

Chairman Nichols opened the public hearing concerning CMCP-Williamsburg, LLC's bond financing request. There being no member of the public appearing to speak, Chairman Nichols then closed the public hearing.

9. ACTION ITEMS

a. Resolution Authorizing the Issuance of Revenue Refunding Bonds for CMCP-Williamsburg, LLC (Chambrel at Williamsburg Project)

On a motion by Mr. Bartlett and a second by Mr. Berkenkamp, the resolution authorizing the issuance of revenue refunding bonds for CMCP-Williamsburg, LLC was adopted by the following voice vote:

Mr. Bartlett	Aye
Mr. Berkenkamp	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Nichols	Aye
Mr. Rinaldi	Aye

b. Sponsorship of HRACRE Design Awards Competition

Mr. Taylor reported that the IDA had the opportunity again this year to sponsor the HRACE Design Awards Competition to be held in October. The sponsorship is \$300. On a motion by Mr. Berkenkamp and a second by Mr. Bartlett, the IDA approved the sponsorship of the HRACRE Design Awards Program by voice vote. Mr. Campana abstained from voting on this matter.

10. REPORTS

a. BOS Liaison to IDA

Mr. Goodson stated he had no report at this time. Mr. Rinaldi asked if the Board will be making Comprehensive Plan Steering Committee Appointments. Mr. Goodson said yes, but he did not know when.

b. Comp Plan/Planning Commission Liaisons

Mr. Rinaldi reported that the Community Participation Team had been formed, selected a Chairman and met several times. He reported that dates had been set for the Community Conversations. He further reported that Bob Demer had been selected as the consultant for the Comprehensive Plan update. Mr. Campana suggested the IDA invite Mr. Demer to a future meeting to present to the IDA on the Comprehensive Plan update. Mr. Taylor stated that Staff will send the dates of the Community Conversations to the Directors.

Mr. Rinaldi reported that he had attended the Planning Commission meeting on Monday. He stated that Colonial Williamsburg is seeking an Agricultural and Forestal District, or AFD, over Carter's Grove. Mr. Rinaldi suggested that the IDA or its Secretary write a

letter asking if the adoption of the AFD will in any way preclude the reclaimed waterline proposed to go from the Hampton Roads Sanitation District treatment plant to James City Energy Park. Mr. Bartlett made a motion that the IDA's Secretary inquire of the appropriate authorities if the proposed waterline can go across an AFD and report back to the IDA. The motion was seconded by Mr. Campana and approved by unanimous voice vote.

c. Peninsula Alliance for Economic Development

Mr. Taylor reported that Fred Paris had resigned as the Vice President of Marketing from the Peninsula Alliance and that Rick Weigel has secured a body of applicants for the position. Mr. Taylor reported that the Aviation World's Fair is still struggling to get big sponsorships. He further reported that the Alliance has hired a new Marketing Manager, Mary Aldrich.

d. Crossroads Project Liaison

Mr. Porter reported that the Crossroads group is still meeting and participating in planning the future of Eastern State.

e. Technology Initiatives

Mr. Campana reported that the IDA is going out to bid for a consultant study on Technology Policy and that the Request for Proposal would be advertised in Sunday's paper.

f. IDA Strategic Plan

Mr. Berkenkamp reported that he is looking for input on the To-Do's list created as a result of the IDA's June worksession. Mr. Berkenkamp suggested the IDA may want to consider using the College of William & Mary's Business School Field Studies program as a resource for studies that may need to be done.

g. Shell Building #2

Mr. Campana reported that he and the Shell Building team met with the McKinney and Company team on Monday for a kickoff meeting on the design of the second shell building. He stated the meeting was very productive and they will have another meeting in three weeks.

11. REPORTS OF THE ECONOMIC DEVELOPMENT STAFF

Mr. Taylor mentioned that the IDA's next meeting is scheduled for Thursday, November 21st. He stated that BASF will be invited to make a presentation to the Directors at that meeting.

Mr. Taylor invited each Director to sign up for a shift hosting at the Michelob Championship Skybox.

