

AT A SPECIAL MEETING OF THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE COUNTY OF JAMES CITY, VIRGINIA, HELD ON AUGUST 13, 2003, AT 4:30 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 Campana at 4:32 p.m.

2. ROLL CALL

A roll call identified the following members present:

Mr. Gilbert Bartlett  
Mr. Alvin Bush  
Mr. Vincent Campana, Jr.  
Ms. Virginia Hartmann  
Mr. Bernard Ngo  
Mr. Mark Rinaldi

ALSO PRESENT

Keith A. Taylor, IDA Secretary  
Kelly See, IDA Recording Secretary  
Sandra Barner, County Economic Development Project Coordinator  
Steve Johnson, James City County IDA Bond Counsel, Troutman Sanders LLP  
George Consolvo, Williamsburg Landing Bond Counsel, Kaufman & Canoles  
Alvin Anderson, Williamsburg Landing Counsel, Kaufman & Canoles

ABSENT

Mr. John Berkenkamp

3. PRESENTATION

a. Williamsburg Landing, Inc. Revenue and Refunding Bond Revised Plan of Finance Approval Request

Mr. George Consolvo, Bond Counsel for Williamsburg Landing, Inc., explained that the structure of Williamsburg Landing's financing had changed since the Authority approved the issuance of the revenue and refunding bonds at its May meeting. Mr. Consolvo explained the changes and the reason for them.

Mr. Steve Johnson, Bond Counsel for the IDA, stated that he had reviewed the resolution

and documents and found everything to be in order. Mr. Johnson asked Mr. Consolvo if Williamsburg Landing intended to pay the Authority's administrative fee as a one-time lump sum, as indicated in the loan agreement, rather than the yearly fee, as was indicated in the bond application. Mr. Consolvo stated that he would check with his client on their preference.

Mr. Rinaldi stated that he needed to recuse himself from the discussion and vote on this matter because of the relationship of his firm, LandMark Design Group, with Williamsburg Landing.

Mr. Ngo stated that he also needed to recuse himself from the discussion and vote on this matter because of the association of his firm, SunTrust Bank, with Williamsburg Landing.

4. ACTION ITEM

a. Resolution approving revised plan of finance for revenue and refunding bonds for Williamsburg Landing, Inc.

On a motion by Mr. Bartlett and a second by Ms. Hartmann, the resolution approving the revised plan of finance for revenue and refunding bonds for Williamsburg Landing, Inc. was adopted by the following roll call vote:

Mr. Bartlett	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Ngo	Abstain
Mr. Rinaldi	Abstain

5. OTHER BUSINESS

Mr. Taylor stated that Wythe Will Distributing has decided to expand with a new facility at Stonehouse Commerce Park. He reported that the Directors had received a copy of the IDA's 4.7-acre Performance Land Sales Agreement to be entered into with Wythe Will and that the Company's CFO had asked the IDA to go forward today with action authorizing the Chairman to execute the document on the IDA's behalf. Mr. Taylor also stated that a press release on Wythe Will's expansion plans will be issued on Friday for Saturday pickup.

Mr. Rinaldi stated that he needed to recuse himself from the discussion and vote on this matter because of the relationship of his firm, LandMark Design Group, with Wythe Will Distributing.

On a motion by Mr. Bartlett and a second by Mr. Bush, the IDA authorized its Chairman to execute the Performance Sales Agreement with Wythe Will Distributing, LLC on its behalf. The motion was approved by the following roll call vote:

Mr. Bartlett	Aye
Mr. Bush	Aye
Mr. Campana	Aye
Ms. Hartmann	Aye
Mr. Ngo	Aye
Mr. Rinaldi	Abstain

Mr. Taylor reported that the early bird deadline for sponsorship of the 2004 Michelob Light Open at Kingsmill was the next day. He asked for the IDA's concurrence to go ahead with a skybox sponsorship for next year's event at a cost of \$17,500. A discussion of the IDA's involvement in sponsoring the Michelob Light Open followed. Ms. Hartmann asked that the IDA explore the idea of sponsoring a villa for the 2005 event. Mr. Campana asked Mr. Ngo to look at the IDA's sponsorship options and provide an opinion to the other Directors as to the best option for 2005. Mr. Bartlett made a motion to authorize Mr. Taylor to sign the IDA up for a skybox sponsorship for the 2004 Michelob Light Open at a cost not to exceed \$17,500. The motion was seconded by Ms. Hartmann and approved by unanimous voice vote.