Ms. Barner reported that the next Business Leaders' Breakfast is scheduled for October 30th at the Williamsburg Marriott and will be about William & Mary's services to the business community. She also reported that the Peninsula Alliance annual meeting was to be held that evening.

Mr. Taylor reported that the Virginia Industrial Development Authorities Institute will be held in November at the Williamsburg Marriott and asked those Directors interested to contact the Economic Development office for further information.

Mr. Taylor further reported that the James River Commerce Center Association is thinking of hiring a property management company.

Ms. Barner reported that the grant for the road extension to the next shell building had been received. She also reported that the Truswood waterline site plan had come in and is now under review.

12. CLOSED SESSION TO CONSULT WITH LEGAL COUNSEL ON A SPECIFIC LEGAL MATTER REQUIRING THE PROVISION OF LEGAL ADVICE

IDA Secretary Taylor recommended the IDA go into Closed Session pursuant to Section 2.2-3711(A)(7) of the Code of Virginia to consult with legal counsel on a specific legal matter requiring the provision of legal advice. On a motion made by Mr. Bartlett and seconded by Mr. Berkenkamp, and approved by unanimous voice vote, the IDA went into Closed Session at 3:49 p.m.

The IDA reconvened in open session at 4:36 p.m. Mr. Nichols considered a motion from Mr. Berkenkamp, seconded by Mr. Bartlett, to approve the Resolution Certification of Closed Meeting. The motion was approved by the following roll call vote:

Mr. Bartlett	Aye
Mr. Berkenkamp	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Nichols	Aye
Mr. Rinaldi	Aye

RESOLUTION

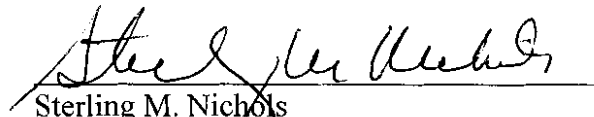
MEETING DATE: September 12, 2002

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Industrial Development Authority of the County of James City, Virginia (IDA) has convened a closed 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 2.2-3711 of the Code of Virginia requires a certification by the Board that such closed meeting was conducted in conformity with Virginia law.

NOW, THEREFORE, BE IT RESOLVED that the Industrial Development Authority of the County of James City, 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 closed meeting to which this certification resolution applies; and (ii) only such public business matters were heard, discussed or considered by the IDA as were identified in the motion, Section 2.2-3711(A)(7) of the Code of Virginia to consult with legal counsel on a specific legal matter requiring the provision of legal advice.


Sterling M. Nichols
Chairman, Industrial Development Authority

VOTE:

AYE: 7

NAY: 0

(For each nay vote, the substance of the departure from the requirements of the Act should be described)

ATTEST:


Keith A. Taylor
Secretary, Industrial Development Authority

Adopted by the Industrial Development Authority of the County of James City, Virginia, this 12th Day of September, 2002.

13. ACTION ITEM

a. Resolution Regarding Settlement of Performance Based Agreement with Deere and Company

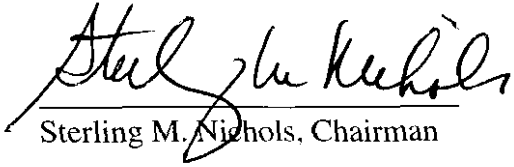
On a motion by Mr. Bartlett, and a second by Mr. Berkenkamp, the Settlement of Performance Based Agreement with Deere and Company Resolution was approved by unanimous voice vote.

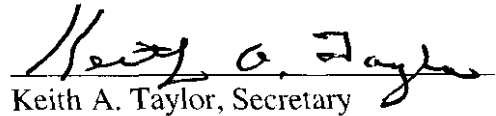
14. OTHER BUSINESS

There was no other business.

15. ADJOURNMENT

There being no further business Chairman Nichols entertained a motion from Mr. Bartlett to adjourn. The motion was seconded by Mr. Rinaldi and approved by unanimous voice vote. The meeting was adjourned at 4:40 p.m.


Sterling M. Nichols, Chairman


Keith A. Taylor, Secretary

**Treasurer's Report-FY 03
Industrial Development Authority
July - Aug 2002**

Rev Code	Revenue Source	Prior Collections	Collected this period	Collected to Date
021-325-0100	Lease Income	\$0.00		\$0.00
021-325-0200	Interest on Available Cash	\$0.00	\$400.68	\$400.68
021-325-0600	General Fund Contribution	\$0.00	\$130,474.24	\$130,474.24
021-325-0400	Bond Fee Revenue	\$0.00		\$0.00
021-325-0500	Land Contract Payment Revenue	\$0.00		\$0.00
021-325-0250	Misc Revenue	\$0.00		\$0.00
	Expense Reimbursement	\$0.00		\$0.00
	Total receipts this period		\$130,874.92	
	Fiscal Year Receipts			\$130,874.92
	Bank balance June 30, 2002			\$240,651.36
	Total Receipts			\$371,526.28
	Disbursements this Period	\$135,946.91		
	Previous disbursements			
	Total disbursements to Date			\$135,946.91
	Bank balance August 30, 2002			<u>\$235,579.37</u>

INDUSTRIAL DEVELOPMENT AUTHORITY
EXPENDITURES

James City County

11-Sep-02

IDA: Year (2003) Period (2)

Ledger ID	Ledger Description	Beg Budget	July	August	Encumb	Total YTD Exp	Balance
OPERATING EXPENSES							
021-010-0203	PROFESSIONAL SERVICES	\$35,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35,000.00
021-010-0205	PROMOTION	\$21,000.00	\$0.00	\$3,035.00	\$0.00	\$3,035.00	\$17,965.00
021-010-0210	INSURANCE	\$650.00	\$0.00	\$0.00	\$0.00	\$0.00	\$650.00
021-010-0220	TRAVEL & TRAINING	\$3,000.00	\$90.00	\$85.00	\$0.00	\$175.00	\$2,825.00
021-010-0222	LOCAL TRAVEL	\$200.00	\$24.62	\$0.00	\$0.00	\$24.62	\$175.38
021-010-0232	JAMES RIVER COMMERCE CTR - OPS	\$4,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,000.00
021-010-0234	STRAWBERRY PLAINS - OPS	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
021-010-0235	ANNUAL AUDIT	\$5,000.00	\$2,200.00	\$1,100.00	\$1,100.00	\$3,300.00	\$600.00
021-010-0245	MAINLAND FARM - OPER EXPENSES	\$100.00	\$5.50	\$0.00	\$0.00	\$5.50	\$94.50
021-010-0300	ADVERTISING	\$1,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000.00
021-010-0319	OFFICE SUPPLIES & EQUIPMENT	\$250.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00
021-010-0398	OED DISCRETIONARY EXPENDITURE	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,500.00
021-010-0600	SMALL BUSINESS ASSISTANCE	\$600.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600.00
	Total Operating Expenses	\$73,300.00	\$2,320.12	\$4,220.00	\$1,100.00	\$6,540.12	\$65,659.88
CAPITAL EXPENSES							
021-010-0405	CAPITAL EXPENDITURES	\$0.00	\$0.00	\$123,612.00	\$0.00	\$123,612.00	(\$123,612.00)
	Total Capital Expenses	\$0.00	\$0.00	\$123,612.00	\$0.00	\$123,612.00	(\$123,612.00)

INDUSTRIAL DEVELOPMENT AUTHORITY
EXPENDITURES

James City County

11-Sep-02

IDACIP: Year (2003) Period (2)

Ledger ID	Ledger Description	Begin Budget	July	August	Project to Date	Encumbrances	Ending Balance
	CAPITAL PROJECTS FUND						

	(PROJECT TO DATE)						

021-011-0200	JRCC	\$168,626.00	\$9,713.12	\$0.00	\$9,713.12	\$0.00	\$158,912.88
021-011-0300	ECONOMIC DEVELOPMENT	\$3,625,000.00	\$1,798,120.86	\$0.00	\$1,798,120.86	\$0.00	\$1,826,879.14
021-011-0350	INDUSTRIAL PROP/INFRASTRUCTUR	\$2,496,535.00	\$25,909.08	\$73.29	\$25,982.37	\$0.00	\$2,470,552.63
021-011-0400	SHELL INDUSTRIAL BLDG FUND	\$70,910.80	\$5,271.87	\$0.00	\$5,271.87	\$0.00	\$65,638.93
	Total Capital Projects Fund	\$6,361,071.80	\$1,839,014.93	\$73.29	\$1,839,088.22	\$0.00	\$4,521,983.58