Mr. Rinaldi asked that a discussion of changing the IDA's name to "Economic Development Authority" be added to the agenda for the September meeting. Mr. Bartlett asked that some background material on what would be involved with such a change be provided to the Directors prior to the meeting.

6. ADJOURNMENT

There being no further business Chairman Campana entertained a motion from Mr. Rinaldi to adjourn. The motion was seconded by Ms. Hartmann and approved by unanimous voice vote. The meeting was adjourned at 5:07 p.m.

  
\_\_\_\_\_  
Vincent A. Campana, Jr., Chairman

  
\_\_\_\_\_  
Keith A. Taylor, Secretary

RESOLUTION OF  
INDUSTRIAL DEVELOPMENT AUTHORITY OF THE  
COUNTY OF JAMES CITY, VIRGINIA

WHEREAS, there has been described to the Industrial Development Authority of the County of James City, Virginia (the Authority), the plans of Williamsburg Landing, Inc. (the Corporation) to (a) finance the cost of constructing and equipping ten (10) new independent living units, including site preparation (the Project) at the Corporation's facility for the residence and care of the elderly known as Williamsburg Landing, located at 5700 Williamsburg Landing Drive, in James City County (the Facility), (b) refund up to \$36,870,000 in outstanding principal amount of the Authority's Residential Care Facility First Mortgage Revenue Bonds (Williamsburg Landing, Inc.) Series 1996A (the 1996A Bonds), (c) prepay a \$2,000,000 interim loan (the Interim Loan) with respect to the Project, (d) fund a debt service reserve fund, and (e) pay all or a portion of the costs associated with the issuance of the Bonds;

WHEREAS, under the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended (the Act), the Authority has been given the power to issue its revenue bonds from time to time and to use the proceeds thereof for the purpose of paying all or part of the cost of certain projects, including the Project, and to issue refunding bonds;

WHEREAS, the Authority has agreed to assist in the issuance and sale of up to \$50,000,000 in aggregate principal amount of its Industrial Development Authority of the County of James City, Virginia, Residential Care Facility Revenue and Refunding Bonds (Williamsburg Landing, Inc.), Series 2003A (the Series 2003A Bonds) and its Industrial Development Authority of the County of James City, Virginia, Residential Care Facility First Mortgage Revenue Bonds (Williamsburg Landing, Inc.), Series 2003B (the Series 2003B Bonds and collectively with the Series 2003A Bonds, the Bonds), the proceeds of which will be used to finance the costs of the Project, to refund the 1996 A Bonds, to prepay the Interim Loan, to fund a debt service reserve fund, and to pay all or a portion of the costs of issuance of the Bonds;

WHEREAS, a public hearing with respect to the Project, the Facility and the Bonds was held by the Authority as required by Virginia law and Section 147(f) of the Internal Revenue Code of 1986, as amended, on May 15, 2003; following the public hearing, the Authority adopted a resolution (the "Initial Resolution") in which it recommended that the Board of Supervisors of James City County, Virginia (the "Board") approve the issuance of the Bonds; the Authority provided to the Board the information described in Section 11 of the Initial Resolution; and the Board approved the issuance of the Bonds on June 10, 2003;

WHEREAS, the Corporation has elected to proceed immediately with implementing the plan of finance and issuing the Bonds in the aggregate principal amount not exceeding \$50,000,000 to be designated "Industrial Development Authority of the County of James City, Virginia, Residential Care Facility First Mortgage Revenue and Refunding Bonds (Williamsburg Landing, Inc.), Series 2003A" and "Industrial Development Authority of the County of James City, Virginia, Residential Care Facility First Mortgage Revenue Bonds (Williamsburg Landing,

Inc.), Series 2003B" pursuant to a Bond Purchase Agreement (the Bond Purchase Agreement) among the Authority, the Corporation and BB&T Capital Markets, a division of Scott & Stringfellow, Inc., and Davenport & Company LLC as Underwriters (the Underwriters);

WHEREAS, the Corporation has requested that the Authority proceed with the plan of finance heretofore described by the execution and delivery and/or approval of the following documents, all of which have been presented at this meeting in substantially final form:

(i) A Trust Agreement (the Trust Agreement) dated as of August 15, 2003, by and between the Authority and the Trustee named therein and herein and authorizing the issuance of the Bonds;

(ii) A Loan Agreement (the Loan Agreement) dated as of August 15, 2003, by and between the Authority and the Corporation, together with the Corporation's promissory note (the Note) executed and delivered pursuant to the Loan Agreement to evidence the loan made thereby and the form of assignment thereof from the Authority, without recourse, to the Trustee;

(iii) A Preliminary Official Statement to be dated on or about August 15, 2003, (the Preliminary Official Statement), pursuant to which the Underwriters will furnish certain information regarding the Bonds, the security therefor, the Corporation, the Project and the Facility;

(iv) The Bond Purchase Agreement; and

(v) A Remarketing Agreement (the Remarketing Agreement) dated as of August 15, 2003, by and among BB&T Capital Markets, the Authority and the Corporation, pursuant to which the Series 2003B Bonds are remarketed in accordance with the Trust Agreement.

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

1. It is hereby found and determined that the issuance of the Bonds will benefit the inhabitants of James City County, Virginia, increase their commerce, and promote their safety, health, welfare, convenience and prosperity.

2. The Trust Agreement, the Loan Agreement, the Bond Purchase Agreement, the Remarketing Agreement and the Note (hereinafter collectively referred to as the Bond Documents) are hereby approved in substantially the form submitted to this meeting, with such changes, insertions or omissions (including, without limitation, changes in the dates thereon) as may be approved by the Chairman or Vice Chairman of the Authority, upon advice of counsel to the Authority, which approval shall be evidenced conclusively by the execution and delivery of the Trust Agreement. As the Underwriters have not yet determined the final financing structure for the Bonds, the Chairman or Vice Chairman is hereby authorized to approve such final financing structure so long as (i) the net interest costs, taking into account any applicable original

issue discount (OID) of the Series 2003A Bonds, and the initial net interest cost, taking into account any applicable OID of the Series 2003B Bonds, does not exceed 6.80% per annum, (ii) the final maturity of the Bonds is not later than December 1, 2034, and the average maturity of the Bonds is not later than 24 years, (iii) the aggregate principal amount of the Bonds does not exceed \$50,000,000 and (iv) the Underwriters' discount (excluding OID) does not exceed 2% of the aggregate principal amount of the Bonds. The execution of the Bonds by the Chairman or Vice Chairman of the Authority shall constitute conclusive evidence of the Authority's approval of the final financing structure as determined by the Underwriters, subject to the foregoing limitations. The Authority hereby acknowledges that the Series 2003B Bonds will initially bear interest at a Flexible Rate, as defined in the Trust Agreement, in accordance with the provisions of the Trust Agreement, that such Flexible Rate will be adjusted from time to time as set forth in the Trust Agreement, and that no Series 2003B Bond will at any time bear interest at a rate in excess of fifteen percent (15%) per annum. All other terms of the Bonds as described in and provided by the Trust Agreement are hereby approved.

3. The execution and delivery of the Trust Agreement, the Loan Agreement, the Bond Purchase Agreement, the Remarketing Agreement and the assignment form attached to the Note and their delivery upon payment for the Bonds, and the execution and delivery of the Bonds and the use of the proceeds of the Bonds as set forth herein and in the Trust Agreement, are all hereby approved.

4. BB&T Capital Markets, a division of Scott & Stringfellow, Inc., and Davenport & Company LLC are hereby appointed Underwriters and BB&T Capital Markets is hereby appointed Remarketing Agent with respect to the Bonds under the terms set forth in the Bond Documents. The Chairman or Vice Chairman of the Authority is hereby authorized to appoint the Trustee under the Trust Agreement.