INDUSTRIAL DEVELOPMENT AUTHORITY
BRIDGE BETWEEN TREASURER'S REPORT AND ACCOUNTING REPORTS
August 31, 2002

Total disbursements per treasurer's report		\$135,946.91
Total operating expenses	\$6,540.12	
Total capital expenses	\$123,612.00	
Total capital projects expenses	\$1,089.29	
Accounts payable:		
Dominion Virginia Power, Mainland Farm - operating expenses	\$5.50	
Landmark Design Group, surveying services	\$5,800.00	
Prepaid Expense:		
KPMG LLP, FY02 audit	(\$1,100.00)	
Total expenses		\$135,946.91
Net difference		\$0.00

**Industrial Development Authority
Estimated Revenue in FY03**

Account	Account Title	FY03 Estimated Revenue	
021-325-0400	Bond Fee Revenue	\$59,846.00	*
021-325-0600	JCC Contribution	\$35,000.00	
Total		\$94,846.00	**

* Estimated Bond Fee Revenue:

Greystone	\$5,688.00
Service Metal	\$2,911.00
CNU	\$6,247.00
Williamsburg Oxford	\$45,000.00
Total	\$59,846.00

** FY03 expenditure budget adopted by IDA totaled \$73,300. Therefore, revenue should cover anticipated expenses. The additional amount received would add to the fund balance.

RESOLUTION

CERTIFICATE OF APPRECIATION

WHEREAS, Jon A. Nystrom served as a member of the Industrial Development Authority of James City County from July 1987 to September 2002; and

WHEREAS, Jon A. Nystrom served as Chairman of the Industrial Development Authority of James City County from December 1990 to December 1998; and

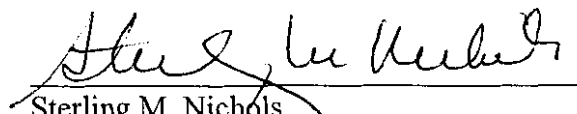
WHEREAS, Jon A. Nystrom was nominated by the Authority for the Virginia Economic Developers Association 1996 Volunteer of the Year Award in recognition of his successful leadership; and

WHEREAS, throughout this period of service Jon A. Nystrom gave freely of his time, his energy, and his knowledge for the betterment of his County, as an active member; and

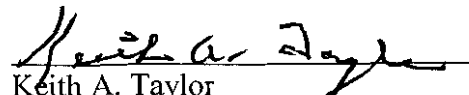
WHEREAS, Jon A. Nystrom consistently demonstrated those essential qualities of leadership, diplomacy, perseverance and dedication while providing exceptional service to the citizens of James City County.

NOW, THEREFORE BE IT RESOLVED, that the Industrial Development Authority of James City County, Virginia, hereby extends its sincere appreciation to Jon A. Nystrom and recognizes his distinguished service and dedication to the County and its citizenry.

BE IT FURTHER RESOLVED that this Resolution be spread upon the minutes of the Industrial Development Authority and that a copy be presented to Jon A. Nystrom.


Sterling M. Nichols
Chairman, Industrial Development Authority

ATTEST:


Keith A. Taylor
Secretary, Industrial Development Authority

Adopted by the Industrial Development Authority of the County of James City, Virginia, this 12th day of September, 2002.

**RESOLUTION OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE
COUNTY OF JAMES CITY, VIRGINIA
SEPTEMBER 12, 2002**

A RESOLUTION APPROVING THE ISSUANCE OF A SERIES OF BONDS DESIGNED AS THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA VARIABLE RATE DEMAND MULTIFAMILY HOUSING REVENUE REFUNDING BONDS (CHAMBREL AT WILLIAMSBURG PROJECT) SERIES 2002 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000 FOR THE PURPOSE OF REFUNDING ALL OF THE AUTHORITY'S CURRENTLY OUTSTANDING \$13,707,550 RENTAL HOUSING REVENUE REFUNDING BONDS (WILLIAMSBURG – OXFORD RETIREMENT PROJECT) 1996 SERIES A AND \$11,292,450 RENTAL HOUSING REVENUE REFUNDING BONDS (WILLIAMSBURG – OXFORD RETIREMENT COMMUNITY PROJECT) 1996 SERIES B (COLLECTIVELY THE "1996 BONDS"), THE PROCEEDS OF WHICH WERE USED TO REFUND THE AUTHORITY'S \$25,000,000 ELDERLY RESIDENTIAL MORTGAGE REVENUE BONDS (WILLIAMSBURG – OXFORD PROJECT) ISSUED IN 1985 (THE "1985 BONDS") THE PROCEEDS OF WHICH WERE USED TO FINANCE THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF A 256-UNIT ELDERLY RESIDENTIAL RENTAL PROJECT (THE "PROJECT") COMMONLY KNOWN AS CHAMBREL AT WILLIAMSBURG AND LOCATED AT 3800 TREYBURN DRIVE, WILLIAMSBURG, VIRGINIA; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATING TO SUCH 2002 BONDS AND THE SECURITY THEREFOR, INCLUDING EXECUTION AND DELIVERY OF AN INDENTURE, A FINANCING AGREEMENT, AN ASSIGNMENT AND INTERCREDITOR AGREEMENT, A BOND PURCHASE AGREEMENT, AN OFFICIAL STATEMENT AND A SECOND AMENDMENT TO LAND USE RESTRICTION AGREEMENT WITH RESPECT TO THE 2002 BONDS; AND AUTHORIZING VARIOUS OTHER ACTIONS IN CONNECTION THEREWITH.

WHEREAS, there has been presented to the Industrial Development Authority of the County of James City, Virginia (the "Authority") by and on behalf of CMCP – Williamsburg, LLC, a Delaware limited liability company (the "Owner"), its plans to refinance the \$13,707,550 Industrial Development Authority of the County of James City, Virginia Rental Housing Revenue Refunding Bonds (Williamsburg-Oxford Retirement Community Project) 1996 Series A (the "Series A Bonds") and \$11,292,450 Industrial Development Authority of the County of James City, Virginia Rental Housing Revenue Refunding Bonds (Williamsburg-Oxford Retirement Community Project) 1996 Series B (the "Series B Bonds" and, together with the Series A Bonds, collectively, the "1996 Bonds"), the proceeds of which were used to make a loan to Williamsburg-Oxford Limited Partnership, a Maryland limited partnership (the "Original Owner"), to refinance the Authority's \$25,000,000 Elderly Residential Mortgage Revenue Bonds (Williamsburg-Oxford Project) (the 1985 Bonds"), the proceeds of which were used to

make a loan to the Original Owner to finance the acquisition, construction, and equipping of a 256-unit elderly residential rental project commonly known as Chambrel at Williamsburg, located at 3800 Treyburn Drive, Williamsburg, Virginia (all land and improvements being collectively referred to as the "Project"); and

WHEREAS, the Owner has described to the Authority the benefits which the Project will continue to bring to James City County, Virginia, and its environs through the provision of housing, twenty percent (20%) of which is for occupancy by individuals of low or moderate income, and has requested the Authority to agree to issue its Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Chambrel at Williamsburg Project) Series 2002 (the "Bonds") pursuant to the Virginia Industrial Development and Revenue Bond Act (Chapter 49, Title 15.2 of the Code of Virginia of 1950, as amended)(the "Act") in a principal amount not to exceed \$25,000,000 to refund all of the 1996 Bonds; and

WHEREAS, the Authority has caused a notice of public hearing to be published in a newspaper of general circulation in James City County, Virginia, and has this date held a public hearing, all in accordance with the provisions of Section 147(f)(2) of the Internal Revenue Code of 1986, as amended and Section 15.2-4906, Code of Virginia, 1950, as amended, and other applicable laws of the Commonwealth of Virginia; and

WHEREAS, the Authority has found and determined that the issuance of the Bonds to refund the 1996 Bonds will be a benefit to James City County, Virginia and will be consistent with the general purposes of the Authority and the Act; and