5. A draft Preliminary Official Statement is now on file with the Authority and is hereby approved. The distribution and use by the Underwriters of the Preliminary Official Statement prepared by counsel for the Underwriters and based upon information provided by the Corporation and other parties to the transaction (including the Authority but only to the extent of the information set forth in the Section entitled "The Authority" and in the first paragraph of the Section entitled "Litigation") is hereby approved. The Chairman or Vice Chairman is hereby authorized on behalf of the Authority to deem the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") prior to its use and distribution, except for the omission of certain pricing and other information allowed to be omitted pursuant to the Rule. The Chairman or Vice Chairman of the Authority is hereby authorized to execute a final Official Statement, appropriately dated, with appropriate completions, insertions, omissions and changes as shall be necessary to accurately describe the Bonds, the Corporation, the financing plan, the security for the Bonds, the Project and the Facility. The execution of the final Official Statement by the Chairman or Vice Chairman of the Authority shall constitute conclusive evidence of the Authority's approval of the final form of such final Official Statement and that the Authority has deemed the final Official Statement final within the meaning of the Rule as of its date.

6. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to complete, execute and submit to the Internal Revenue Service its Form 8038 with respect to the Bonds and to mail a copy thereof to the Board of Supervisors of James City County and the Virginia Department of Business Assistance in accordance with the Act.

7. The Chairman or Vice Chairman of the Authority is hereby authorized and directed, upon approval by counsel to the Authority, to execute and delivery a supplement to the Trust Agreement between the Authority and SunTrust Bank (formerly Crestar Bank) dated as of September 1, 1996, authorizing the issuance of the 1996 Bonds, in order to cure an omission contained therein relating to the definition of the Debt Service Reserve Fund established thereby.

8. Each officer of the Authority is authorized to execute and deliver on behalf of the Authority such instruments, documents or certificates and to do and perform such things and acts as they shall deem necessary or appropriate in carrying out the transactions authorized by this Resolution or contemplated by the Bond Documents, and all of such actions previously done or performed by the officers or directors of the Authority are in all respects approved, ratified and confirmed.

9. All costs and expenses in connection with the financing plan, including the fees and expenses of the Authority, and the fees and expenses of counsel for the Authority, shall be paid promptly from the proceeds of the Bonds to the extent permitted by law or from funds provided by the Corporation. If for any reason the Bonds are not issued, it is understood that all such fees and expenses (other than the Authority's annual fees and closing fees) shall be paid promptly by the Corporation upon presentation of an invoice and that the Authority shall have no responsibility therefor. The Corporation shall also pay the Authority's annual administrative fee as required by the Loan Agreement. The Corporation agrees to indemnify and save harmless the Authority's directors, employees, agents and counsel from and against all liabilities, obligations, claims, penalties, losses, costs and expenses in any way connected with the Project, the Facility, the application submitted to the Authority by the Corporation, the issuance of the Bonds or the refunding of the 1996A Bonds.

10. The Authority hereby agrees to the recommendation of the Corporation that Kaufman & Canoles, P.C., Norfolk, Virginia, be appointed as bond counsel and hereby appoints such firm to supervise the proceedings and approve the issuance of the Bonds.

11. All other acts of the officers of the Authority which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the Bonds and the refunding of the 1996A Bonds are hereby approved and confirmed.

12. This Resolution shall take effect immediately upon its adoption.

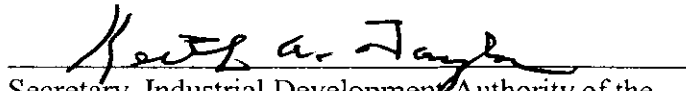
13. This Resolution shall expire if the Bonds have not been sold or this Resolution extended on or before the first anniversary date of the adoption of this Resolution.

14. The Authority acknowledges that the Bonds may be issued in one or more series of Bonds issued pursuant to the Trust Agreement in the event the Corporation elects to defer the refunding of the 1996A Bonds to achieve greater debt service savings, in which event, the Bond Documents approved hereby will be amended, or new documents, including an Official Statement, will be executed and delivered, all subject to approval by the Authority and its counsel, to provide for the issuance of such subsequent series of Bonds.

15. The Authority's Initial Resolution adopted on May 15, 2003, is hereby repealed to the extent, but only to the extent, that such resolution is inconsistent with this Resolution.

The undersigned hereby certifies that the above resolution was duly adopted by an affirmative roll call vote of a majority of the directors of the Industrial Development Authority of the County of James City, Virginia, at a meeting duly called and held on August 13, 2003, and that such resolution is in full force and effect on the date hereof.

Dated: August 13, 2003

  
Secretary, Industrial Development Authority of the  
County of James City, Virginia