WHEREAS, in connection with the issuance of the Bonds, there have been prepared and presented to this meeting the following documents, which shall be filed with the records of the Authority:

1. Trust Indenture, dated as of November 1, 2002 (the "Indenture"), by and between the Authority and Wachovia Bank, National Association, as Trustee (the "Trustee"), such Indenture containing an exhibit setting forth the form of the Bonds;

2. Financing Agreement, dated as of November 1, 2002 (the "Financing Agreement"), among the Authority, the Owner and the Trustee;

3. Second Amendment to Land Use Restriction Agreement, dated as of November 1, 2002 (the "Amended Land Use Restriction Agreement"), between the Owner and the Authority;

4. Bond Purchase Agreement, dated as of the date of its execution and delivery (the "Bond Purchase Agreement"), by and among the Authority, Newman & Associates, Inc. (the "Underwriter") and the Owner;

5. Form of the Authority's Official Statement, dated on or about the date of its distribution, relating to the issuance of the Bonds (the "Official Statement"); and

6. Assignment and Intercreditor Agreement, dated as of November 1, 2002 (the "Intercreditor Agreement"), among the Authority, the Trustee and Fannie Mae, a corporation organized and existing under the Federal National Mortgage Association Charter Act ("Fannie Mae") and

WHEREAS, the Bonds will be secured by the trust estate pledged therefor pursuant to the Indenture, including an assignment of the Authority's rights pursuant to the Financing Agreement (excluding the reserved rights specified therein), a promissory note issued pursuant to the Financing Agreement, a first lien deed of trust on the Project from the Owner to the Authority, which first lien deed of trust will be assigned by the Authority to the Trustee for the benefit of the Bondholder and to Fannie Mae, and by a direct pay enhancement instrument (the "Credit Facility") issued by Fannie Mae.

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

1. After considering the Owner's application to the Authority for issuance of the Bonds in a public hearing pursuant to proper notice, all as provided in Section 147(f)(2) of the Internal Revenue Code of 1986, as amended, and the applicable laws of the Commonwealth of Virginia, the Authority hereby finds and determines that the issuance of the Bonds (a) to refund the 1996 Bonds, the proceeds of which were used to make a loan to the Original Owner to refinance the 1985 Bonds, the proceeds of which were used to make a loan to the Original Owner to finance the acquisition, construction, and equipping of the Project located in James City County, Virginia and (b) to provide housing opportunities for citizens of low or moderate income, will be of benefit to James City County, Virginia, and will be consistent with the general purposes of the Authority and the Act.

2. The Authority hereby recommends that the Board of Supervisors of James City County, Virginia, approve the issuance of the Bonds by the Authority and directs the Chairman of the Authority to transmit the Fiscal Impact Statement, a copy of this resolution and a summary of the statements made at the public hearing to the Board of Supervisors of James City County, Virginia.

3. The proper representative of the Authority is hereby authorized and directed to transmit this recommendation to the members of the Board of Supervisors of James City County, Virginia at its next regular or special meeting at which this matter can be properly placed on the Board's agenda for hearing.

4. The Resolutions contained in Sections 1 – 3, inclusive, shall be in full force and effect upon their adoption and approval.

SUBJECT TO THE APPROVAL OF THE ISSUANCE OF THE BONDS BY THE BOARD OF SUPERVISORS OF JAMES CITY COUNTY, VIRGINIA BE IT

FURTHER RESOLVED BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA:

5. The Authority hereby authorizes the issuance of the Bonds to be designed as "Industrial Development Authority of the County of James City, Virginia Variable Rate Demand Multifamily Housing Revenue Refunding Bonds (Chambrel at Williamsburg Project) Series 2002. The Bonds shall be issued in an aggregate principal amount not to exceed \$25,000,000. The Bonds shall be dated such date or dates, shall mature on such date or dates not to exceed thirty (30) years from their date of issuance, shall be issued in such principal amount not to exceed \$25,000,000, such denomination or denominations, shall be subject to redemption at such time or times and upon such terms and conditions, shall be payable at the places and in the manner, shall be executed, authenticated and delivered and shall otherwise be in such form and subject to such terms and conditions, as set forth in the Indenture. The Bonds shall bear interest at an initial rate not to exceed 5% per annum and after the issuance of the Bonds, the interest rate thereon shall fluctuate from time to time in accordance with the terms of the Indenture.

6. The Bonds are hereby approved in substantially the form presented to this meeting and the Chairman and the Vice Chairman, either one or both, are hereby authorized and directed to execute and deliver the Bonds on behalf of the Authority, with such changes, insertions and completions therein as shall be approved by such person executing such document, such execution to constitute conclusive evidence of such approval and the approval of this body and the Secretary and Assistant Secretary, either one or both, are hereby authorized and directed to attest the Bonds and affix to the same the corporate seal of the Authority. THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON SHALL NOT BE DEEMED TO CONSTITUTE A DEBT OR A PLEDGE OF THE FAITH AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY. NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION THEREOF INCLUDING THE AUTHORITY AND JAMES CITY COUNTY SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO EXCEPT FROM THE REVENUES, RECEIPTS AND PAYMENTS PLEDGED THEREFOR AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE AUTHORITY AND JAMES CITY COUNTY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS OR OTHER COSTS INCIDENT THERETO.

7. The Indenture, the Financing Agreement, the Bond Purchase Agreement, the Amended Land Use Restriction Agreement, the Official Statement and the Intercreditor Agreement (collectively, the "Bond Documents") are hereby approved in substantially the form presented to this meeting and the Chairman and the Vice Chairman, either one or both are hereby authorized and directed to execute and deliver the Bond Documents on behalf of the Authority, with such changes, insertions, and

completions therein as shall be approved by such person executing such documents, such execution to constitute conclusive evidence of such approval and the approval of this body and the Secretary and Assistant Secretary, either one or both, are hereby authorized and directed to attest the Bond Documents and affix to the Bond Documents the corporate seal of the Authority, where necessary. The use and distribution of the Official Statement by the Underwriter in connection with the sale of the Bonds is hereby authorized.

8. The Chairman, Vice Chairman, Secretary and Assistant Secretary of the Authority (each, an "Authority Representative" which term shall include officers of the Authority designated as such pursuant to subsequent resolution of the Authority and any other duly acting officer of the Authority) are hereby each individually authorized and directed to do any and all things necessary or appropriate to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the Bond Documents and to perform all other acts of whatever nature necessary or appropriate in connection with the issuance of the Bonds that are in conformity with the purposes and intent of this Resolution and to insure that interest on the Bonds is and continues to be excluded from gross income for federal income tax purposes. Each Authority Representative shall be, and hereby is, further authorized and directed on behalf of the Authority to execute all additional documents, certificates and other instruments that may be required or appropriate for carrying out the authority conferred by this Resolution, whether prior to, at or after the issuance of the Bonds. Each Authority Representative shall be, and they hereby are, further authorized on behalf of the Authority to execute and deliver supplements or amendments to the Bond Documents and the other closing documents as shall be appropriate, permitted by the terms thereof and approved by the Authority counsel, including but not limited amendments and supplements in connection with any remarketing of the Bonds or the provision of credit enhancement or liquidity with respect to the Bonds or a portion thereof.

9. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any remaining provisions hereof.

10. To the extent that any prior resolutions of the Authority, or parts thereof, are in conflict with the provisions of this Resolution, the provisions of this Resolution shall be controlling.

11. The Resolutions contained in Sections 5 – 10, inclusive, shall be in full force and effect upon their adoption and approval and upon the approval of the issuance of the Bonds by the Board of Supervisors of James City County, Virginia.

Adopted this 12th day of September, 2002.

**INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF JAMES CITY, VIRGINIA
RECORD OF PUBLIC HEARING
(Chambrel at Williamsburg Project)**

The Chairman of the Industrial Development Authority of the County of James City (the "Authority") announced the commencement of a public hearing on the request of CMCP – Williamsburg, L.L.C. (the "Borrower"), and that a notice of the hearing was published once a week for two consecutive weeks in a newspaper having general circulation in James City County, Virginia, the first publication being not less than fourteen (14) days prior to the hearing and the second publication being not less than six (6) days and not more than twenty-one (21) days prior to the hearing. The Chairman indicated that a copy of the notice and a certificate of publication of such notice have been filed with the records of the Industrial Development Authority of the County of James City, Virginia.

The following individuals appeared before the Authority:

William W. Harrison, Jr. of the law firm of Williams Mullen

Stephen L. Johnson of the law firm of Troutman Sanders, LLP

Mr. Harrison gave a brief description of the Project (below defined). He explained that the Borrower has applied to the Authority for up to \$25,000,000 of its multifamily revenue refunding bonds to assist the Borrower for the purpose of refunding all of the Authority's currently outstanding \$13,707,550 Rental Housing Revenue Refunding Bonds (Williamsburg – Oxford Retirement Project) 1996 Series A and \$11,292,450 Rental Housing Revenue Refunding Bonds (Williamsburg – Oxford Retirement Community Project) 1996 Series B (collectively the "1996 Bonds"), the proceeds of which were used to refund the Authority's \$25,000,000 Elderly Residential Mortgage Revenue Bonds (Williamsburg – Oxford Project) issued in 1985 (the "1985 bonds") the proceeds of which were used to finance the acquisition, construction and equipping of a 256-unit elderly residential rental project (the "Project") commonly known as Chambrel at Williamsburg and located at 3800 Treyburn Drive, Williamsburg, Virginia (the "Project").

Mr. Harrison and Mr. Johnson answered various questions of the members of the Authority.

No other persons appeared to address the Authority, and the Chairman closed the public hearing.

The Authority hereby recommends that the Board of Supervisors of James City County, Virginia approve the issuance of the Authority's multifamily revenue refunding bonds in a principal amount not to exceed \$25,000,000 and hereby transmits the Fiscal Impact Statement to the Board of Supervisors of James City County and asks that this recommendation be received at its next regular or special meeting at which this matter can be properly placed on the Board's agenda for hearing.

RESOLUTION

**SETTLEMENT OF PERFORMANCE BASED AGREEMENT
WITH DEERE & COMPANY**

WHEREAS, the Industrial Development Authority of the County of James City, Virginia ("IDA") entered into a Performance Based Agreement, dated April 16, 1999, with Deere & Company ("Deere") which assured that John Deere Vehicle Group, Inc., a wholly owned subsidiary of Deere, would fulfill certain performance standards for 10 years in exchange for certain incentives provided directly by the IDA and indirectly by the Commonwealth of Virginia; and

WHEREAS, the John Deere Vehicle Group, Inc. anticipates closing its facility in James City County in the Fall of 2002 after approximately three years in James City County; and

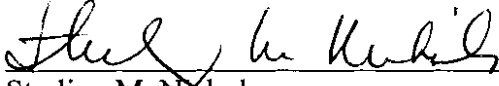
WHEREAS, the IDA and Deere agree that a settlement of the Performance Based Agreement resolving all obligations is in the best interests of each of the parties; and

WHEREAS, Deere has agreed to repay the IDA \$2,674,084 of the \$3,820,000 due under the Performance Based Agreement; and

WHEREAS, the IDA, Deere and the Commonwealth of Virginia have agreed that \$1,000,000 will be escrowed to provide incentives to a new qualifying user of the Deere facility or, if not used for that purpose, for another qualifying business in James City County; and

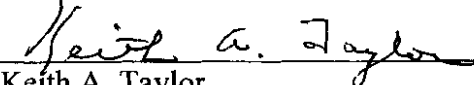
WHEREAS, of the \$1,000,000 in the escrow fund, up to \$700,000 will be used in accordance with the State's Governor's Opportunity Fund guidelines and up to \$125,000 may be used by Deere for marketing costs.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the IDA of the County of James City, Virginia hereby authorizes and directs its Chairman to execute a settlement agreement with Deere & Company based on the receipt of \$2,674,084 paid by Deere & Company to the IDA to resolve all outstanding obligations under the Performance Based Agreement.



Sterling M. Nichols
Chairman, Industrial Development Authority

ATTEST:



Keith A. Taylor
Secretary, Industrial Development Authority

Adopted by the Industrial Development Authority of the County of James City, Virginia, this 12th day of September, 2002.